Statement of the
National Community Pharmacists Association (NCPA)
Examining the Medicare Part D Medication Therapy Management Program
Energy and Commerce Committee: Subcommittee on Health
October 21, 2015

Chairman Pitts, Ranking Member Green, and members of the Committee,

As the Committee examines the Medication Therapy Management (MTM) program in Medicare Part D, the National Community Pharmacists Association (NCPA) appreciates the opportunity to provide our perspective on the program, as well as recommendations on how the program can be enhanced as it enters its tenth year.

NCPA represents the interests of pharmacist owners, managers and employees of more than 22,000 independent community pharmacies across the United States. Together they represent an $81.4 billion health care marketplace, employ over 300,000 full-time employees and dispense nearly half of the nation's retail prescription medicines. Independent community pharmacists are proud to play a vital role in the Medicare Part D program, and have been on the front lines of providing medications, related counseling, and assistance with plans since the inception of the Part D program.

More than any other segment of the pharmacy industry, independent pharmacies are often located in the underserved and rural areas that are home to many Medicare recipients. In fact, independent pharmacies represent 52% of all rural retail pharmacies and there are over 1,800 independent community pharmacies operating as the only retail pharmacy within their rural communities.[1]

Medication Therapy Management Program (MTM) under Part D: a work in progress

NCPA believes that prevention is the best medicine, and whether it's catching a medication error before it leads to a hospitalization or effective chronic disease management, MTM services present an opportunity to improve patient care while providing greater efficiencies within the healthcare system.

Recent evidence from both CMS data and the Congressional Budget Office (CBO) confirms the positive impacts associated with comprehensive medication reviews, a component of MTM, not only in relation to improved adherence and health outcomes, but also in medical savings.[2,3] In addition to studies conducted by CMS and CBO, additional studies have shown that adherence and MTM services can lead to a reduction in overall healthcare expenditures.

MTM can lead to savings through different methods: a comprehensive medication review (CMR) is an opportunity for a pharmacist to review a patient's entire medication regimen, and identify potential cost-effective alternatives or eliminate duplicate therapies. MTM is also intended to improve medication adherence, which may increase drug spend through greater utilization, however studies have found that higher rates of

[1] Based on NCPA Analysis of National Council for Prescription Drug Programs (NCPDP) data, Rural Urban Commuting Area (RUCA) Codes, and 2000 U.S. Census data.
[2]CMS Center for Medicare & Medicaid Innovation ,Medication Therapy Management in Chronically Ill Populations: Final Report, August 2013
[3] Congressional Budget Office, Offsetting Effects of Prescription Drug Use on Medicare's Spending for Medical Services, November 2012.

100 Daingerfield Road
Alexandria, VA 22314-2888
(703) 683-8200 PHONE
(703) 683-3619 FAX

medication adherence result in significantly fewer hospitalizations and lower health care costs, and that these savings are actually greater in patients over age 65.[4]

MTM services have proven to be a cost-effective care delivery model that provides enhanced quality to those that qualify. However, we remain concerned with the low enrollment figures for the MTM program**,** which we believe is due to variability in eligibility criteria for MTM set by Plan Sponsors, and the way MTM is structured in Part D, with little incentive for innovation. While we are encouraged by the recent announcement by the Innovation Center from CMS of a demonstration project examining new payment models for MTM, NCPA believes that changes to the current program can and should be made without the need to wait for final results of the Part D Enhanced MTM Model.

In fact, the Center for Medicare and Medicaid Innovation (CMMI) has already been studying the merits of MTM and released a set of recommendations on how the program can be improved overall. NCPA strongly recommends that CMS apply the findings from CMMI's review, *Medication Therapy Management in Chronically Ill Population: Final Report*. The study found that the best-performing Part D organizations were able to improve medication adherence and quality of prescribing while keeping health care costs (including drugs) from rising. In addition, the practices from high-performing MTM programs described in the CMMI report exemplify how NCPA believes MTM should be executed:

- establishing proactive and persistent CMR recruitment efforts;
- targeting and aggressively recruiting patients to complete a CMR based on information on medical events such as recent a hospital discharge in addition to scanning for the usual MTM eligibility criteria; and
- coordinating care by utilizing trusted community relationships including networks of community pharmacists to recruit MTM eligible candidates, and utilizing existing working relationships between MTM providers (pharmacists) and prescribers to make recommendations and discuss identified problems for patients.

