

ReThink Pharmacy: New Models of Payment Connecting to the Clinical Community

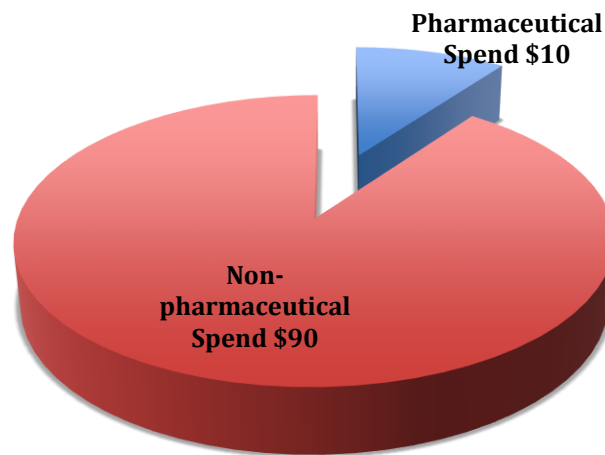
Are we ready for change?

"It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change."-Charles Darwin

Why change?

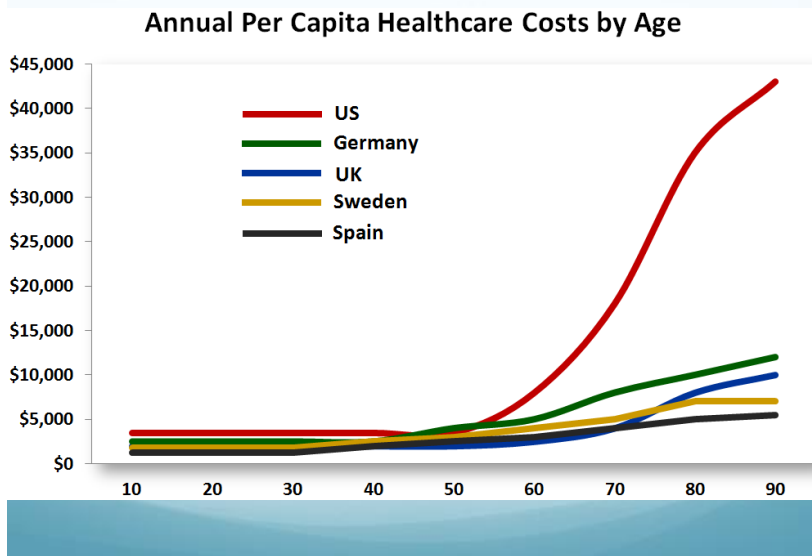
- ❖ We are currently utilizing the smallest piece of the pie

\$100 Health Care Expenditure



What is the problem with leaving things the way they are?

- ❖ The economics are driving us to change. It is a math problem. We (as a country) can not afford the system we are in. We have to bring a "new" value.
- ❖ When pharmacist are working at the top of their degree they are lowering the \$90 slice of the health care expenditure pie, not the \$10 piece we are currently paid from.
- ❖ By 2018, the White House plans to shift greater than 50% of their fee for service payments for health care to a value driven model



Source: www.forbes.com/sites/danmunro/2012/12/30/2012-the-year-in-healthcare-charts/

Connection to the healthcare team

Collaboration- n. - the act of working with someone to produce or create something.

There is a need for data connections and human connections.

With whom do we need to connect? A: Anyone in the medical home

We need a population view of the panel of patients we are managing and a way to determine who the patient is that has the most preventable risk(s).

Opportunities –what’s working?

- ❖ Focus on adherence
- ❖ Work with self-insured entities to help manage complex patients
- ❖ Work with payers
- ❖ Look for local opportunities
- ❖ “Strive to fill local needs rather than just prescriptions” - Tripp Logan, L&S Pharmacy

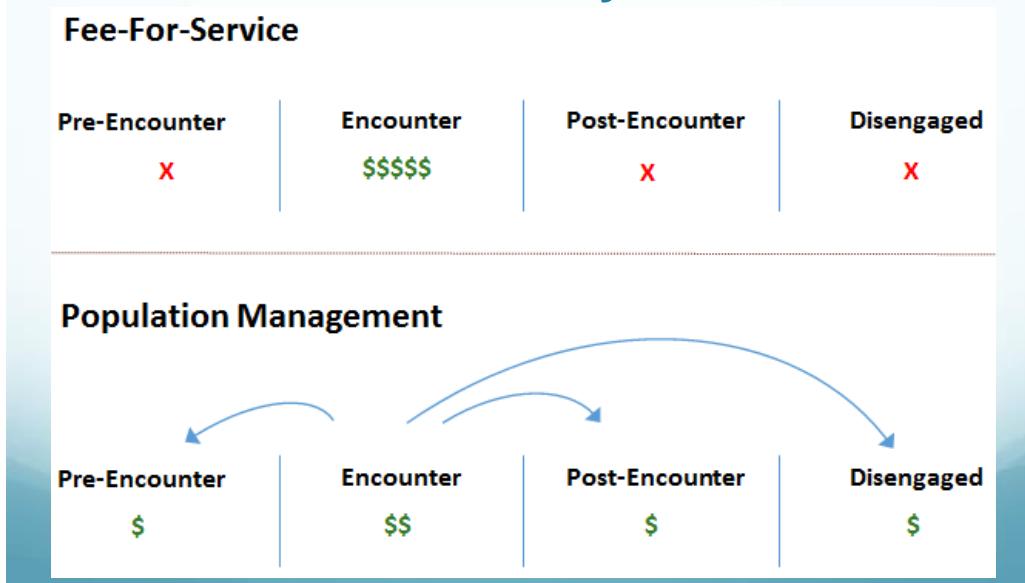
Embrace the change; pharmacies are making money on adherence programs!

