



June 22, 2015

The Honorable Orrin Hatch  
Chair, Senate Finance Committee  
United States Senate  
Washington, DC 20510

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

The Honorable Johnny Isakson  
Co-Chair, Chronic Care Working Group  
Senate Finance Committee  
United States Senate  
Washington, DC 20510

The Honorable Mark Warner  
Co-Chair, Chronic Care Working Group  
Senate Finance Committee  
United States Senate  
Washington, DC 20510

[Submitted electronically to: chronic\\_care@finance.senate.gov](mailto:chronic_care@finance.senate.gov)

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

On behalf of Wolters Kluwer, we wish to thank the Committee for the opportunity to share the company's thoughts and ideas on how to improve care for Medicare patients with chronic conditions. As way of background, Wolters Kluwer (WK) is a leading global provider of information, business intelligence and point-of-care solutions for the healthcare industry. Key brands include ProVation® Medical, UpToDate®, Medi-Span®, Lexicomp®, Facts & Comparisons®, Pharmacy OneSource®, Health Language and Medicom (China). Wolters Kluwer had annual revenues in 2014 of \$4.9 billion.

Though WK products and services span the full spectrum of the care continuum, the ideas and thoughts we share today focus specifically on the use of Medication Therapy Management Programs, which have been shown to lower costs and improve the effective use and coordination of prescription drugs taken by the elderly.

It is estimated that ineffective or unnecessary medication therapy costs the U.S. health care system approximately \$250 billion per year.<sup>1</sup> More than two million serious adverse drug events occur annually due to

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<sup>1</sup> Express Scripts Drug Trend Report 2010

medication use problems.<sup>2</sup> Patient understanding and compliance in properly taking their prescribed medications is a particular problem. As many as 1 in 5 patients never fill their original prescriptions.<sup>3</sup> Of those that do, 60% cannot identify their own medications.<sup>4</sup> The average rate of medication compliance is 50% across all diseases including high severity and high cost chronic diseases.<sup>5</sup> Perhaps most troublesome, 30% to 50% ignore or compromise instructions concerning their medications.<sup>6</sup>

Medication therapy management programs (MTMP) can help, particularly with patient education and compliance. MTMPs are designed to optimize drug therapy and improve therapeutic outcomes for patients, and consist of a broad range of professional activities, including a patient assessment, comprehensive medication review, the creation of a medication treatment plan, monitoring the efficacy and safety of medication therapy, and patient empowerment and education.<sup>7</sup> According to University of Minnesota case study, the reduction in total annual health expenditures exceeded the cost of providing MTMP services by more than 12 to 1.<sup>8</sup>

In developing legislation to help improve care and curb costs for treating Medicare beneficiaries with chronic conditions, the Senate Finance Committee should make greater use of MTMPs. Specifically, we recommend the Committee provide incentives for Accountable Care Organizations (ACO) to institute MTMPs to help coordinate and optimize drug therapy across Medicare Parts A, B and D for their assigned beneficiaries. MTMPs are already required for Medicare Advantage and Part D plans, but there is no such requirement in fee-for-service Medicare. With their emphasis on care coordination, improved care and lowered cost, ACOs offer a way to introduce the MTMP model into fee-for-service. But because the federal government bears the bulk of the financial risk for the 7 million fee-for-service beneficiaries served by Accountable Care Organizations, ACO providers have no financial incentive to create MTMPs.

We note that the general idea of holding ACOs' accountable for their assigned beneficiaries' Part D drug costs was discussed in the final rule (CMS-1461-F) recently issued by the Centers for Medicare and Medicaid Services (CMS). In that rule, CMS indicated that the current statutory authority enabling the creation of ACOs was confined to costs under Part A and B only. On a more positive note, CMS did reiterate in the final rule its belief that the Part D regulations governing the release of patient data on prescription drug use could be shared with ACOs for the purposes of supporting care coordination, quality improvement and performance metric activities.

In order for ACOs to develop MTMPs, Congress will need to provide them with financial incentives. For example, the cost of creating and administering the MTMP could be added to the ACO's initial cost benchmark. Another idea is to provide ACOs that agree to launch MTMPs a percentage of first-dollar savings that are generated from the beneficiary's expected drug costs. Even if Part D costs continue to be excluded from calculating an ACO's expenditures, an ACO might have sufficient financial incentive (via the two changes noted above) to target beneficiaries with chronic conditions who are not already enrolled in a Medicare Part D plan.

Other ideas mentioned in the ACO final rule calling for closer coordination between ACOs and Part D included: 1) a Part D attribution payment model that rewards ACOs and Part D sponsors for savings generated in Part D; 2) revisions to the Part D medical loss ratio to allow for activities related to improving care and lowering costs for their beneficiaries

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<sup>2</sup> Institute of Medicine

<sup>3</sup> Food and Drug Administration; National Council on Patient Information and Education

<sup>4</sup> Ibid

<sup>5</sup> World Health Organization

<sup>6</sup> Centers for Disease Control; American Heart Association

<sup>7</sup> Medication Therapy Management in Pharmacy Practice. Core Elements of an MTM Service Model. Version 2.0. American Pharmacists Association and National Association of Chain Drug Stores Foundation. March 2008.

<sup>8</sup> Brian Isettes, Stephen Schondelmeyer, et al "Clinical and Economic Outcomes of Medication Therapy Management Services: The Minnesota Experience" JAPhA, March-April 2008, vol 48 number 2

assigned to an ACO; and 3) excluding Part B drug costs from the calculation of ACO expenditures. If the Committee were to pursue the closer coordination between ACOs and Part D, Congress will need to expand the statutory authority governing ACOs to include Part D costs.

Finally, while we strongly urge the adoption of the MTMP model for Medicare fee-for-service, there is still room to grow medication therapy management in Medicare Part D. Most Medicare Advantage and Part D plan sponsors currently target only those beneficiaries with 3 chronic conditions for enrollment in their MTMPs. Encouraging plans to target beneficiaries with just a single, high cost chronic condition would greatly expand the impact of MTMPs. Fortunately, there is already legislation introduced in the Senate that proposes just such an expansion. The *Medication Therapy Management Empowerment Act of 2015 (S. 776)*, introduced by Senator Pat Roberts (R-KS) and Senator Jeanne Shaheen (D-NH), would provide beneficiary access to MTMPs for those suffering from diabetes, cardiovascular disease, COPD and high cholesterol.

Thank you for the opportunity to comment. Please don't hesitate to contact us if you have questions or want more information.

Sincerely,

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