



## Medication Therapy Management: Catching Errors, Saving Lives and Money

By Richard Cauchi

*Providers and prescribers may be unaware of all medications a patient takes.*

Medications save or improve lives daily but, if taken incorrectly, can cause serious complications. One in four Americans (about 75 million people) do not follow directions when taking prescription medicines. This can cost an estimated \$290 billion annually in hospital admissions, extra doctor visits, lab tests and nursing home admissions. With thousands of prescription drugs on the market, increasingly powerful and popular over-the-counter products, and an array of less-regulated herbs and supplements, it is no surprise that providers and prescribers may be unaware of all medications a patient takes.

*Many patients do not understand health information.*

Local pharmacists often identify problems or concerns. The pharmacy receives a prescription order (handwritten, computer printed or totally electronic), and the patient picks it up at the pharmacy counter. Ideally, patients voluntarily and accurately tell health care professionals—including pharmacists—about other conditions and medications they take so that any dangerous or unintended medical problems are averted. Yet, according to the Institute of Medicine's report on health literacy, 90 million people have difficulty understanding, using and acting on health information. The problem may be compounded because many patients are ashamed or intimidated to ask doctors for help.

*Pharmacists offer medication therapy management to consumers.*

To identify and help at-risk patients, pharmacists offer a consumer-friendly program called medication therapy management (MTM). It often is used when a patient takes many (four or more) drugs for long-term conditions such as diabetes, asthma and high blood pressure. Therapy typically occurs in a face-to-face visit between the pharmacist and patient and/or caregiver. States can define medication therapy management in statute or in a Medicaid, state or private contract; it usually is offered as a separate, reimbursed professional service.

### Core Elements of Medication Therapy Management

- Review all current medications, including nonprescription and herbal agents, and assess medication-related problems.
- Provide the patient with a personal, comprehensive, reconciled list of all medications taken for self-management, care coordination and continuity of care.
- Compile a medication-related action plan for patients to track progress for self-management.
- Identify cases that need medication-related interventions, including collaboration with physicians and other health care professionals.
- Schedule follow-up visits based on patient needs or if patient is transferred from a hospital or other facility to home.

**Cost, Savings and Effectiveness.** Reimbursed medication therapy management services usually cost \$15 to \$50 per consultation, and costs can be set precisely. New York Medicaid, for example, pays \$35 for an initial consultation and \$25 for follow-up consultations, which are limited to six per year.

Two peer-reviewed studies help make the case that these evaluations improve patient health conditions and save money or show a return on investment. The newest, released in November 2009, tracked about 25,000 aged or disabled patients who received Medicare-funded therapy services. Drug costs for patients who had a face-to-face or telephone session were 5.2 percent lower (\$400 annually); drug use was reduced by a net 5 percent and more generic medications were used. Another study of 50 medication therapy management programs over seven years concluded that the return on investment per claim was \$3 in 2000 and increased to \$35 by 2006. Each medication therapy intervention cost an average of \$8.44 and resulted in an estimated savings in medical services of \$93.

*According to one study, one intervention can save \$93.*

**State Action** Minnesota, Mississippi, New Mexico and North Carolina initiated Medicaid-based programs as early as 2003. In Iowa, Medicaid medication therapy services uncovered 2.6 medication-related problems per patient; in 52 percent of cases, a new medication was recommended, and in 31 percent, discontinuing a medication was recommended. Minnesota's services resulted in a 31 percent reduction in total health expenditures per patient, from \$11,965 to \$8,197, and a 14 percent increase in meeting patients' goals. The savings exceeded the cost of medication therapy services by more than 12 to 1.

**Federal Action** Medication therapy management was enacted in the Medicare Modernization Act of 2003, implemented in 2006. The law requires each Medicare Advantage and Prescription Drug Plan to include medication therapy programs for enrollees, to be provided by pharmacists and other qualified health care providers. Under Medicare, targeted beneficiaries must have many chronic conditions, take several medications and be likely to incur high drug costs (more than \$4,000 in 2006). Although Medicaid has no such requirement, some states have developed them.

*MTM was implemented in 2006 under federal Medicare law.*

- Medicaid in Mississippi was first to offer this service in 2003; programs also operate in Colorado, Florida, Iowa, Minnesota, Missouri, New Mexico, New York, North Carolina, Ohio, Oregon, Utah and Wisconsin.
- North Carolina's CheckMeds program is available to all 650,000 Medicare Part D senior and disabled patients, paid for by a state-operated trust fund.
- Washington administers a program for its Public Employees Plan.

Although medication therapy management is widely accepted, policy and fiscal issues remain.

- Which and how many chronic conditions should trigger its use?
- Besides pharmacists, which providers should be paid for this extra service?
- In tight budget times, is a new required service feasible for states?
- What payment rates are adequate for professionals and sustainable for public and private programs?
- Could private insurance enrollees have the same benefit without a boost in premiums?

Because the cost of medication for chronic conditions such as diabetes, asthma and complex elderly care is high, medication therapy can save money while improving patients' health.

### Resource

Institute of Medicine. *Preventing Medication Errors*. Washington, D.C.: Institute of Medicine, 2006; [www.iom.edu/Reports/2006/Preventing-Medication-Errors-Quality-Chasm-Series.aspx](http://www.iom.edu/Reports/2006/Preventing-Medication-Errors-Quality-Chasm-Series.aspx).

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