Community Pharmacies: Thriving in a Pay for Performance World

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Disclosures
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Learning Objectives
1. Discuss key national quality improvement initiatives and the role of quality metrics in measuring the outcomes and value of care in outpatient pharmacy practice settings.
2. Identify quality measures and tools that can be used to demonstrate value resulting from the provision of pharmacy services.
3. Discuss examples of community pharmacists’ participation in pay-for-performance and other incentive-based programs.
4. Describe how to develop the infrastructure within the attendee’s pharmacy practice to participate in pay-for-performance, value-based and other type of incentive programs.

• Target Audience: Pharmacists
• ACPE#: 0202-0000-16-018-L04-P
• Activity Type: Knowledge-based
**Self-Assessment Question 1**
Which of the following is not an example of a nationally endorsed (PQA, NQF, etc.) quality measure?

- Adherence measures
- Statin use in diabetes patients
- Staff-to-patient ratio
- CRM completion rate

**Self-Assessment Question 2**
Which of the following is an impact of nationally endorsed (PQA, NQF, etc.) quality measures on pharmacies?

- Increase pharmacy reimbursement
- Increase pharmacy access to patients
- Increase non dispensing-related opportunities
- All of the above

**Self-Assessment Question 3**
Which of the following activities requires the most time?

- Augmented dispensing
- High level pharmacy review
- Comprehensive medication review
- Drug therapy problem follow-up

**Self-Assessment Question 4**
Which of the following summarizes an example of the primary objective of a PBM incentive program (in Medicare) for retail pharmacies?

- Demonstrate improved quality for patients through better health outcomes
- Fill prescriptions for as many patients in the community as possible
- Maximize convenience for patients through services like free delivery, drive-thru, etc.
- Refer to specialists to better diagnose patients and their health conditions

**Self-Assessment Question 5**
Which of the following advantages can pharmacists leverage to maximize value-based programs?

- Medication knowledge
- Accessibility as a healthcare profession
- Frequency of contacts, face-to-face
- All of the above

**Who Are We?**
- Independent pharmacy owners
- Practicing community clinical pharmacists
- Quality measure & pharmacy quality integration consultants
Learning Objective 1
Discuss key national quality improvement initiatives and the role of quality metrics in measuring the outcomes and value of care in outpatient pharmacy practice settings.

What's the problem with the way it is?
• The core issue in this healthcare crisis is we can’t afford it anymore.
• So we have to increase the value of the care that we deliver.
• Improving value is the only real solution verses cost shifting or restricting services.


White House Plans To Shift Medicare Away From Fee-For-Service; 50% Of Payments Tied To Quality By 2018
The Obama administration will push Medicare payment rapidly away from fee-for-service medicine within four years, outlining a plan to have half of all Medicare dollars paid by to doctors and hospitals via “alternative” reimbursement models by the end of 2018. “A majority of Medicare fee-for-service payments already have a link to quality or value,” Burwell said in a perspective piece published in the Jan. 26 New England Journal of Medicine. “Our goal is to have 85% of all Medicare fee-for-service payments tied to quality or value by 2016, and 90% by 2018. Perhaps even more important, our target is to have 30% of Medicare payments tied to quality or value through alternative payment models by the end of 2016, and 50% of payments by the end of 2018.”


National Quality Landscape

The actual measurement of “quality” is evolving quickly through quality metric development and national measure endorsement and retirement
- PQA, NQF, NCQA, etc.

• Quality Metric Goals: to create consistent measures that reflect positive patient outcomes and further define the “value” of health care delivered.

National Quality Measure Examples
- Adherence Measures (PDC)
  - Broadly utilized nationally
- Safety Measures (ex/ High Risk Medication (HRM) use in the elderly)
  - Broadly utilized, yet some (HRM) to decline in use
- CMR Completion Rate (MTM)
  - Primarily used in Medicare
- Statin use in Diabetes
  - Growing in broad acceptance and use (new 2014)
- ACE & ARB use in Diabetes
  - No longer broadly used (retired 2015)
### National Quality Landscape
- Expanded focus on consistency and core measure sets
- Current development efforts include patient perspective & patient voice
- Pharmacies are not currently Star Rated by CMS, **BUT** quality measures are being used *directly and indirectly* to assess pharmacy’s value to health plans

### CMS, Quality, and Pharmacy
- Five-Star Quality Rating System
- Hospital Readmissions Reduction Program
- Medication Therapy Management
  - Standard & Expansion

Where Medicare goes others follow….  

