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President & Chief Executive Officer

Submitted via email to chronic_care@finance.senate.gov

June 18, 2015

The Honorable Orrin Hatch
Chairman
Committee on Finance
United States Senate
Washington, DC 20510-6200

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510-6200

The Honorable Johnny Isakson
Committee on Finance
United States Senate
Washington, DC 20510-6200

The Honorable Mark Warner
Committee on Finance
United States Senate
Washington, DC 20510-6200

Dear Chairman Hatch, Ranking Member Wyden, Senator Isakson, and Senator Warner:

The National Association of Chain Drug Stores (NACDS) thanks Chairman Hatch, Ranking Member Wyden, and the members of the Committee on Finance Chronic Care Working Group for the opportunity to submit the following comments and recommendations to improve care for Medicare patients with chronic conditions. NACDS and the chain pharmacy industry are committed to partnering with Congress, HHS, patients, and other healthcare providers to improve the quality and affordability of healthcare services.

NACDS represents traditional drug stores and supermarkets and mass merchants with pharmacies. Chains operate more than 40,000 pharmacies, and NACDS' chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ more than 3.2 million individuals, including 179,000 pharmacists. They fill over 2.9 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 850 supplier partners and over 60 international members representing 22 countries. For more information, visit www.NACDS.org.

As the face of neighborhood healthcare, community pharmacies and pharmacists provide access to prescription medications and over-the-counter products, as well as cost-effective health services such as immunizations and disease screenings. Access to these types of services is especially vital for Medicare beneficiaries as nearly two-thirds are suffering from multiple chronic conditions. Through personal interactions with patients, face-to-face consultations and convenient access to preventive care services, local pharmacists are helping to shape the healthcare delivery system of tomorrow—in partnership with doctors, nurses, and others.

The Benefits of a Team-Based Approach to the Treatment of Chronic Illness

Medications are the primary intervention to treat chronic disease, and are involved in 80% of all treatment regimens.¹ Medicare beneficiaries with multiple chronic illnesses see an average of 13 different physicians, have 50 different prescriptions filled per year, account for 76% of all hospital admissions, and are 100 times more likely to have a preventable hospitalization.² Yet, medication management services are poorly integrated into existing healthcare systems. Poor medication adherence alone costs the nation approximately \$290 billion annually – 13% of total healthcare expenditures – and results in avoidable and costly health complications.³ Thus, given the importance of medications in achieving patient care outcomes and lowering overall healthcare costs, it is critical that policies are implemented to encourage greater care integration across the healthcare continuum and promote financial accountability for safe and appropriate medication use.

A growing body of evidence suggests that when physicians, nurses, pharmacists and other healthcare professionals work collaboratively, better health outcomes are achieved. The growth and adoption of health information technology such as telehealth and electronic medical records will foster even greater opportunities for team-based care. Pharmacies in particular provide access to highly-trained and highly-trusted health professionals. The unique reach and access points of pharmacy provide a means of continuous care and oversight between scheduled visits. As such, community pharmacies have increasingly provided a suite of medication management and related services, including Medication Therapy Management (MTM), disease-state monitoring and patient self-management, adherence interventions, medication synchronization, transitions of care, immunization programs, chronic care and wellness programs, and patient engagement, among others.

Recent systematic reviews have highlighted the beneficial role of these pharmacy-based services in team-based care.⁴ Yet, experts have noted the lack of integration, to date, of community pharmacy services into emerging models of care such as accountable care organizations (ACOs).⁵ Smith and colleagues noted:

Pharmacists can help meet the demand for some aspects of primary care and can contribute to the efficient and effective delivery of care. Thus, they should be included among the health professionals who are called on to mitigate the projected primary care provider shortage.

Further, the National Committee for Quality Assurance (NCQA) – the organization that accredits medical homes and ACOs – stated that:

Medications are involved in 80 percent of all treatments, yet lack of coordination across providers leads to poor outcomes. Improving

¹ <http://www.pcpc.org/sites/default/files/media/medmanagement.pdf>

² Ibid

³ <http://www.dmhc.ca.gov/library/reports/news/rci/totpb.pdf>

⁴ http://www.accp.com/docs/positions/misc/improving_patient_and_health_system_outcomes.pdf

⁵ <http://content.healthaffairs.org/content/32/11/1963.full>

medication management can be a critical element of both PCMHs and ACOs.

Thus, medication related services provided by community pharmacists improve patient care, enhance communication between providers and patients, improve collaboration among providers, optimize medication use for improved patient outcomes, contribute to medication error prevention, improve hospital and readmission cost avoidance figures, and enable patients to be more actively involved in medication self-management.

Pharmacists as Providers

Retail community pharmacists provide high quality, cost efficient care and services, especially for patients with chronic conditions. However, the lack of pharmacist recognition as a provider by third-party payors including Medicare and Medicaid has limited the number and types of services pharmacists can provide, even though fully qualified to do so.

The national physician shortage coupled with the expansion of health insurance coverage will have serious implications for the nation's healthcare system. Access, quality, cost and efficiency in healthcare are all critical factors – especially to the medically underserved. Utilizing pharmacists can help ensure access to requisite healthcare services for those with chronic conditions.

