

The logo for the National Association of Chain Drug Stores (NACDS) features the acronym "NACDS" in white, bold, sans-serif capital letters. The text is centered within a dark blue rectangular background that has a thin white horizontal line running through its middle.

NATIONAL ASSOCIATION OF
CHAIN DRUG STORES

Statement

Of

The National Association of Chain Drug Stores

For

United States House of Representatives
Committee on Ways and Means
Subcommittee on Health

Hearing on:
Member Proposals to Improve and
Sustain the Medicare Program

June 8, 2016
2:00 P.M.

1100 Longworth House Office Building

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The National Association of Chain Drug Stores (NACDS) thanks Chairman Tiberi and the members of the Subcommittee on Health for the opportunity to submit the following statement for the record regarding improving and sustaining the Medicare program. NACDS and the chain pharmacy industry are committed to partnering with Congress, HHS, patients, and other healthcare providers to improve the quality and affordability of health care services.

NACDS represents traditional drug stores and supermarkets and mass merchants with pharmacies. Chains operate more than 40,000 pharmacies, and NACDS' chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ more than 3.2 million individuals, including 179,000 pharmacists. They fill over 2.9 billion prescriptions yearly, 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 850 supplier partners and over 60 international members representing 22 countries. For more information, visit www.NACDS.org.

As the face of neighborhood healthcare, community pharmacies and pharmacists provide access to prescription medications and over-the-counter products, as well as cost-effective health services such as immunizations and disease screenings. Through personal interactions with patients, face-to-face consultations, and convenient access to preventive care services, local pharmacists are helping to shape the healthcare delivery system of tomorrow—in partnership with doctors, nurses and others.

NACDS believes retail pharmacists can play a vital role in improving and sustaining the Medicare program by greatly improving beneficiary health while reducing program spending; including through improving access for underserved beneficiaries and the better use of medication therapy management (MTM) services.

Pharmacists as Providers

As the U.S. healthcare system continues to evolve, a prevailing issue will be the adequacy of access to affordable, quality healthcare. The national physician shortage coupled with the continued expansion of health insurance coverage in recent years will have serious implications for the nation's healthcare system. Access, quality, cost, and efficiency in healthcare are all critical factors—especially to the medically underserved. Without ensuring access to requisite healthcare services for this vulnerable population, it will be very difficult for the nation to achieve the aims of healthcare reform.

The medically-underserved population includes seniors with cultural or linguistic access barriers, residents of public housing, persons with HIV/AIDS, as well as rural populations and many others. Significant consideration should be given to policies and initiatives that enhance healthcare capacity and strengthen community partnerships to offset provider shortages and the surge in individuals with healthcare coverage, particularly in communities with medically-underserved populations.

Pharmacists play an increasingly important role in the delivery of services, including key roles in new models of care beyond the traditional fee-for-service structure. Pharmacists are engaging with other professionals and participating in models of care based on quality of services and outcomes, such as accountable care organizations (ACOs).

In addition to medication adherence services such as MTM, pharmacists are capable of providing many other cost-saving services, subject to state scope of practice laws. Examples include access to health tests, helping to manage chronic conditions such as diabetes and heart disease, plus expanded immunization services. However, the lack of pharmacist recognition as a provider by third-party payors, including Medicare and Medicaid, limits the number and types of services pharmacists can provide, even though fully qualified to do so. Retail pharmacies are often the most readily accessible healthcare provider. Research shows that nearly all Americans (86 percent) live within five miles of a retail pharmacy. Such access is vital in reaching the medically underserved.

We urge you to increase access to much-needed services for underserved Medicare beneficiaries by supporting H.R. 592/S. 314, the *Pharmacy and Medically Underserved Areas Enhancement Act*, which will allow Medicare Part B to utilize pharmacists to their full capability by providing those underserved beneficiaries with services, subject to state scope of practice laws, not currently reaching them. This important legislation would lead not only to reduced overall healthcare costs, but also to increased access to healthcare services and improved healthcare quality, all of which is vital to ensuring a strong Medicare program.

The Benefits of Pharmacist-Provided MTM

Poor medication adherence costs the U.S. healthcare system \$290 billion annually.

Pharmacist-provided services such as MTM are important tools in the effort to improve medication adherence, patient health and healthcare affordability. Studies have shown that patients who are adherent to their medications have more favorable health outcomes, such as reduced mortality, and use fewer healthcare services, especially hospital readmissions and

ER visits. These studies included patients with cardiovascular disease, chronic obstructive pulmonary disease (COPD), high cholesterol and diabetes. Current MTM restrictions require that Medicare Part D beneficiaries suffer from multiple chronic conditions, be prescribed multiple medications, and meet a minimum annual cost threshold of \$3,138 in 2015 for their prescriptions before they are eligible for Part D MTM. According to the CMS MTM Fact Sheet, approximately 85 percent of programs opted to target beneficiaries with at least three chronic diseases in 2014. This is a contributing factor to the lower-than-projected eligibility levels in the MTM program.

NACDS has long been supportive of exploring new and innovative approaches to improve the Part D MTM program. One of the approaches we believe can be successful is the Enhanced MTM Model Pilot currently being implemented by the Center for Medicare and Medicaid Innovation (CMMI). The intent of the pilot is to provide Part D plans the opportunity to utilize new and innovative approaches to MTM, such as more efficient outreach and targeting strategies and tailoring the level of services to the beneficiary's needs. The potential exists for the Enhanced MTM Model Pilot program to create better alignment of program incentives and lead to improved access to MTM services for beneficiaries and greater medication adherence; however, the model test will not be successful unless it includes retail community pharmacists. Medication management services provided by community pharmacists improve patient care; improve collaboration among providers; optimize medication use for improved patient outcomes; contribute to medication error prevention; improve hospital and readmission cost avoidance; and enable patients to be more

actively involved in medication self-management. We urge lawmakers to support the inclusion of retail community pharmacists in the CMMI Enhanced MTM Model Pilot.

Since the pilot is scheduled to last for five years beginning in 2017, we also urge lawmakers to explore new and innovative approaches to improving the Part D MTM program that could be implemented in the short term. NACDS believes one short term approach is more efficiently targeting beneficiaries who can most benefit from the services that will improve medication adherence and overall program effectiveness. Congress recognized the importance of MTM on a bipartisan basis, including it as a required offering in the Medicare Part D program. We urge Congress to build on this earlier action and strengthen the MTM benefit in Medicare Part D through support of legislation such as that introduced by Sen. Pat Roberts (R-KS) and Sen. Jeanne Shaheen (D-NH), S. 776, the *Medication Therapy Management Empowerment Act of 2015*, which will provide access to MTM for beneficiaries with diabetes, cardiovascular disease, COPD, and high cholesterol.

Conclusion

NACDS thanks the subcommittee for consideration of our comments. We look forward to working with policymakers and stakeholders on finding ways to preserve and strengthen the Medicare program.