

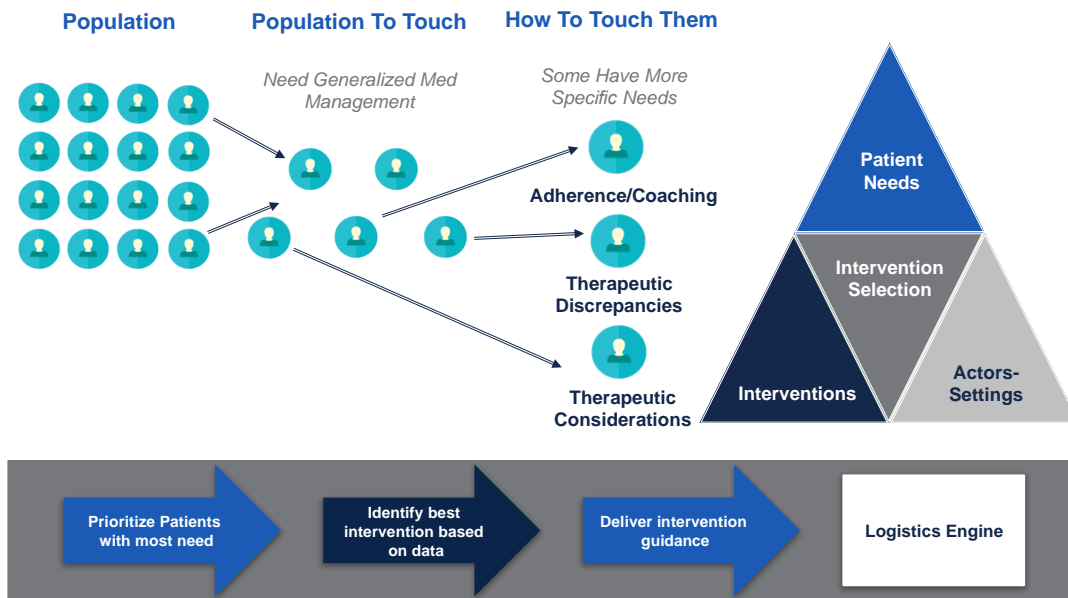
ReThink Pharmacy: New Models of Payment Population Health Management

“Pharmacy is an investment, not a cost center. It may be an efficient investment at times or it may be an inefficient investment at times depending on how the system performs, but it is an investment made to avoid downstream costs from “sick care” nonetheless. The future of community pharmacy is about maximizing that investment to the greatest effect.”-Troy Trygstad

Population Management - engaged network of healthcare professionals that participates in care improvement and cost effectiveness strategies for a specified group of patients



Slide courtesy of Community Care of North Carolina



Slide courtesy of Community Care of North Carolina

Payment models

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

Volume vs. Value

$$\text{Value} = \frac{\text{Health Outcomes Achieved}}{\text{Dollars Spent per Care Cycle}^1}$$

