



Debbie Garza
Divisional Vice President
Government Relations

Walgreen Co.
1399 New York Ave., NW
Suite 725
Washington, DC 20005
P 202-393-0414 F 202-393-1589
debbie.garza@walgreens.com
Walgreens.com

June 22, 2015

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

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

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

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

Walgreens would like to thank Chairman Hatch, Ranking Member Wyden, Senator Isakson, Senator Warner and other members of the Committee on Finance Chronic Care Working Group for the opportunity to submit comments to the May 22nd stakeholder request. Our comments are a starting point, and we look forward to further engaging with the working group to provide thoughtful input on policies and legislation to improve the lives of Medicare beneficiaries living with chronic diseases.

Walgreens operates over 8,000 stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. More than 8 million customers interact with Walgreens each day in communities across America. Our stores are located within 3 miles of 63% of the U.S. population, 75% of African Americans and 78% of Latinos. In addition, approximately half of our stores are located in medically underserved communities. Through our locations, our customers are using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice. Walgreens scope of pharmacy services includes retail, specialty, medical facility and mail service, as well as online and mobile services. These services improve health outcomes and lower costs for payers including employers, managed care organizations, health systems, pharmacy benefit managers and the public sector.

Pharmacists today are helping to manage chronic diseases and providing medication management, conducting health tests and educating patients on the results, administering immunizations, and partnering with health systems to advance health and wellness as well as reduce hospital readmissions. With the aging population, increasing prevalence of chronic disease and growing need for access to healthcare services, we believe pharmacists and pharmacies can play a greater role in the lives of Medicare beneficiaries with policy positions that recognize

pharmacists as healthcare providers, improve medication adherence, reduce hospitalizations and innovate through telehealth.

Pharmacist Provider Status

Over the next two decades, the number of people on Medicare is projected to rise from roughly 50 million to over 80 million. In addition, approximately half of Americans have at least one chronic condition, and 26% have multiple chronic conditions. As such, it is not surprising that three-quarters of our nation's annual healthcare expenditures are attributed to costs associated with chronic disease. And based on current projections, the occurrence of chronic disease and associated costs will only worsen.

Further, the Congressional Budget Office (CBO) estimates approximately 30 million additional people will have insurance coverage as a result of the Patient Protection and Affordable Care Act (ACA). The challenge, as projected by the Association of American Medical Colleges, is by 2025 there will be approximately 91,000 fewer doctors than needed to meet the growing demand. This confluence represents a situation that must utilize all available healthcare professionals to their fullest in order to adequately manage the growing pressures and demands on the nation's healthcare system.

Pharmacists are Part of the Solution

Far beyond "putting pills in a bottle," pharmacists are moving to practice at the fullest extent of their education and training. Fully leveraging pharmacists as key professionals in healthcare delivery will help address the perfect storm of an aging population, physician shortages and surging health care demand.

Walgreens strongly supports legislative action to recognize pharmacists as non-physician providers under Medicare Part B. The *Pharmacy and Medically Underserved Areas Enhancement Act* (S. 314 and H.R. 592) would enable pharmacists greater ability to provide patient care services consistent with state scope of practice laws to address the unmet healthcare needs of Medicare beneficiaries in medically underserved communities across the country.

Medication Adherence

Medication non-adherence is a widespread problem among Americans taking prescription medications, and is a growing concern because of mounting evidence of its prevalence and association with adverse outcomes and higher costs of care. Up to one-half of the 187 million Americans taking prescription drugs do not take their medications as prescribed. According to a recent study by the Network for Excellence in Health Innovation (NEHI), the costs of medication non-adherence are

enormous, estimated at nearly \$300 billion annually.¹ The study also reports that medication non-adherence costs over \$100 billion a year in excess hospitalizations; non-adherent diabetes and heart disease patients have significantly higher mortality rates; approximately 90,000 hypertensive patients die prematurely every year because of poor medication adherence; and 25 percent of all emergency room visits are the result of non-adherent asthma patients.

Medication non-adherence is driven by a myriad of factors. A key program to help address both the practical and behavioral factors is pharmacist-provided medication therapy management (MTM) under Medicare Part D. MTM is a methodical, proven approach to help patients take medications correctly, and includes review of medication therapy, development of a personal medication record and action plan, collaboration with a physician, documentation and follow-up. MTM improves medication adherence and reduces the occurrence and associated costs of adverse drug reactions, hospitalizations and premature deaths.

Opportunities for a solution to prescription medication non-adherence lie with eliminating the statutory barrier created in the Medicare Modernization Act (MMA) that narrowly defines the Medicare population eligible to receive MTM services, limiting such services to beneficiaries with multiple chronic diseases. However, the evidence is clear, and many commercial plans have recognized, that other beneficiaries, such as those with single chronic illnesses, can also benefit from MTM. We believe Medicare law should be amended to allow Medicare beneficiaries with a single chronic disease (e.g., diabetes or cardiovascular disease) to be eligible to receive MTM as a proactive strategy to prevent medication-related complications and the development of additional comorbidities, along with associated healthcare costs.

There are many examples of success with MTM programs. Some Medicare Part D Plan sponsors saw returns as high as \$4.73 for every \$1 invested in MTM.² States have also developed MTM programs to help control healthcare spending, including Iowa, Minnesota and North Carolina. Below are highlights from these programs:

- Iowa's MTM program for state employees increased medication adherence by 5% after just four months, and saw an overall annual return on investment (ROI) of \$8.83 or \$4.3 million in estimated avoided costs.³

¹ Network for Excellence in Health Innovation, "Bend the Curve: A Health Care Leader's Guide to High Value Health Care." 2011.

