

January 26, 2016

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

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

CVS Health appreciates the opportunity to provide comments on the Senate Finance Committee Chronic Care Working Group's Policy Options Document. We fully support the Committee's objective of improving care for Medicare beneficiaries living with chronic conditions, and thank you for your thoughtful work to identify policies that increase care coordination, streamline Medicare payment, and improve quality and health outcomes in a cost-effective manner.

CVS Health is a pharmacy innovation company helping people on their path to better health. Through our more than 7,900 retail drugstores, more than 1,000 walk-in medical clinics, a leading pharmacy benefits manager with more than 70 million plan members, a dedicated senior pharmacy care business serving more than one million patients per year, and expanding specialty pharmacy services, we enable people, businesses, and communities to manage health in more affordable, effective ways. Our unique integrated model increases access to quality care, delivers better health outcomes, and lowers overall health care costs.

Given our experience supporting chronically ill Medicare beneficiaries in properly managing their health, CVS Health offers the following comments on the Policy Options Document:

CVS Health encourages the Committee to include within its policies addressing "Receiving High Quality Care in the Home" the coverage of home infusion services and supplies.

Many patients suffering from cancer, serious infections, and other chronic conditions rely on infusion therapy – the administration of medication directly into the bloodstream via needle or catheter – to properly manage their health. This intensive process requires special equipment and supplies, as well as professional services.

While Medicare fee-for-service (FFS) covers infusion therapy delivered in hospitals, skilled nursing facilities, hospital outpatient departments, and physician offices, it provides no coverage for infusion performed in patients' homes. As a result, FFS beneficiaries in need of infusion therapy must receive treatments in health care facilities rather than in their homes, which studies show is the most desirable, convenient, and cost-effective care setting. In addition to incurring

greater costs to the health care system, treatment in health care facilities subjects patients in particularly vulnerable health states to the risk of secondary hospital-acquired infections. The private sector, whose innovation in this space far surpasses that of FFS, has accepted as its standard of care for over 30 years the delivery of infusion therapy at home where medically indicated and when requested by the attending physician. Patients with chronic conditions who have access to this benefit under their employer health plan or Medicare Advantage (MA) plan lose this coverage if enrolling in FFS. Closing this coverage gap would align the Medicare program with virtually all private payers, most Medicare Advantage plans, TRICARE, and many state Medicaid programs.

The Medicare Home Infusion Site of Care Act of 2015 (S. 275/H.R. 605) ensures the ability of Medicare beneficiaries to receive infusion treatment in their homes. This legislation would expressly provide coverage under Medicare Part B of infusion-related services, equipment, and supplies. CVS Health urges the Committee to include S. 275/H.R. 605 in future iterations of its legislative proposal.

CVS Health urges the Committee to include medication adherence measures in any set of quality metrics governing the treatment of patients with chronic conditions.

As the Committee considers how best to leverage CMS' quality measures plan to encourage the development of measures for chronic conditions, CVS Health encourages you to include medication adherence among your list of priority topic areas. Medication adherence improves health outcomes and reduces costs within the Medicare program. Any medication adherence measures should incentivize both Part D plans and prescribers to encourage innovation and greater collaboration.

For instance, CVS Health believes that Congress should direct CMS to develop quality payment adjustments for Medicare Part D based on Part D Star ratings. Establishing Star ratings as a measure for quality payment adjustments would encourage Part D plans to innovate, and would facilitate competition and quality improvement. This juxtaposes the current focus on completion of comprehensive medication reviews.

In addition, CVS Health supports the incorporation into physician incentive programs of quality measures encouraging providers to close gaps in care and to collaborate with pharmacies and pharmacists to improve beneficiary adherence to a broader array of medications than currently reflected in Medicare quality metrics. While prescribing the appropriate medication is critical, improvements in quality are not fully realized unless the beneficiary properly observes his or her prescription regimen.

CVS Health appreciates the Committee's interest in private sector innovation within the medication synchronization space.

Medication non-adherence costs the health care system nearly \$300 billion and tens of thousands of lives each year. Research shows that nearly 50 percent of patients with chronic conditions do not take their medications as prescribed, and that as the complexity of patients' medication regimens increases, their adherence decreases.



In an effort to curb this troubling trend, CVS Health launched in August 2015 ScriptSync™, a pharmacy service enabling patients with multiple medications to collect all maintenance prescriptions in a single monthly CVS/pharmacy visit. Available in all of our pharmacy locations, ScriptSync™ currently enrolls approximately 721,000 patients encompassing about four million prescriptions. Initial data indicate the formidable impact of this model on adherence: upon completion of a ScriptSync™ pilot conducted last spring, average patient adherence exceeded 80 percent.

The program has generated strong interest among beneficiaries, with 66 percent of those who are offered the opportunity to enroll choosing to do so. On average, approximately five prescriptions per order are collected in one pharmacy visit, versus between five and seven per order collected over three visits from patients not enrolled in ScriptSync™.

Innovative programs like ScriptSync™, created via collaboration between private payers and pharmacies, have demonstrated a positive impact on patient adherence and system costs. CVS Health looks forward to working with the Committee as it delves deeper into this issue to share our experience and inform any study of the Part D medication synchronization landscape.

CVS Health believes that originating site requirements should be waived for *all* ACOs, and supports the Committee's proposal to grant ACOs the flexibility to provide remote patient monitoring services.

CVS Health supports the proposal directing the Department of Health and Human Services (HHS) to waive the geographic component of the originating site requirements for Accountable Care Organizations (ACOs). However, we believe that the proposal should not be limited to ACOs in two-sided risk models. Track 1 ACOs that are trying to transition to two-sided risk need support in investing in technology that will help them achieve this goal.

In addition, we support the Committee's proposal to grant ACOs the flexibility to provide remote patient monitoring (RPM) services where Medicare fee-for-service does not reimburse. We believe that the ability to utilize connected care tools like RPM reduces resource utilization by averting expensive hospital or urgent care visits.

CVS Health appreciates the Committee's dedication to improving care for patients with chronic conditions. We look forward to continuing to work with you on this important initiative. Should you have any questions, please do not hesitate to contact Ann Walker, Director of Federal Affairs, at (202) 772-3503 or ann.walker@cvshealth.com.

Sincerely,

A handwritten signature in cursive script, reading "Melissa A. Schulman".

Melissa A. Schulman
Senior Vice President,
Government and Public Affairs