



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES

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January 21, 2014

Centers for Medicare and Medicaid Services
Department of Health and Human Services
Attention: CMS-3288-NC
P.O. Box 8016
Baltimore, MD 21244-8016

RE: CMS-3288-NC –Patient Protection and Affordable Care Act; Exchanges and Qualified Health Plans, Quality Rating System (QRS), Framework Measures and Methodology

The National Association of Chain Drug Stores (NACDS) appreciates the opportunity to comment on the proposed Quality Rating System for Qualified Health Plans (plans) offered through health insurance exchanges. NACDS represents traditional drug stores and supermarkets and mass merchants with pharmacies. Chains operate more than 40,000 pharmacies, and NACDS' 125 chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ more than 3.8 million individuals, including 175,000 pharmacists. They fill over 2.7 billion prescriptions annually, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 800 supplier partners and nearly 40 international members representing 13 countries. For more information, visit www.NACDS.org.

NACDS and its members are committed to supporting the pursuit of the Triple Aim,¹ and to ensuring that patients have to access to affordable, quality healthcare, including medication management services. We also recognize the importance of developing and implementing a meaningful Quality Rating System (QRS) for Qualified Health Plans (QHPs) offered through health insurance exchanges. To these ends, NACDS strongly urges CMS to unequivocally adopt the Medicare 5-Star medication-related measures within the QRS for QHPs offered through health

¹ Berwick, DM, et al. The Triple Aim: Care, Health, and Cost. *Health Affairs*. 2008. 27(3)759-69.

insurance exchanges. This request is supported by a compelling consumer interest to ensure that: (1) meaningful and reliable quality information is accessible, transparent and actionable regarding medication management metrics in accordance with the consumer protections of the Affordable Care Act (ACA); and (2) consumers have access to high quality health care. There is also a compelling federal interest to align medication-related measures across public and private programs – measures that encourage the delivery of high quality health care and improve patient outcomes while also optimizing system resources. Detailed support for this request is set forth below.

A. Medication Adherence Rating Information Needed for Well Informed Consumer Plan Decisions

NACDS strongly supports the overarching goal of the QRS, which is to provide transparent, actionable ratings to the public based on health care quality and outcomes, consumer experience, and cost. In so doing, NACDS concurs with the recommendations that the QRS for health insurance plans offered through exchanges should:

- Demonstrate sound, reliable, and meaningful information on the performance of QHPs that is useful and pertinent to consumers to support informed decision-making;
- Align with priority measures currently implemented in federal, state, and private sector programs;
- Include measures that are actionable by QHPs to encourage delivery of high quality health care services, and improve health outcomes to QHP enrollees; and
- Use readily available automated data to minimize QHP issuer and provider burdens.

CMS noted that in developing the proposed QRS framework the agency utilized its experience administering the Medicare rating system. Thus, in so doing, the agency should expand the proposed framework to include the medication-related measures used for the Medicare 5-Star rating system for medications within Medicare Advantage and Prescription Drug (MA-PD) and Part D Prescription Plans (PDP).

This oversight presents challenges to consumers since medication therapy is the primary intervention for most medical conditions and, as such we

believe patients must have access to meaningful and reliable information regarding medication-related care in order to make well informed health plan decisions. NACDS, therefore, strongly urges CMS to expand the proposed QRS metrics to include Medicare medication-related measures within the final rule for the QRS system.

i. Medicare Medication-Related Metrics

A central focus of the Medicare 5-Star rating system for medications for MA-PD and PDP Plans is on safe, consistent, and appropriate medication use. CMS has stated that “[o]ne of the most important ways you can manage your health is by taking your medication as directed.”²