² Prime Therapeutics, 2012 Drug Trend Insights.

³ Informational handouts "State of Iowa Employees MTM Pilot Program" and "State of Iowa Employees MTM Pilot Program Update" produced by Outcomes Pharmaceutical Health Care, 2011.

- Minnesota’s program significantly improved care for patients with hypertension and cholesterol, based on HEDIS measures, and decreased per patient expenditures from approximately \$12,000 to \$8,000.⁴ Minnesota’s total annual reduced health expenditures exceeded MTM service costs by 12 to 1.⁵
- North Carolina’s MTM program called “CheckMeds NC” delivered an annual ROI of \$13.55 for every \$1 invested.⁶

Walgreens supports legislative action to increase medication adherence by expanding eligibility for MTM services provided by community pharmacists. The *Medication Therapy Management Empowerment Act of 2015* (S. 776) will expand eligibility requirements for Medicare beneficiaries with a single chronic illness of cardiovascular disease, chronic obstructive pulmonary disease, hyperlipidemia or diabetes.

Transitions of Care

Preventable hospital readmissions cost the U.S. health care system \$25 billion annually, according to PriceWaterhouse Coopers’ Health Research Institute.⁷ An estimated 20 percent of hospitalized Medicare patients are readmitted to the hospital within 30 days of discharge.⁸ This costs Medicare \$15 billion, with 80% of the cost due to preventable readmissions.⁹

A recent Walgreens study found hospital patients who participated in our care transitions program called “WellTransitions” were 46% less likely to experience an unplanned hospital readmission within 30 days of discharge.¹⁰

WellTransitions, a pharmacist-led, transition of care program which collaborates with hospital systems across the nation, helps patients better understand prescribed medications during their hospital stay and remain adherent to medication regimens upon returning home. The program helps reduce preventable hospital readmissions by supporting patients throughout the care continuum. Walgreens assists hospitals in identifying high-risk patients upon admission and providing services that reinforce a physician’s care plan. Our clinicians work with patients post-hospital discharge to

⁴ http://www.dhs.state.mn.us/main/groups/business_partners/documents/pub/dhs16_140283.pdf.

⁵ Isetts, Brian, et al, Clinical and economic outcomes of medication therapy management services: The Minnesota experience. The Journal of American Pharmacists Association: Vol. 48, No. 2/March – April 2008. pp.203-211.

⁶ <http://www.healthwellinc.com/hwtfc/pdffiles/PressCheckMedsNC10-30-08.pdf>.

⁷ PriceWaterhouse Coopers’ Health Research Institute, The Price of Excess: Identifying Waste in Healthcare, 2008.

⁸ Network for Excellence in Health Innovation, “Bend the Curve: A Health Care Leader’s Guide to High Value Health Care.” 2011.

⁹ Medicare Payment Advisory Commission (MedPAC). Report to the Congress: creating greater efficiency in Medicare.

¹⁰ Bobby Clark, PhD, MSPharm, MHA, MS, MA; John Hou, PhD; Ed Cohen, PharmD; Dan Kwasigroch, Rph, MBA; Susan Singer. Reducing Preventable Hospital Readmission through a Pharmacist-led Care Transition Intervention. Presented at the American Pharmacists Association (APhA) Annual Meeting & Exposition, Orlando, FL, March 28-31, 2014.

reinforce the care plan as prescribed, educate on the importance of medication adherence and encourage physician follow-up.

We urge the working group to engage with the pharmacy community on a legislative strategy to reduce hospital readmissions through pharmacy-led transitions of care. Pharmacy already has a proven record of cost savings in the Medicare Part B program, as the CBO recently concluded that policies promoting greater utilization of prescription drugs reduce medical spending. Such policies would also produce similar effects on Medicare Part A hospital spending if fully embraced.

Telehealth

Technological advances, especially virtual connectivity, are occurring at a rapid pace in every sector of society, including health care. Telehealth is no longer just about reaching patients in rural areas. More than 20 states require coverage of telehealth in the commercial marketplace. Forty-five states cover telehealth in Medicaid, and more than half of all U.S. hospitals now use some form of telehealth. Yet, the Medicare program remains stuck in a decades-old approach to care delivery that is well beyond obsolete.

Medicare is in need of a national telehealth strategy that is far-reaching and inclusive, in which every provider in America is permitted to deliver safe, high-quality patient care using telehealth technology and receive appropriate compensation regardless of location or delivery method. Telehealth can play a critical role in continuity of care and influence day to day disease management. Through telehealth, we can truly connect the dots in healthcare delivery, expanding lower cost alternatives through lower cost providers while helping to fill unmet healthcare need.

We ask that you consider the following when considering possible telehealth legislation:

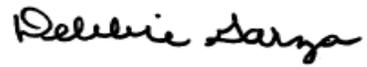
- Eliminate current restrictions on originating site, physician physical presence, and rural requirements;
- Reimburse for telehealth, utilizing a substitution requirement, and remote monitoring services for chronic disease that has met an evidence-based standard showing cost savings and improved patient care.
- Implement continuity of care requirements to ensure beneficiary information is shared between all providers

Conclusion

Walgreens is very appreciative of the opportunity to provide these comments to the Senate Finance Chronic Care Working Group stakeholder request. We look forward to having a discussion with the working group on these important issues, and

helping to navigate a path for how pharmacists and pharmacies can help achieve better outcomes for Medicare beneficiaries with chronic conditions. If I can be of any further assistance, please do not hesitate to ask. I can be reached at (202) 393-0414 or via email at debbie.garza@walgreens.com.

Sincerely,

A handwritten signature in black ink that reads "Debbie Garza". The signature is written in a cursive, flowing style.

Debbie Garza