

Senate Finance Committee

hearing on

The Medicare Prescription Drug Benefit:
Monitoring Early Experiences

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Statement for the Record
Submitted by the



American Society of Health-System Pharmacists

7272 Wisconsin Avenue

Bethesda, MD 20814

Email: gad@ashp.org

Phone: 301-664-8692

The American Society of Health-System Pharmacists (ASHP) respectfully submits the following statement for the record of the Senate Finance Committee hearing on the Medicare drug benefit.

ASHP is the 30,000-member national professional and scientific association that represents pharmacists who practice in hospitals, health maintenance organizations, long-term-care facilities, and other components of health systems. For more than 60 years, ASHP has helped pharmacists and pharmacy technicians who practice in hospitals and health systems improve medication use and enhance patient outcomes. This includes working with patients to help them access the medications they need and to use them safely and effectively.

ASHP appreciates the opportunity to comment on Medicare Part D issues. Health-system pharmacists play a unique and important role in the successful implementation of the Medicare Part D benefit, interacting with eligible beneficiaries at several points of care. Pharmacists working in hospital-based ambulatory-care clinics and long-term-care facilities often treat the “highest-risk” beneficiaries, those with multiple chronic conditions or taking multiple medications and a significant number of dual eligible beneficiaries, particularly in safety net hospitals. Some hospitals have outpatient pharmacies that are open to the public and serve Part D beneficiaries. Other hospitals have outpatient pharmacies that dispense medications only to patients through contracts with drug plan sponsors to meet the needs of patients in their long term-care beds or hospital-based long-term-care facilities. This testimony will address issues arising in these care settings.

Enrollment and Contracting

While ASHP members have found that the enrollment process seems more organized in 2007, there continues to be significant confusion among Part D beneficiaries. Seniors continue to be overwhelmed by the complexity of the program and variety of plan choices. Some have even unknowingly lost access to their primary care doctor by leaving a prescription drug plan (PDP) for a Medicare Advantage (MA) plan. ASHP would encourage Congress to support efforts to simplify the program where appropriate and ensure that sufficient resources are made available for outreach and education. This is especially important to ensure that those eligible for the low income benefit have access to it.

ASHP has received mixed reports from its members about the current process for contracting with Part D plans. Some have found the process more complex due to an increased number of plans being in the market. ASHP members have also expressed concern about plans offering “all or nothing” contracts, with non-negotiable rates and mandatory arbitration agreements. Other members have indicated that contracting has seemed easier than in 2006. Overall, ASHP recommends that CMS survey the contracting experience of various types of pharmacies, including hospital-based outpatient pharmacies, in order to identify the most problematic areas and make recommendations on how to address them.

Home Infusion Drugs

While some home infusion drugs are covered under the new Part D benefit, the pharmacist-provided clinical services, supplies, and equipment necessary to ensure the safe and appropriate use of these medications are not covered. Home infusion therapies generally require services beyond those both needed and provided for drugs dispensed in the traditional retail pharmacy setting. Covered home infusion therapies involve the administration of medications using intravenous, subcutaneous, and epidural routes. These injectable drugs include: certain antibiotics, chemotherapy, pain medications, parenteral nutrition, and immune globulin therapies. The cost of providing home infusion therapy far exceeds the average retail pharmacy dispensing fee.

Under the Medicare Part D benefit, some beneficiaries who previously received home infusion therapies as part of their state Medicaid or Medicare supplemental coverage lost the service and supplies component of that benefit. These beneficiaries are now being asked to pay out of pocket for the expenses related to the administration of these medications, or are being shifted to nursing home or hospital settings to receive their medications, or are receiving complex medications at their home without necessary support services to ensure their safe administration.

In summary, the lack of payment for overhead, medication administration, and clinical services for home infusion therapies results in increased risk of medication-related complications, the provision of care in less-than-optimal locations, and added expense when patients are admitted to an institution for the sole purpose of ensuring safe medication administration. This is an issue that requires Congressional action, and we urge prompt attention to this matter.