In 2012, CMS launched five (5) medication-related adherence measures as part of the Medicare 5-Star Part D program. The adherence measures were originally developed and endorsed by the Pharmacy Quality Alliance (PQA), and submitted to and endorsed by to the National Quality Forum (NQF) prior to adoption by CMS. The import of these measures within the Medicare Part D Program is reflected in the overall weight of the measures relative to others. Specifically, the medication-related measures account for nearly half (almost 50%) of the overall weighting for the star ratings for PDP plans and twenty percent (20%) for the weighting for MA-PD.³ The specific medication-related quality measures of the Medicare 5-star ratings program are:

1. Medication Adherence for Diabetes Medications
2. Medication Adherence for Cholesterol Medications
3. Medication Adherence for Hypertension Medications
4. High Risk Medication Use in Elderly Patients⁴
5. Appropriate Treatment of Hypertension in Persons with Diabetes

² <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovGenIn/Downloads/2013-Part-C-and-D-Preview-2-Technical-Notes-v090612-.pdf>. at 62.

³ Nau, D. The Quality Revolution: Leveraging Star Ratings in Medicare and Other Opportunities for Pharmacy. August 26, 2012.

⁴ Given the demographics of consumers purchasing plans on the exchanges, this measure may not be as relevant as it is for PDP plans.

ii. **Medication Measures Are Closely Linked to Improved Patient Outcomes and Lower Total Medical Costs**

Poor medication use in all its manifestations has been reported to cost \$290 billion annually – 13% of total health care expenditures. Substantial evidence links improved adherence to reduced hospitalizations, delayed progression of disease, improved treatment outcomes for chronic disease, and cost savings.⁵

Moreover, a recent study conducted in conjunction with the Center for Medicare and Medicaid Innovation ("CMMI MTM study")⁶ found that individuals enrolled in Medication Therapy Management (MTM) programs –

particularly those who received annual CMRs – experienced *significant improvements in drug therapy outcomes* when compared to beneficiaries who did not receive any MTM services, thus supporting the hypothesis that the annual CMR may be one of the more crucial elements of MTM. *Significant cost savings associated with all-cause hospitalizations at the overall PDP and MA-PD levels were found, which may be due to MTM's comprehensive rather than disease-specific approach.*⁷

Given the beneficial impact of MTM to the Medicare Part D program, we believe MTM should also become the cornerstone of drug coverage within QHPs. CMS studies have found that high-performing MTM programs “not only improved drug therapy outcomes but also maintained or lowered rates of hospitalizations, ER visits, and associated costs.”⁸ MTM services decreased hospital utilization and costs in diabetes and congestive heart failure patients receiving CMRs, leading to significant cost savings in per-patient hospitalization costs of \$526 and \$329, respectively.⁹

⁵ Agency for Healthcare Research and Quality. Medication Adherence: Comparative Effectiveness. Evidence Report / Technology Assessment. Number 208.; New England Healthcare Institute. Thinking Outside the Pillbox: A System-wide Approach to Improving Patient Medication Adherence for Chronic Disease. August 2009.

⁶ <http://innovation.cms.gov/Files/reports/MTM-Interim-Report-01-2013.pdf>.

⁷ See Proposed Part D Rule expanding eligibility for MTM care.

⁸ <https://s3.amazonaws.com/public-inspection.federalregister.gov/2013-31497.pdf>.

⁹ http://innovation.cms.gov/Files/reports/MTM_Final_Report.pdf.

Likewise, the Congressional Budget Office (CBO) has recently revised its methodology for scoring proposals and found that for each one percent increase in the number of prescriptions filled by beneficiaries there is a corresponding decrease in overall Medicare medical spending. In other words, when patients adhere to their prescription regimens and properly fill their medications, they tend to avoid more costly future medical interventions, thereby decreasing overall Medicare spending. When projected to the entire population this translates to a savings of \$1.7 billion in overall healthcare costs, or a savings of \$5.76 for every person in the U.S. for every one percent increase in the number of prescriptions filled.

