Healthcare Reform: Current Status and its Implications for Pharmacists

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Pharmacist Objectives

• Review the fundamental elements of the ACA and impacts on patient care, health-system implications, and consumerism in healthcare
• Discuss key elements of the ACA that are specifically related to pharmacy practice
• Provide examples on how pharmacists can enhance patient care based on the current implementation status of the ACA

Technician Objectives

• Review the fundamental elements of the ACA and impacts on patient care, health-system implications, and consumerism in healthcare
• Discuss key elements of the ACA that are specifically related to pharmacy practice
• Provide examples on how pharmacists can enhance patient care based on the current implementation status of the ACA
The Affordable Care Act and its Impact Thus Far

Why? Financial Impact is Unsustainable

But We Spend More!

2010 Public Health Expenditure per Capita (IMR purchasing power parity-adjusted)
Americans Buy a Lot of Everything


But How much is Cultural?

Health care costs: U.S. spends more for elderly
Annual per capita healthcare costs by age

On Average, we spend over $100K more per person after age 65.

Spending Distribution is Skewed

Source: NIHCM Foundation Analysis, accessed Nov 10, 2015
Health care accounts for nearly 20% of Texas government spending from state, federal and other sources.
Question

• The following are provisions of the Affordable Care Act (ACA) except:
  A. Elimination of pre-existing conditions
  B. Fees/Tax penalties for those that do not buy insurance
  C. Guaranteed health-plan cost reductions
  D. Medicare payment reductions

Marketed Provisions - Affordable Care Act

• You’ve heard about these:
  – Coverage for children up to 26
  – Eliminating the doughnut hole for seniors
  – No cost preventative care
  – Review of premium increases ≥10%
  – Removing lifetime caps
  – Eliminating pre-existing conditions

• “Affordable” Insurance Exchanges
  – Payment increasingly tied to quality, service, and safety
  – Shared financial responsibility for care outside the hospital
Non-Marketed Provisions - Affordable Care Act

- Insurance Plan Requirements
- Medicaid expansion participation
- Medicare Cuts of $716 Billion
- Medical Device Tax
- Perverse Penalties and Fees
- Reimbursement Reductions
- Didn’t Address the “Doc Fix”
- High Deductible Plans
- Unintended Consequences
  - Insurance Drops
  - 50 Worker Provision
  - 30 Hour provision

Costs are not Declining
Cumulative Increases in Health Insurance Premiums, Workers’ Contributions to Premiums, Inflation, and Workers’ Earnings, 1999-2014

The “Shape” of Insurance is Changing
Employee Provided Enrollment by Plan Type, 1988-2014

Increased cost sharing by employees and narrower networks.
Many Implications for Health-Systems

• High Deductible Plans
• Very narrow networks
• More employed physicians
• Quality focus is greater than ever
  – Significant financial implications with VBP
• Other market pressures driving down volumes:
  – Readmission Reduction, LOS Reduction
  – Free-standing EDs, Surgery Centers, Procedure/Imaging Centers, etc.
• Focus on Post-Acute Care

Many plans, but less choice?

So has coverage improved?

<table>
<thead>
<tr>
<th>TYPE OF POLICY</th>
<th>ESTIMATED NUMBER OF PEOPLE</th>
<th>NET CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer-sponsored</td>
<td></td>
<td></td>
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<tr>
<td>insurance</td>
<td></td>
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<tr>
<td>Medicaid</td>
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<td></td>
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<tr>
<td>Individual market</td>
<td></td>
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<tr>
<td>Federal</td>
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<tr>
<td>State exchanges</td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uninsured</td>
<td></td>
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</tbody>
</table>

States that DID NOT expand Medicaid have seen only a 1.7% improvement.

Note: Data based on the National Health Interview Survey of over 4,200 adults aged 18 or older in 2014. Source: National Health Interview Survey.
Question

- Implications for Texas health-system practice sites include all of the following *except*:
  A. Greater focus on healthcare quality
  B. Increased number of Medicaid eligible patients
  C. Potential for greater out-of-pocket costs to patients
  D. Insurance exchange plans that do not include local hospitals

So, what does this all this mean?

- Individuals and businesses will be scrutinizing health expenses more and more
  - Trying to find a balance between cost and value
- More uninsured may become insured
- More insured may become uninsured
  - May also affect family members
- Beware of narrow networks in many plans
- Really depends on individual situations
  - Many consumers may find affordable plans
- Consumerism in healthcare is growing

What are the implications to Health-System Pharmacy Practice?
Specific Pharmacy Benefits

- One of the ten “essential benefits” required for insurance plans
- Medicare Part D coverage gap expansion
- Expansion of coverage and removal of some exclusions
- Annual medication review and expansion of Medicare Part D MTM
- AHRQ’s Medication Management Services in Treatment of Chronic Disease grant program
- Unique opportunity for pharmacists to drive improvement efforts