### State Medicaid, Quality, & Pharmacy
- Vary State to State
- Vary in state-run & managed Medicaid programs
- Slow Adoption of Quality Measures
- Medication Therapy Management
- Drivers: Poor outcomes, high costs, FWA, etc.

### Health Plans, Quality, & Pharmacy
- Major focus on Quality Measures especially in Medicare Part D
- Tied to plan incentives, penalties, and public reporting via CMS ([www.medicare.gov](http://www.medicare.gov))
- Health Plan Quality Innovation
  - P4P, expanded FFS, & other value based incentive models that include pharmacy

### PBM, Quality, & Pharmacy
- Focus on quality measures, especially in Medicare Part D
- Quality measures tied to PBM marketing/contracting with health plans
- PBM quality innovation including pharmacy
  - P4P, Expanded FFS, DIRs
  - Medicare AND Commercial

### Learning Objective 2
*Identify quality measures and tools that can be used to demonstrate value resulting from the provision of pharmacy services*
Defining quality and value for health plans (and indirectly their PBM partners)

- Impact on Pharmacies
  - Plans and PBMs assessing a pharmacy’s impact on their Quality and Value
  - Primarily use prescription claims submitted for health plan beneficiaries

Individualized measure mixes

- Used by health plans, PBMs, Medicaid programs, etc.
- Typically include nationally adopted quality measures: PDC, HRM, etc.
- Utilize additional quality metrics that reflect measuring entities’ goals

Impact on Pharmacies

- Measuring entities looking to pharmacy networks for quality and value
- Plans and PBMs assessing pharmacies through quality metrics
- Primarily use prescription claims, but some include clinical, survey, and self-reported data

Pharmacy provider network makeup

- Pharmacy reimbursement
- Pharmacy FFS opportunities
- Pharmacy access to patients
- Non-dispensing related opportunities
- Pharmacy fees/penalties for poor quality

- How we work with other healthcare entities?

Pharmacy’s New Conundrum

- Currently juggling the ability to maximize current revenue streams while building the adequate infrastructure to manage populations differently to align with reimbursement reform
- AWP-18% + $1.50 ==> PMPM or Risk based $
The Next 21 Slides Refer to a Project with a Cooperative Agreement with the Centers for Medicare and Medicaid Center for Medicare and Medicaid Innovations and Community Care of North Carolina

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General Disclaimer
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Three CCNC Project Aims

- Test New Payment Models for Community Pharmacy
- Test New Relationship Models with Medical Homes
- Determine What IT Needs are Needed for Community Pharmacy
Three CCNC Project Wins

– **Save Money** ($30 Million)
– **Increase Quality** (↓ Inpatient, ↓ ED, ↑ Adherence)
– Figure out a way to weave Community Pharmacy into Health Reform

Oppunities-Enhanced MTM Model

Learning Objective 3
Discuss examples of community pharmacists’ participation in pay-for-performance and other incentive-based programs.

We Must Determine Impactable Risk
To prove a ROI to the payer

• Determine which patients are impacting the metrics of the payer
• Determine pharmacy activities that optimize medical benefits
• Determine how to enhance referral patterns to those that can do something about the problems

**collaboration**

\(kaˌləbəˈrāSH(ə)n/\)
1. The action of working with someone to produce or create something.
Types of Services Provided

Augmented Dispensing (AD) 0-90 seconds
High Level Pharmacy Review (HLPR) 90-600 seconds
Comprehensive Medication Review (CMR) >30 min
Drug Therapy Problem Follow Up (DTP F/U) <10 min
Targeting Strategy

CCNC Goals:
1) $30M in Savings
2) Increased Quality
3) Integration with Medical Home Care Management Structures

<table>
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<tr>
<th>Attributed Patients with Continuous Eligibility*</th>
<th>Attributed Patients with CHP Declaration***</th>
<th>Attributed Patients with CHP Received at CPESN/Promedica****</th>
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Which Patients Have Highest Costs?