Pharmacists play an increasingly important role in the delivery of services, including key roles in new models of care beyond the traditional fee-for-service structure. Pharmacists are engaging with other professionals and participating in models of care based on quality of services and outcomes, such as ACOs.

Pharmacists are capable of providing many cost-saving services that assist patients that suffer from chronic illnesses (subject to state scope of practice laws). Examples include access to health tests, helping to manage chronic conditions such as diabetes and heart disease, plus expanded immunization services. Retail pharmacies are often the most readily accessible healthcare provider. Nearly all Americans (94%) live within five miles of a community retail pharmacy. Recognition of pharmacists as providers under Medicare Part B would help to provide valuable and convenient pharmacist services to millions of Americans and, most importantly, to those who are already medically underserved and have chronic conditions.

NACDS urges the adoption of policies and legislation that increase access to much-needed services for underserved Americans, such as S. 314, the *Pharmacy and Medically Underserved Areas Enhancement Act*. This important legislation would allow Medicare Part B to utilize pharmacists to their full capability by providing those underserved beneficiaries with services not currently reaching them (subject to state scope of practice laws). We believe that this would not only lead to reduced overall healthcare costs, but also to increased access to healthcare services and improved healthcare quality for underserved patients, especially for those with chronic conditions.

The Part D Medication Therapy Management Program

Despite the proven value of medication adherence and MTM, the Medicare Part D MTM Program historically has seen low enrollment and utilization rates. Over the years, CMS has made programmatic changes they believed would increase eligibility and enrollment, however, these changes have not led to increased MTM eligibility and utilization. In 2012, there were approximately 27.2 million people enrolled in either a MA-PD (9.9 million) or a PDP (17.3 million). Of the more than 27 million beneficiaries, only 3.1 million were enrolled in an MTM program (11.4%) and only 2.4 million received a comprehensive medical review (8.8%). These figures fall well short of the CMS estimate that approximately 25% of the beneficiaries would be eligible for MTM.

We believe statutory changes should be made to revise the eligibility requirements so that beneficiaries with certain single chronic conditions will be eligible for MTM. MTM has been more effective for certain chronic conditions, including diabetes, cardiovascular disease, COPD, and high cholesterol, and legislation should focus on these chronic conditions. Currently, plans are allowed to set their minimum number of chronic conditions required for eligibility at either two or three. According to the CMS MTM Fact Sheet, approximately 85% of programs opted to target beneficiaries with at least three chronic diseases in 2014. This is a contributing factor to the lower than projected eligibility levels in the MTM program.

An abundance of literature shows that MTM improves medication adherence and leads to better use of medicines.⁶ Services that improve medication adherence ultimately result in improved health outcomes and reduced healthcare costs. Congress recognized the importance of MTM on a bipartisan basis, including it as a required offering in the Medicare Part D program. We urge Congress to build on this earlier action and strengthen the MTM benefit in Medicare Part D through support of legislation introduced by Sen. Pat Roberts (R-KS) and Sen. Jeanne Shaheen (D-NH), S. 776, the *Medication Therapy Management Empowerment Act of 2015*, which will provide access to MTM for beneficiaries with diabetes, cardiovascular disease, COPD, and high cholesterol.

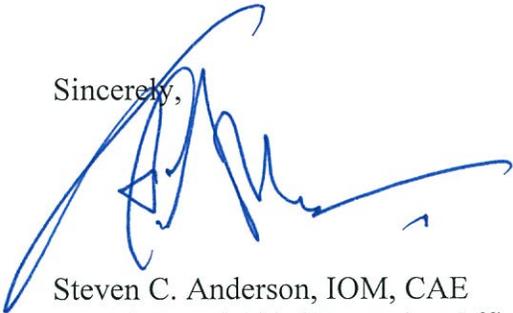
⁶ Findings showing the value of MTM and medication adherence for these conditions include:

- Centers for Medicare and Medicaid Services (CMS), *Medication Therapy Management in Chronically Ill Populations: Final Report, August 2013* (http://innovation.cms.gov/Files/reports/MTM_Final_Report.pdf).
- CareSource, one of the country's largest Medicaid managed healthcare plans, contracted with OutcomesMTM™ to implement and oversee a comprehensive MTM offering for Ohio Medicaid eligibles, beginning in mid-2012.
- The North Carolina CheckMeds MTM program generated savings of approximately \$66.7 million in overall health care costs for the state which included \$35.1 million from avoided hospitalizations and \$8.1 million in drug product cost savings
- The Iowa MTM pilot program that utilizes pharmacists to help patients manage their medications and improve patient adherence through education and continued monitoring.
- *MedPAC Report to the Congress, June 2014* (http://www.medpac.gov/documents/reports/jun14_entirereport.pdf)
- *Health Affairs: Medication Adherence Leads to Lower Health Care Use and Costs Despite Increased Drug Spending* (<http://content.healthaffairs.org/content/30/1/91.full.pdf>)

Conclusion

NACDS thanks the Chronic Care Working Group for consideration of our comments. We look forward to working with policymakers and stakeholders on looking to find ways to improve care for Medicare patients with chronic conditions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Anderson', with a large, sweeping flourish extending upwards and to the left.

Steven C. Anderson, IOM, CAE
President and Chief Executive Officer