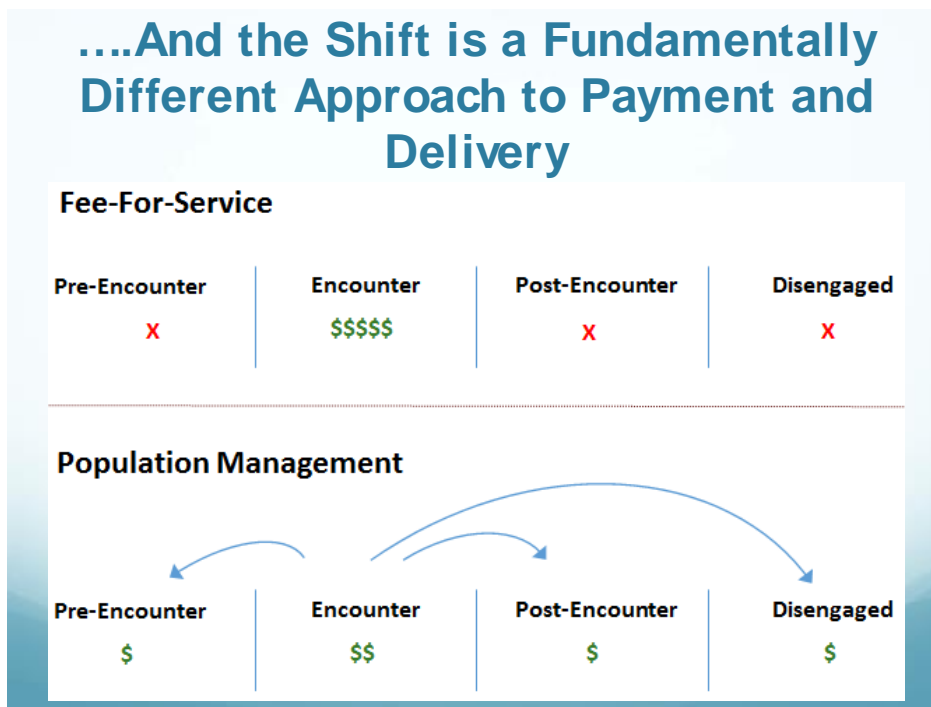
- ❖ How do we get into a valued workspace?
 - Help payers with their metrics
 - Help providers with their metrics
 - Differentiate yourself as a higher performer
 - Differentiate yourself as someone who can influence outcomes
- ❖ How do we get compensated for valued services?

- Fee for service
 - Fee for performance
 - Per member per month
- ❖ How do we get into a “different” payment model?
 - Ask
 - Communicate your value

Principles of Accountable Care

- ❖ Responsible for Outcomes – Prescribing Rates vs. Filling Rates vs. Heart Attacks
- ❖ Longitudinal View of both Cost and Quality –Responsible for a patient’s health over a defined period of time (no dumping)
- ❖ Responsible for Care Delivered by Others – Responsible for a patient’s care regardless of time and place
- ❖ “Reaching Outside the Four Walls of the Your Practice Site” – Established care team with meaningful and efficient relationships

Moving Away from an Encounter-Based Payment Model



Slide courtesy of Troy Trygstad, PharmD, PhD, MBA VP Pharmacy Programs, Community Care of North Carolina

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 (working with a group of the highest preventable risk patients)
- ❖ The new game for community pharmacy is REFERRAL

Pharmacy is an investment not a cost center

Referrals

- ❖ Drive referrals through quality
- ❖ We are accountable and measured on quality
- ❖ Recognize a patient with a need and connect them with a healthcare professional that can fulfill that need
- ❖ Generate Ability to Differentiate High Performing Pharmacies
 - So Payers can Differentiate Relationship
 - So Providers can Differentiate Relationship

What Are We Learning?

- ❖ How to divide the workforce of pharmacy to deliver outcomes
- ❖ The connection the community pharmacist has with the healthcare team may be as important as the connection with the patient
- ❖ The ability to connect a healthcare provider with a patient in the home is highly valuable
- ❖ The value we bring may not be just clinical

What Does Victory Look Like?

- ❖ Preserve Product Reimbursement
- ❖ Preserve In-Network Status with PBMs
- ❖ Penetrate Medical Benefit/Budget
- ❖ Distinguish High Performing Pharmacies from Everyday Pharmacies in Minds of Providers and Patients/Caregivers for At Risk Patients
- ❖ Develop a sustainable model where payment is based off of value of the CMS Triple Aim and not a race to the bottom²

¹ Adapted from Harvard Business Review Webinar The Strategy that Will Fix Health care (20601) Featuring Harvard Business School Professor Michael E. Porter and Press Ganey CMO Dr. Thomas H. Lee, Sept. 24, 2013

² Berwick,DM, et al. "The Triple Aim: Care, Health, and Cost." Health Affairs. no. 3 (2008): 759-769.

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 Eshlman 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.