Hospital Long-Term Care Contracting

Many of ASHP members have a unique interest in Part D long-term care issues, especially those serving in small rural hospitals that are the provider of medications for area nursing facilities. Several ongoing issues persist related to long-term care environments. While Congress intended for dual eligible beneficiaries in long-term care facilities to be exempt from co-pay requirements, CMS regulations do not permit this exemption unless the beneficiary remains in the facility for a full month. As a result, facilities are absorbing this cost or patients are being expected to meet the co-pay requirement.

Additionally, some drugs used in long-term care settings continue to be excluded from Part D coverage, including: benzodiazepines, phenobarbital, and prescription vitamins. Good alternatives to treat the beneficiary's condition do not exist. This lack of coverage threatens continuity of care. ASHP encourages Congress to reevaluate these exclusions and to allow such treatment determinations to be made by the plans' pharmacy and therapeutic committees or by CMS through a notice and comment period.

Compliance with current rebate reporting requirements is also difficult. Since rebates are available at a number of different levels (individual product, total utilization of all manufacturer's products, and consolidated utilization for an entire health system), it is

difficult to discern the long-term care portion of a rebate from the overall health-system rebate. ASHP urges Congress to examine all of these long-term care issues closely which impact the most chronically ill elderly Medicare beneficiaries.

Medication Therapy Management Programs (MTMP)

The Medicare Modernization Act of 2003 (MMA) requires that all prescription drug plans offer medication therapy management (MTM) services. Medication management encompasses an array of distinct services that optimize therapeutic outcomes for individual patients. Services include: 1) formulating a medication treatment plan, monitoring and evaluating the patient's response to therapy, 2) performing a comprehensive medication review to identify, 3) resolve and prevent medication-related problems, and 4) coordinating and integrating medication management services within the broader health care management services being provided to the patient. If provided by a qualified health professional, these services can promote the best use of medications for the patient.

An effective medication management benefit, when delivered by pharmacists, can achieve: optimized therapeutic outcomes, reduced medication errors and adverse drug events, more effective and efficient coordination of care, and improved quality of life. The Veterans Administration, several state Medicaid programs, and private organizations have incorporated MTM into their health coverage plans due to these positive effects.

While the MMA provided an opportunity to achieve such goals within Medicare, the MTM program was not designed nor has it been implemented in such a way to promote the safe and effective use of prescriptions by all Part D beneficiaries. This is due largely to misaligned incentives that do not encourage prescription drug plans (PDPs) to offer robust MTM programs since they are not at risk for Part A or B services that may result from an ineffective Part D benefit. As a result, the majority of beneficiaries do not have access to the MTM benefit and those who do rarely interface with a qualified health care professional who can provide appropriate oversight and guidance.

An outpatient drug benefit that provides access to prescription drug products without efforts to ensure effective medication management places beneficiaries needlessly at risk. The Institute of Medicine's 2006 report, *Preventing Medication Errors*, finds that avoidable deaths occur due to inadequate medication management and calls for health system changes that promote a patient-centered, multidisciplinary, and team-based approach to medication delivery.

Congress can make changes in Medicare to ensure that all Part D beneficiaries have safe and effective drug treatment by providing a basic annual medication assessment to all enrollees. In addition, we would urge Congress to make meaningful changes in Medicare so that all high risk beneficiaries receive comprehensive medication management services as provided by a pharmacist working in collaboration with prescribers, beneficiaries, and their families. Such changes will improve health outcomes and eliminate preventable medication-related problems. ASHP is working with several other pharmacy organizations to develop a proposal that would achieve these goals.

Conclusion

ASHP appreciates the opportunity to share our views on how to continue to work towards a Medicare outpatient prescription benefit that is successful in meeting the needs of Medicare beneficiaries, providing access and continuity of care in all practice settings, particularly for vulnerable high-risk Medicare beneficiaries. ASHP and its members are committed to working with the Congress, CMS, and beneficiaries to address both implementation and longer term policy issues that will need to be addressed to ensure the success of this program.