NCPA's Recommendations for Medicare Part D MTM Reform:

- NCPA supports S. 776, the *Medication Therapy Management Empowerment Act of 2015*, which would revise the eligibility requirements so that beneficiaries with a single, specified chronic condition may be provided MTM. In addition, we strongly supported CMS' proposal to expand MTM eligibility criteria. We also support current efforts by CMS to gather feedback on MTM programs, including a review of current MTM programs and services and developing recommendations for changes and standards for Part D MTM programs, services, and documentation.
- The current Part D infrastructure is not built to support MTM expansion. As the healthcare payment paradigm shifts from a volume- to value-based system, we would strongly encourage the structure of the MTM benefit be reconsidered to one that is rewarded for quality improvement. We urge CMS to clarify that all MTM activities, including efforts to expand such activities beyond the regulatory minimum, are a 'quality improving activity' for the purpose of calculating the Medical Loss Ratio (MLR) and bidding for Part D plans.
- MTM billable services should be expanded beyond CMR to include targeted interventions that lead to positive outcomes before patients meet CMS defined MTM eligibility criteria. This could include pharmacist referrals of patients who are identified as appropriate candidate for MTM. We strongly believe that more beneficiaries can benefit from the Part D MTM program and we hope the Committee will work with CMS to create an innovative payment structure for MTM in the Part D program that aligns interests and provides meaningful quality improvement while providing overall savings to the cost of care.

[4] M. Christopher Roebuck, Joshua N. Liberman, Marin Gemmill-Toyama and Troyen A Brennan. Medication Adherence Leads To Lower Health Care Use And Costs Despite Increased Drug Spending. *Health Affairs*, 30, no.1 (2011):91-99

- Revise the eligibility requirements so that beneficiaries undergoing a transition of care from one setting to another (identified either by provider referral or CMS notification of Part D Plans) may be provided MTM. Utilize community pharmacists to recruit MTM eligible candidates. Community pharmacists are in the best position to identify patients who need further intervention. In order to most appropriately and effectively recruit patients for MTM, a qualifying event(s) (independent of health plan) should be created. Events should be based on pharmacist judgment/criteria and could include the following: patient was hospitalized in previous month, or patient reports side effect. In addition, pharmacy claims metrics such as acute to chronic medication ratios, average number of medications within a class, new therapies in high risk categories, or use of more than 3 chronic medications could be utilized, as examples.
- It is important to expand the number of metrics related to MTM services and NCPA supports a move toward including more clinical and less process-based measures in rating Part D plans.
- NCPA strongly encourages the collection of data on the method by which the MTM medication review was delivered (telephonic or face-to-face), as well as monitor outreach methods used by plan sponsors. MTM delivered face-to-face or in an interactive tele health method with a trusted pharmacist will yield enhanced patient understanding of their medications, improved adherence, and lower costs. A study comparing MTM interventions found drug costs decreased for those who received service from community pharmacists, decreased somewhat for patients who received service from a call center pharmacist, and were unchanged for those who received MTM via educational mailings.[5]
- CMS should share summary Part A and B data with Part D plans (i.e. quarterly A and B spending by beneficiary, notification of which patients have been admitted to an institutional care provider) to support plan identification of beneficiaries that would be good candidates for MTM.

Conclusion

NCPA appreciates the Committee's interest in the Medicare Part D MTM program and strongly supports CMS' efforts to improve and expand beneficiary access to MTM. Overall reduction in total annual health expenditures was found to exceed the cost of providing MTM by more than 12 to 1 in a study examining clinical and economic outcomes of MTM.[6]

NCPA is committed to working with the staff and members of the Committee and we look forward to additional collaborative efforts between community pharmacists and other health care providers to improve the quality of care for Medicare beneficiaries while reducing health care costs.

[5] Winston S, Lin Y. Impact on drug cost and use of Medicare Part D of medication therapy management services delivered in 2007. *J Am Pharm Assoc.* 2009;49(6):813–820.
[6] Isetts BJ, Schondelmeyer SW, Artz MB. Clinical and economic outcomes of medication therapy management services: The Minnesota experience. *J Am Pharm Assoc.* 2008; 48 (2):203–211.