

Preserve Pharmacy Benefits in Health Care Reform

As Congress examines potential health care reform, it is important to preserve Medicaid, Medicare, and commercially insured patient access to pharmacy benefits and pharmacy services. Retail pharmacies serve as convenient and critical access points for patient care, generating savings for all payers, including Medicaid and Medicare.

Preserve Medicaid Pharmacy Benefits and Services

- ***Retail community pharmacies play a valuable role in Medicaid.*** Medicaid patients should continue to have access to Medicaid pharmacy health services. Increasingly states have chosen to expand the scope of pharmacy practice and retail pharmacists are providing more and more valuable health care services, many of which focus on prevention. Examples of such services include immunizations, medication therapy management, health education, point of care testing, and disease-state management. Pharmacists provide such services at a lower cost and provide a convenient access point for patients to access such services, given that ninety-one percent (91%) of all Americans, including Medicaid beneficiaries, live within 5 miles of a community retail pharmacy.
- ***Patient access suffers when drugs are reimbursed below cost.*** In January 2016, CMS issued the Covered Outpatient Drugs Final Rule, implementing significant changes to pharmacy reimbursement as a way to help ensure that reimbursement levels were adequate enough to help preserve patient access to needed prescription drug and pharmacy services. Consistent with this important goal, any reform proposals should ensure that pharmacists are not reimbursed below cost.
- ***States have an incentive to maintain cost-saving optional benefits such as pharmacy.*** Even though pharmacy benefits are optional under Medicaid, CMS recognizes that every state in the nation offers pharmacy benefits to Medicaid patients. The savings generated by adherent use of medications cannot be overstated, as a recent study published in *Health Affairs* found that for every 1% increase in Medicaid drug spending, there was a comparable decrease in non-drug spending.¹

Preserve and Expand Beneficiary Access to Medicare Pharmacy Services

- ***Through community pharmacies, Congress can expand access to Part B services at a fraction of physician reimbursement costs.*** Pharmacists should be included as providers in the Medicare Part B program in Medically Underserved Areas. According to the Association of American Medical Colleges, by 2020, there will be a shortage of more than 91,000 doctors. The lack of access to health care services is and will continue to be most severe in Medically Underserved Areas. Pharmacists, acting within their state's scope of practice laws, offer the opportunity to fill some of this void. The *Pharmacy and Medically Underserved Areas Enhancement Act* (S. 109/H.R. 592) would allow pharmacists to provide Medicare beneficiaries in Medically Underserved Areas with Part B services, subject to state scope of practice laws, at 85% of Physician Fee Schedule rates.

¹ Increased Use Of Prescription Drugs Reduces Medical Costs In Medicaid Populations; *Health Affairs*; September 2015; vol. 34, no. 9; pp. 1586-1593.

- ***Congress should preserve and expand federal law providing coverage of Medicare medication therapy management (MTM) pharmacy services.*** Through Medicare MTM services, retail pharmacists help patients take their prescription drugs properly and follow a drug therapy regimen. Pharmacists assist patients in finding the most cost effective drug with the optimal lowest cost-sharing for their drug therapy regimen. MTM services help to lower prescription drug costs and reduce overall healthcare costs by decreasing the use of more costly services such as emergency room visits and hospitalizations. A 2013 CMS report found that Part D MTM programs consistently and substantially improved medication adherence and quality of prescribing for evidence-based medications for beneficiaries with congestive heart failure, COPD, and diabetes, as well as generating significant savings. Notably, the Center for Medicare and Medicaid Innovation (CMMI) is currently implementing an Enhanced MTM Model Pilot to provide Part D plans the opportunity to utilize new and innovative approaches to MTM. The Pilot should be preserved because it could create better alignment of program incentives and lead to improved access to MTM services for beneficiaries, along with greater medication adherence and improved health.

Preserve Pharmacy Benefits and Services for Broader Populations

- ***Incentivize patients to seek preventive services.*** Congress should preserve patient access to zero cost-sharing preventive services across all types of insurance. Pharmacists are increasingly providing more and more preventive health care services, such as immunizations, disease screening, and patient counseling. Insured patients are more likely to utilize such cost-saving services when there is no cost-sharing associated with the service. Moreover, the value of providing such preventive services cannot be overestimated. For example, more than 50,000 individuals die each year from vaccine preventable diseases and thousands more suffer serious and costly health problems.
- ***Expand access to Flexible Spending Accounts (FSAs).*** Congress should return to a system under which commercially insured patients can use their Flexible Spending Account (FSA) funds to pay for over-the-counter (OTC) products without a prescription. Providing patients with the incentive of tax benefits connected to using FSA money to pay for OTC products encourages utilization of such products, and prevents unnecessary provider office visits, saving the healthcare system \$102 billion each year.
- ***Affordable prescription drug coverage reduces overall health care costs and benefits patients.*** Over the past 3 years, millions of previously uninsured Americans have gained prescription drug coverage. As discussed above, increased drug coverage leads to improved utilization of drug benefits, which improves patient quality of life and yields long term cost savings to patients and payers.

As Congress considers reforming the American health care system, patient access to retail pharmacies should be preserved and expanded. Beyond prescription drugs, retail pharmacies offer value-added health care services that can generate savings to private and government payers, while improving patient health care quality.