



Government Affairs Division

American Society of  
Health-System Pharmacists

For more information.

ASHP GOVERNMENT  
AFFAIRS DIVISION

7272 Wisconsin Avenue  
Bethesda, MD 20814

(301) 657-3000 x1306  
(301) 664-8862 (FAX)

e-mail: gad@ashp.org

*Pharmacists helping people  
make the best use of  
medicines*

# Issue Paper

## ISSUE:

### *THE EXPANDING ROLE OF THE PHARMACIST AND THE REIMBURSEMENT DILEMMA*

## Background:

**The role of the pharmacist has changed immensely over the past decade.** The practice of pharmacy is evolving from a profession that dispenses pharmaceutical products to one that helps patients make the best use of medications. This requires pharmacists, working in collaboration with other health care professionals, to increase their participation in patient care services. These services include, but are not limited to, changing, correcting, or eliminating a drug from a patient's drug regimen; the initiation of drug therapy; educating and counseling patients on the effective use of their drug therapies; identifying and correcting actual drug-related problems; and anticipating and preventing potential drug-related problems.

**Pharmacy training and education have kept pace with the expanding role of the pharmacist.** Colleges of pharmacy have become more clinically oriented and have shifted from a baccalaureate of pharmacy degree to a 6-year doctor of pharmacy degree. In addition, an increasing number of pharmacy graduates are participating in multiple post-graduate residency programs that further enhance the pharmacist's clinical skills.

**Research demonstrates that the inclusion of a pharmacist on a patient care team reduces medication-related errors, decreases overall health care costs, and improves the quality of care a patient receives.** According to a study published in the *Archives of Internal Medicine*, the addition of the pharmacists' professional patient care services in all ambulatory settings reduces the occurrence of negative therapeutic outcomes by 53-63% and avoids \$45.6 billion in direct health care costs.<sup>1</sup> The November 1999 Institute of Medicine report on medical errors recognized that "the pharmacist has become an essential resource" and patient safety demands that access to the pharmacist's expertise must be possible at all times.<sup>2</sup>

**Many states also recognize the value and expertise that pharmacists bring to the health care system in the area of disease management and other**

<sup>1</sup> Johnson and Bootman. *Arch Intern Med*. 1995; 155: 1949-1956.

<sup>2</sup> Kohn, et al. *To Err is Human: Building a Safer Health System*. Washington, D.C.: Institute of Medicine 1999.

**patient care services.** More than half the states have changed – or initiated the process to change – their pharmacy and medical practice acts to facilitate drug therapy management by clinically trained pharmacists under a collaborative agreement with the patient’s physician.

Despite the advancements in pharmacy education and the many states that have recognized and called on pharmacists to use their clinical training to improve drug therapy treatment, **Medicare does not reimburse pharmacists for providing high-level patient care services.** Medicare reimbursement methodologies simply have not kept pace with the growth of pharmacy practice. **As a result, necessary patient care services for high-risk patients are being compromised.**

Currently under the Medicare system, pharmacists are highly restricted in their ability to receive compensation for patient care services. The pharmacist is only eligible to bill “incident to” a physician’s service. This requires meeting substantial, often antiquated, regulatory burdens. The complex regulatory framework of the “incident to” billing structure makes it difficult for clinics to meet this burden.

Even when these provisions are met, “incident to” billing only allows the pharmacist to bill at the lowest level of billing, providing for limited coordination of minor medical problems. **The level of patient care that pharmacists provide for patients on high-risk therapies, such as anticoagulants, is not covered under this billing structure.** Those existing patient care services are threatened by the inability of “incident to” payment rates to cover the cost of those services. Moreover, appropriate expansion of similar services to other high-risk patient populations is hindered.

## **ASHP’s Position:**

The American Society of Health-System Pharmacists (ASHP) understands that to ensure quality care, high-risk patients - like the elderly - must receive specialized drug therapy management services. Pharmacists, based on their training and experience, are the health care professionals best able to provide these medication-related and patient care services. **Health systems will not be able to take advantage of the pharmacists’ specialized service unless Congress recognizes pharmacists as health care providers eligible for reimbursement under the Social Security Act.** This recognition is crucial to ensuring that the nation’s elderly receive the care they deserve.

ASHP believes that **the recognition of pharmacists as health care providers simply brings Medicare reimbursement methodologies up-to-date with current pharmacy practice.** Provider status would allow those pharmacists who are classified under Medicare Part B as providers to avoid the arcane regulatory burdens of “incident to” billing and to bill the Medicare program directly for the high-level patient care services provided.

**Pharmacists are not asking for a special privilege, just the same recognition as granted to other health care professionals.** The Social Security Act currently recognizes nurse practitioners, clinical nurse specialists, physician assistants, nurse midwives, and clinical social workers as health care providers. Pharmacists work side-by-side with these other health care professionals, often training them on drug therapy management techniques, yet the pharmacist alone is not recognized for his/her service. **This is an illogical distinction that prevents high-risk patients from receiving an optimal level of care.**

ASHP urges Congress to bring Medicare up-to-date with current practice and to guarantee our nation’s elderly access to the professional patient care services of the pharmacist. To do so, **Congress must recognize pharmacists as health care providers, eligible for reimbursement, under the Social Security Act.**