- ❖ Increases in volume
- ❖ Increases in generic utilization
- ❖ Increases in efficiency
- ❖ Increases in traffic
- ❖ Decreases in inventory

Opportunity for Community Pharmacy in a New System:

- ❖ How can I help other Health Care entities improve their metrics?
- ❖ Pharmacy is highly underutilized in relation to education
- ❖ It is all about Panel Management
- ❖ The new game for community pharmacy is REFERRAL

....And the Shift is a Fundamentally Different Approach to Payment and Delivery



Slide Courtesy of Troy Trygstad, VP Pharmacy Programs, Community Care of North Carolina

What do we really bring to the table? A: Pharmacy Care Coordination

We put a lot of emphasis on clinical measures like avoiding high-risk medications, or ACEI or ARB utilization, but sometimes it is the non-clinical activities that mean the most

- ❖ Delivery (access to care)
- ❖ Med Sync
- ❖ Alter dosage form to enhance adherence
- ❖ Phone reminders
- ❖ Clearing up misperceptions about medication
- ❖ Help with prior authorizations

Patients who receive MTM services from community pharmacists are 3 times less likely to have a re-admission in the next 60 days.

Payment models

- ❖ Current: Volume, Growth, Market Share, Contract Price
- ❖ Future: Quality, Efficiency, Partnerships, Improving Population Health, Per Capita Costs, Services

Only 5-20% of all healthcare spending (depending on the healthcare payer) is spent on drugs. Approximately, 80-95% spent on hospitalization, diagnostic test, etc.

A payment model that accurately reflects risk and reward to the payer most aligns with long-term sustainability for community pharmacy.

A 55 year old male with diabetes and HgA1C=7.5 (Patient A) is a completely different risk and reward for the payer than a 55 year old male with diabetes & HgA1C=11.5 (Patient B) that has hypertension, and has been in the hospital twice and ED 1 time in the past 365 days.

Patient A may need a 45-minute coaching and education session once a year. Patient B may need 25-35 minutes of coordination each month with monthly 3-5 minute phone calls, delivery, med sync, and reports back to his care manager on an ongoing basis. These patients may never get “fixed,” only managed.

The model of payment for both of these patients cannot be the same. If it is the same, the payer will be over paying for one patient and under paying for the other. The risk is being pushed to the providers and appropriate payment must follow.

Referrals

In order to be a healthcare provider, we have to work as an integral part of the healthcare team. We have to share our information with someone other than the patient, and we have to be able to consume information from other healthcare professionals who may not be directly related to the dispensing of a prescription.

We must leverage technology so all of us can work at the top of our licenses. We also need to push our technology vendors to create technology that helps us work on the total cost of care, the pre-encounter and post encounter as opposed to technology that just supports the prescription filling process.

The system needs a way to refer the non-engaged patients to us so we can get them in the system.

The Challenge for You

Work this year to find ways to COLLABORATE better with other healthcare professionals to delivery more EFFECTIVE and more EFFICIENT care.

About the Author:

Joe Moose, PharmD, is a clinical pharmacist and co-owner of Moose Pharmacy and its 6 locations in NC. Joe received his Doctorate of Pharmacy from Campbell University (1990). Joe serves as a primary preceptor with the UNC Eshelman School of Pharmacy Community Pharmacy Residency Program. He is also a preceptor for students completing introductory and advanced practice experiential education rotations with the UNC Eshelman School of Pharmacy, Campbell University, and Wingate.

He has contributed to the state of North Carolina by serving on a variety of committees, including chairperson for the NC Medicaid Drug Utilization Review. In his role at Moose Pharmacy, he has established collaborative practice agreements with local physician's offices to integrate community pharmacists into a patient-centered medical home. Under his leadership, Moose pharmacy has also partnered with the City of Charlotte and Union County to manage employees enrolled in the diabetes management program. Working with his pharmacy staff, Joe has implemented and enhanced a variety of clinical services in his pharmacy, including MTM.

Joe also serves as a consultant to Community Care of North Carolina in the position of Lead Community Pharmacy Coordinator. In this role he has built a network of high quality community pharmacies that strive to offer enhanced value to payors.

He has maintained professional affiliations with the National Community Pharmacists Association and North Carolina Association of Pharmacists.