Importantly, a recent research study has also shown a positive association between CMS 5-Star Medicare Part D quality ratings and beneficiary enrollment.¹⁰ From the study findings, the authors opined that not only did this information assist consumers with enrollment decisions, but it may provide:

- firms with additional incentive to cultivate higher quality,
- CMS with justification to continue to advance public reporting, and
- Policy makers with a rationale *to pursue quality reporting in other health insurance markets*.¹¹

Accordingly, patient outcomes and system costs are significantly influenced by medication management and related care. We therefore submit that QRS framework be amended to include medication measures that will: (1) uphold many of the government's espoused, desired attributes for the proposed quality rating system; and (2) protect consumers by providing relevant and meaningful quality rating information on medications. CMS should therefore incorporate comprehensive medication-related measures into the Quality Rating System, which are consistent with federal and state programs, and provide:

- Meaningful and useful information to consumers on the performance of QHPs with respect to medication use to support informed decision-making; and

¹⁰ Reid, R, et al. Association Between Medicare Advantage Plan Star Ratings and Enrollment. *JAMA*. 2013;309(3):267-274.

¹¹ *Id* at 273 emphasis added.

- Incentives to health insurance carriers to implement quality medication-related initiatives.

iii. Patients in QHPs May Be at Risk for Poor Medication Outcomes Due to High Cost-Sharing

Providing medication-related quality and performance measures for patients and consumers in QHPs may be an essential rating element with respect to quality of care. The reason behind this is that there is a potential for poor medication outcomes due to the high cost-sharing QHP designs.

Many have reported that health plans offered through health insurance exchanges have high deductibles and high patient-cost sharing for medications.¹² There is also substantial evidence that demonstrates a strong and consistent inverse relationship between patient out-of-pocket costs and patient adherence to chronic therapy. In fact, one recent systematic review found that for each 10% increase in cost-sharing, prescription drug spending decreases by 2% to 6%, depending on the class of drug and condition of the patient.¹³ In other words, drug spending decreases because the high co-pays deter patients from filling their prescriptions and remaining adherent to their prescription regimens. Given the high cost-sharing within the exchanges and the correlation with a lack of medication adherence, it is imperative, for the purposes of maximizing patient outcomes, that medication measures be sufficiently robust in order to monitor medication adherence and assess systematically the appropriateness of exchange plan designs.

B. Alignment & Harmonization Are Essential

The adoption of the medication-related measures of Medicare within the QRS will promote harmonization with priority measures currently implemented in federal, state and private sector programs. In fact, the medication-related measures of the Medicare 5-Star program have gained substantial traction beyond Medicare. These measures are currently implemented in state Medicaid Quality Reporting Programs and a vast

¹² Avalere Health. PlanScape: Review of Formulary Coverage, Cost Sharing and Access in Top Exchange Plans. January 13, 2014.

¹³ <http://www.amcp.org/WorkArea/DownloadAsset.aspx?id=12160>

array of private sector programs.¹⁴ Moreover, significant education efforts have been underway to ensure that patients and health care providers understand the specific medication-related measures. Therefore, a lack of alignment on medication management standards undermines consumer education efforts, and diminishes the ability of individuals (both consumers and providers) to have a consistent understanding of the federal and state quality and performance measures with respect to safe, consistent, and appropriate medication use.

Conclusion

NACDS submits that strong and consistent quality medication measures across federal and state programs drive and improve accountability and transparency and thus, provide: (1) powerful incentives to improve quality of care and patient outcomes; and (2) meaningful consumer protections regarding affordable, quality healthcare and meaningful, reliable, and actionable rating information.

Thank you for the opportunity to comment. We look forward to working with you on these important issues.

Sincerely,



Kathleen Jaeger

Senior Vice President, Pharmacy Care and Patient Advocacy

cc: Patrick Conway, M.D.
Cynthia Tudor, Ph.D.

¹⁴ <http://www.nbch.org/Value8-for-Health-Plans>; <http://www.medicaid.ms.gov/DUR.aspx>.