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<th>Total Cost of Care</th>
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<tr>
<td>Attributed Patients</td>
<td>Attributed Patients with DTPS</td>
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<th>Average Impactable Cost</th>
<th>Average Impactable Costs over a Year from &quot;Hands on&quot; Care Management</th>
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<td>$1,200</td>
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<table>
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<tr>
<th>Geographic Reach of NC Community Pharmacy Enhanced Services Network (CPESN)</th>
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<tbody>
<tr>
<td>246 pharmacies as of 12/1/2015</td>
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Overview of Services

CCNC CPESN Enhanced Co-Management Services

CPESN – Part of the Medical Neighborhood

- Augmented Dispensing
- High Level Pharmacy Review
- Drug Use Plan Review & Reinforcement
- Use of PHARMACe/HOME Platform
- Interaction with Local Community Care Networks
- Enhanced Co-Management and Follow Up
- Support for Medication Adherence
- Medication Reconciliation upon Care Transition
- Proactive Waste Management
The Value Proposition at the End of the Day

What are patients, employers, taxpayers paying for?
Some expenditures are investments, others are the result of lack of investment

![Diagram](image1)

Potential Outcomes of the Multi-State High-Performing Community Pharmacy Learning Collaborative

- Development a national network of networks
- Development of information technology
- Connection with value purchasers
- Unified voice for high-performing community pharmacy practice

Community Pharmacy Incentives

Other P4P or incentive based examples
- Health Plan incentive programs
- PBM incentive programs
- Quality based DIRs
  - incentive or disincentive?
- MTM incentive programs
- Commercial / Managed Medicaid incentive programs

Health Plan Incentive Program

**Objective:** Improve patient outcomes and health plan quality scoring through pharmacy driven quality incentives across Medicare AND Medicaid populations

**Measures:**
- ACE/ARB (RASA) Adherence
- Diabetes Adherence
- Statin Adherence
- Generic Dispensing Rate
- High Risk Medication Use
- Medication Therapy for Patients with Asthma

**Structure:** Measured by PQS/EQuIPP in 6 month cycles

**Payments:** Rx volume, quality scoring; bonuses >$20,000

PBM Incentive Program (Medicare)

**Objective:** incentivize retail pharmacies to demonstrate improved quality for patients in the form of better health outcomes.

**Measures:** 5 CMS Star Rating Program Measures of 2015

**Structure:** Fees paid into bonus pool by retail pharmacy participants and the Health Plan. Quality measured by PBM.

**Payments:** Top pharmacy performer bonuses paid from pharmacy fees (based on percentile ranking). Quality improvement bonuses paid by Health Plan (>1 star increase qualifies).

PBM Incentive Program (Commercial)

**Objective:** Improve medication adherence through pharmacy initiated adherence counseling

**Measures:**
- Diabetes PDC
- RASA PDC
- Depression PDC
- Behavioral Health PDC
- CHF PDC
- CAD PDC
- Cholesterol PDC
- Non-RASA PDC
- Breast CA PDC
- Osteoporosis PDC

**Structure:** Measured by PQS/EQuIPP*, PBM**(proprietary), and administered through a national MTM Vendor.

**Payments:** MTM vendor FFS payments followed by lump performance bonus (less MTM vendor FFS payments.)
Quality Based DIR Case Example

- Included in PBM/Pharmacy network contracting
- DIR fee 3-5% of drug cost
- 3% hold out if 5 star quality
- 5% hold out if 1 star quality
- PBM uses EQuIPP Dashboard for quality measurement

Quality Based DIR Example

Rx Claim for Drug
$120 ($100 cost)

Pharmacy A
(Performing at 1 star level)

PBM
(DIR fee assessed)

DIR Fee of $5

Part D Plan

Rx Claim Paid for Drug
$120-$5 DIR fee (5% cost) = $115

Quality Based DIR Example

Rx Claim for Drug
$120 ($100 cost)

Pharmacy A
(Performing at 5 star level)

PBM
(DIR fee assessed)

