

Preserve Pharmacy Benefits and Services

As Congress continues to debate health policy, we ask that you recognize the value of retail community pharmacy in delivering high quality care at an overall lower cost. Retail pharmacies serve as convenient and critical access points for patient care. Considering the value of pharmacy to our healthcare delivery system, it is critical to support policies that preserve Medicaid, Medicare, and commercially insured patient access to pharmacy benefits and services that generate savings for all payers.

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 valuable healthcare 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 89% of all Americans, including Medicaid beneficiaries, live within five miles of a community retail pharmacy.
- ***Patient access can suffer when drugs are reimbursed below cost.*** The Centers for Medicare & Medicaid Services (CMS) implemented significant changes to pharmacy reimbursement as a way to help ensure that reimbursement levels are adequate to cover costs and to help preserve patient access to needed prescription drugs and pharmacy services. Consistent with this important goal, federal policies should continue to ensure that pharmacists are not reimbursed below the cost to acquire and dispense prescription drugs to Medicaid beneficiaries.
- ***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 for a lower cost than physician reimbursements.*** Pharmacists should be included as providers in the Medicare Part B program in areas where there are shortages of health professionals. 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 Health Professional Shortage Areas (HPSAs). Pharmacists, acting within their states’ 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 those Medicare beneficiaries that are presently medically underserved with certain Part B services, subject to state scope of practice laws, at 85% of Physician Fee Schedule rates.
- ***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

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

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. CMS and the Center for Medicare and Medicaid Innovation (CMMI) have recognized the value MTM services can have in the Medicare program. In a proposed rule released by CMS in Fall 2017, the Agency proposed a change designed to further incentivize Medicare plans to utilize MTM programs. Under current requirements, plans are required to meet a medical loss ratio (MLR) of 85 percent, meaning the plan must not spend more than 15 percent on administrative functions. The CMS rule proposes to clarify that Part D MTM programs will be considered a quality improving activity, as opposed to an administrative function. This should encourage plans to build more robust MTM programs. Additionally, CMMI is currently testing an Enhanced MTM Model Pilot that provides Part D plans the opportunity to utilize new and innovative approaches to MTM. Greater utilization of pharmacists in the Enhanced MTM Model Pilot would provide improved access to MTM services, which would result in better medication adherence and lead to improved health and lower costs.

Preserve Pharmacy Benefits and Services for All Americans

- ***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 overstated. For example, more than 50,000 individuals die each year from vaccine preventable diseases and thousands more suffer serious and costly health problems.

As Congress debates health policy, please recognize the value of pharmacy in delivering high quality care at an overall lower cost by preserving and expanding patient access to retail pharmacies. 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.