And Medication costs are significant

<table>
<thead>
<tr>
<th>Most Prescribed Medications</th>
<th>Cost in billions</th>
<th>In millions of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nexium</td>
<td>5.13</td>
<td>HX (Herceptin)</td>
</tr>
<tr>
<td>Advair-Diskus</td>
<td>2.26</td>
<td>Cholesterol</td>
</tr>
<tr>
<td>Celebrex</td>
<td>2.12</td>
<td>Blood pressure</td>
</tr>
<tr>
<td>Ankylos</td>
<td>1.10</td>
<td>Heartburn</td>
</tr>
<tr>
<td>Cymbalta</td>
<td>0.86</td>
<td>Antihypertensives</td>
</tr>
<tr>
<td>Spiriva</td>
<td>0.66</td>
<td>Leukotrienes</td>
</tr>
<tr>
<td>Norvasc</td>
<td>0.56</td>
<td>Ranitidine</td>
</tr>
<tr>
<td>Zestril</td>
<td>0.17</td>
<td>Simvastatin</td>
</tr>
<tr>
<td>Benicar</td>
<td>0.15</td>
<td>Ciprofloxacin HCL</td>
</tr>
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Est. $88B in total expenditures for Part D in 2016

Question

- Pharmacists and technicians have significant opportunities to address national value-based purchasing (VBP or P4P) initiatives.
  A. True
  B. False
Key Reform Focus Areas

- ACOs, Medical homes and care coordination
- Readmission prevention
- Rewards for quality
- Improved patient safety
- Reduced duplication of services
- Appropriate use of technology
- Cost-effectiveness research and use
- Dissemination of best practices
- Improved access to care

Pharmacists can contribute significantly in all of the above areas!
Readmission efforts are working

Percentage point change in Medicare readmission rates by hospital referral region, between January and August 2013 compared to the average across the 2007-2011 period.

What is Driving Patient Consumerism?

• Analogous thought
• Technology
• Generational Shifts
• Choice and lack of Choice – Plans and Providers
• Value-based data availability and transparency
• High deductibles and out-of-pocket costs

Question

• Increased healthcare consumerism could drive patients to access pharmacists and health-systems differently.
  A. True
  B. False
Some Interesting Facts

• 56% of Consumers would consider using retail clinics
• 42% say that distance is a primary factor for choosing a PCP
• 70% of young Millennials (aged 18-24) choose a primary care physician based on recommendations from family and friends, compared to only 41% of patients over the age of 65
• 54% of young Millennials said they search online for health information before seeing a physician and rely on doctor ratings (versus 39% for the global population)
• Only 29% of patients in Tarrant County, Texas would be willing to have someone monitor medication adherence

Sources: Advisory Board Survey on Consumerism 2015, Nuance Communications, DFW Hospital Council Consumer Survey, August, 2015
Question

• Areas for pharmacist and technician leverage under the ACA include all of the following except:
  A. Opportunity to acquire physician practices
  B. Enhanced medication reconciliation
  C. Antibiotic stewardship programs
  D. Participation in patient medical homes

Many Areas of Pharmacist Leverage

• Technology
  – CPOE, bar-code scanning, decision support
  – Remote pharmacy support
• Quality improvement initiatives
  – SCIP, anti-coagulation, etc.
  – Pay for performance
  – Evidence-based practices
• Financial performance
  – Program development and return on investment
  – Reimbursement and charge capture
  – Cost avoidance - formulary, interventions, 340b, therapeutic subs, antibiotic stewardship, etc.
  – Patient assistance programs
• Programs and services
  – Medication reconciliation, readmission prevention, compliance
  – ED, ICU, and other specialized practice offerings
  – And MANY Others...

Medication Reconciliation

• 50.8% of discharged patients experienced one or more clinically important medication errors during the 30 days after hospital discharge.
• Identified 1140 MRPs demonstrating the need for medication reconciliation at each transition of care.

Pharmacists and Heart Failure

- Pharmacy resident focused on counseling, education, and compliance
- 30-day HF readmissions decreased from 28.1% to 16.6%
- 88% of patients attended follow-up appointments


Pharmacists in Medical Homes

- BCBS program placed pharmacists in six patient-centered medical homes (PCMHs)
- Savings of $2.1 million in first six months
- Significant improvement in drug plan benefit satisfaction (4.5 stars, 5% bonus)
- Adding 5 more

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Our Mobile App

- Allows for real-time video provider connections
- Symptom checker
- Health Record access
- Care cards and advice
- MD and facility search
- Rx renewals
BS&W Pharmacy Initiatives

- 24 + 5 retail pharmacies
  - Discharge Rx Program
  - Virtual Counseling
  - 48-hour follow-ups
  - “Free” prescriptions
- Walgreens partnership for NP clinics
- Counseling for reminder apps
- Medical Home RPh
- MD clinic-based pharmacists
- ED Medication reconciliation by technicians

Patient Education

Apps to be used in patient education:
- myBS&W Rx
- HealthMorse
- MyMedSchedule
- MedMile
- Drugs.com
- MedCoach
- CareZone
- Skype

Questions and Discussion