DIR Fee of $3

Part D Plan

Rx Claim Paid for Drug
$120-$3 DIR fee (3% cost) = $117

MTM Incentive Example

CMR Completion Rate Bonus Project
- Goal: Increase CMR completions & pharmacy profitability
- Strategy: Incentivize pharmacies beyond MTM vendor, FFS payments
- Results: Increases in CMR completions & pharmacy revenue
  - Baseline CMR completion rate: 16.51%
  - 9 month CMR completion rate: 36.84%
  - Average quarterly performance bonus: $5,000/pharmacy

Learning Objective 4

Describe how to develop the infrastructure within the attendee's pharmacy practice to participate in pay-for-performance, value-based and other type of incentive programs.

Pharmacy Quality Infrastructure

- Know your market
- Know what's important to your partners
- Know what they are measuring and how they are measuring it
- Know how you can impact what is important to your partners
- Start small, keep it simple and sustainable
- Choose approaches that work in your practice
- Ask for help
Breaking Down the Silos

- Discharge Counseling
- Admission Medication Histories
- Post Discharge Follow Up Calls
- Transitional Care
- Medication Reconciliation

Hospital/Health System Pharmacy
Community Pharmacy
Long Term Care Pharmacy
Ambulatory Care Pharmacy

Pharmacy Quality Infrastructure

- Don’t be afraid to adjust while you go
- Don’t be afraid to fail
- Create action plans that benefit everyone in the health care chain

Adherence & Medication Use Monitoring

Prescriber
Employers/Gov’t Sponsors
Health Plan
PBM
Pharmacy
Patient

Adherence & Medication Use Monitoring

Prescriber: Improved health of patient
Employers/Gov’t Sponsors: Improved health & reductions in spending
Health Plan: Reflects quality & high value for employers/gov’t sponsors
PBM: Reflects quality & high value for clients (Health Plans)
Pharmacy: Increases in revenue through volume, inventory, & traffic
Patient: Improves health

Impact on Pharmacy Profitability

- Prescription volume increases
- Increases efficiency
- Pay for Performance bonuses
- Inventory reductions
- Increases in payer partner opportunities from perceived PDC measure “Quality”
**Medication Therapy Management**

```
Prescriber: Improved health of patient
Employers/Gov't Sponsors: Improved health & reductions in spending
Health Plan: Reflects quality & high value for employers/gov't sponsors
PBM: Reflects quality & high value for clients (Health Plans)
Pharmacy: Fee for service revenue does not offset costs
Patient: Improves Health
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**Prescriber**

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Prescriber: Improved health of patient
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Employers/Gov't Sponsors: Improved health & reductions in spending
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**Health Plan**

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Health Plan: Reflects quality & high value for employers/gov't sponsors
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**PBM**

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PBM: Reflects quality & high value for clients (Health Plans)
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**Pharmacy**

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Pharmacy: Fee for service revenue does not offset costs
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**Patient**

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Patient: Improves Health
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**Impact on Pharmacy Profitability**

- Fee for service payments
- Pay for performance bonuses
- Increases in payer partner opportunities from perceived CMR Completion Rate “Quality”

**Quality Driven DIR Fees**

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Quality Driven DIR Fees
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Quality Driven DIR Fees

Prescriber: No impact
Employers/Gov’t Sponsors: Concerned by lack of DIR transparency
Health Plan: Produces additional revenue
PBM: Brings additional revenue to clients (Health Plans)
Pharmacy: Fee for service revenue does not offset costs
Patient: Higher premium prices

Quality Strategies

• Most successful approaches benefit everyone
• Communication, education, and program understanding for all stakeholders is key

Implementation Strategies

Engage
Educate
Target
Impact
Incentivize
Repeat

How we work with other healthcare entities?

We act as agents of efficiency by leveraging:
• Medication knowledge
• Accessibility as a healthcare profession
• Frequency of contacts, face-to-face
• Community care coordination

Self-Assessment Question 1

Which of the following is not an example of a nationally endorsed (PQA, NQF, etc.) quality measure?

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Self-Assessment Question 5
Which of the following advantages can pharmacists leverage to maximize value-based programs?

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