


**MEDICATION ADHERENCE:
The Impact on National
Healthcare
And
Your Pharmacy Practice**



SPEAKER DISCLOSURE

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**Is owner of L & S Pharmacy in
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Pharmacy, in Sikeston, Mo. and
MedHere Today LLC, and has no
disclosures to declare.**


LEARNING OBJECTIVES

At the end of the session participants will be able to:

1. Explain the history and significance of medication adherence
2. Describe the economic impact of medication adherence
3. Recognize pharmacy's impact on medication adherence
4. Describe medication adherence's impact on pharmacy practice
5. Explain the interest third party payers have in medication adherence
6. Explain the relationship between narrow contracting networks and medication adherence

ASSESSMENT QUESTIONS

Post Test Questions:

- 1) *Adherence is a simplistic problem with a simple solution. T F*
 - 2) *Improvements in medication adherence can result in improved clinical outcomes. T F*
 - 3) *Improving my patient's medication adherence can have a positive impact on my practice. T F*
 - 4) *Third party payers have little to no interest in medication adherence. T F*
 - 5) *Third party payers are looking to narrow networks to not only save money, but make more. T F*
- 

\$17,549,832,000.00



NATIONAL DEBT OF THE UNITED STATES AS OF MARCH 31, 2014

\$17,549,832,000.00



NATIONAL DEBT OF THE UNITED STATES AS OF MARCH 16, 2013

Increases by:

\$3,860,000,000.00

EVERY DAY



THAT'S AWFUL !!!!

What's it got to do with me?

**What's it got to do with the
reason we're here?**



\$16,714,907,258,004.10

**Two-Thirds of the increase in
the National Debt is from
Healthcare or is Healthcare
related***

*Cosgrove, Cleveland Clinic CEO, CBS THIS MORNING February 22, 2013

75% of Healthcare expenditures in the United States is for chronic disease*

*Cosgrove, Cleveland Clinic CEO, CBS THIS MORNING February 22, 2013

MEDICATION ADHERENCE MOVEMENT

CURRENT LEVEL OF INTEREST IN ADHERENCE

C. EVERETT KOOP, M.D. FORMER U.S. SURGEON GENERAL

**“Medications do not
work in patients who do
not take them”**



EXPRESS SCRIPTS STUDY.....

“For many diseases, fewer than half of patients take their medications as prescribed.....

“As a result, the U.S. wastes 317.4 billion dollars every year on unnecessary medical costs”

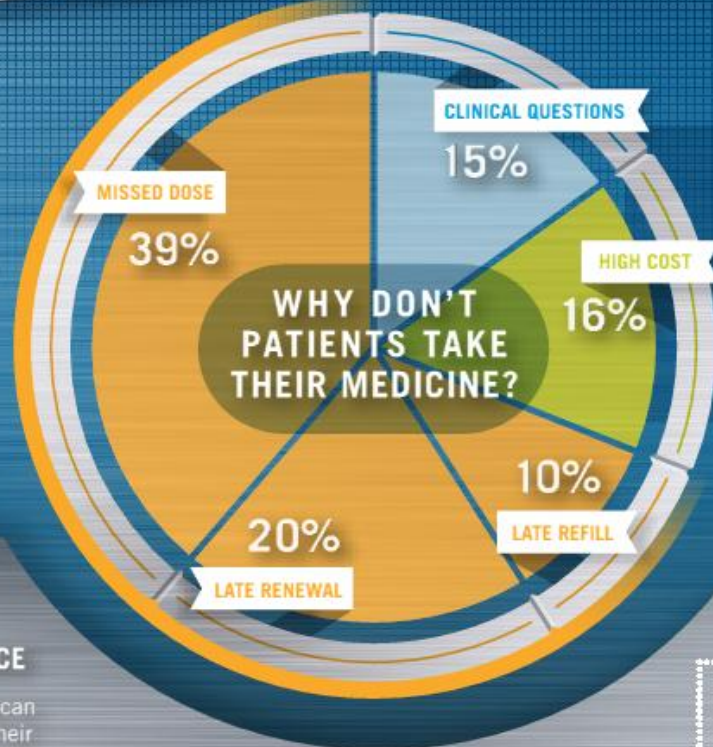


CURING NONADHERENCE WOULD COVER THE COST OF HEALTHCARE FOR 44.8 MILLION AMERICANS.¹

For many diseases, fewer than half of patients take their medication as prescribed.² As a result, **THE U.S. WASTES \$317.4 BILLION** every year on unnecessary medical costs — ER visits, hospitalizations, and extra tests — all to treat health complications that could have been avoided.³

Most Rx nonadherence is not caused by side effects or drug costs.

RATHER, 69% OF THE PROBLEM IS BEHAVIORAL: SIMPLE PROCRASTINATION AND FORGETFULNESS.



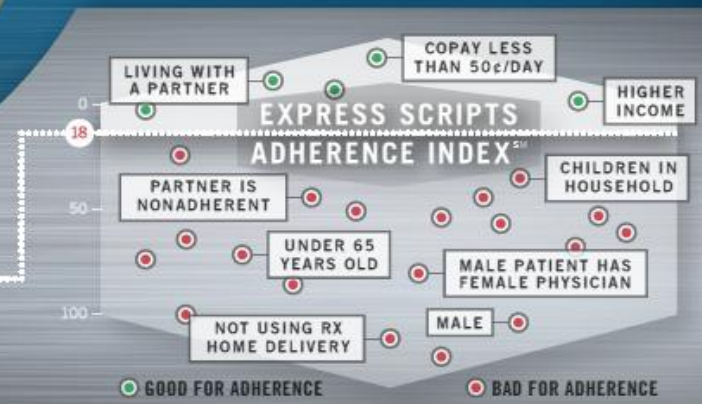
EACH INTERVENTION MUST BE TAILORED

- BEHAVIORAL** Audible reminders, pill boxes and auto-refills counteract procrastination and forgetfulness.
- FINANCIAL** Lower cost pharmacies, generics, and payment assistance make medication more affordable.
- CLINICAL** Pharmacist consultations and therapeutic resources help address medical concerns.

400+ FACTORS PREDICT NONADHERENCE

With up to 98% accuracy, we can identify who will stop taking their medicine 6-12 months in advance. This sample patient, with an Adherence Index score of **18/100**, likely needs a tailored intervention *before* he becomes nonadherent.

SAMPLE PATIENT



¹Centers for Medicare and Medicaid Services. National Health Care Expenditures Data. Jan. 2012.
²Osberg L, Blaschke T. Adherence to medication. *New England Journal of Medicine*. 2003;353(5):487-497.
³New England Healthcare Institute. "Thinking outside the pillbox."

WE AS CLINICIANS MUST

Prevent the Preventable

Cure the Curable

Treat the Treatable



HISTORY OF ADHERENCE

Where do pharmacists fit?

How does adherence affect patients?

Where can we see these savings?

How does this affect my practice?



MEDICATION COMPLIANCE



COMPLIANCE



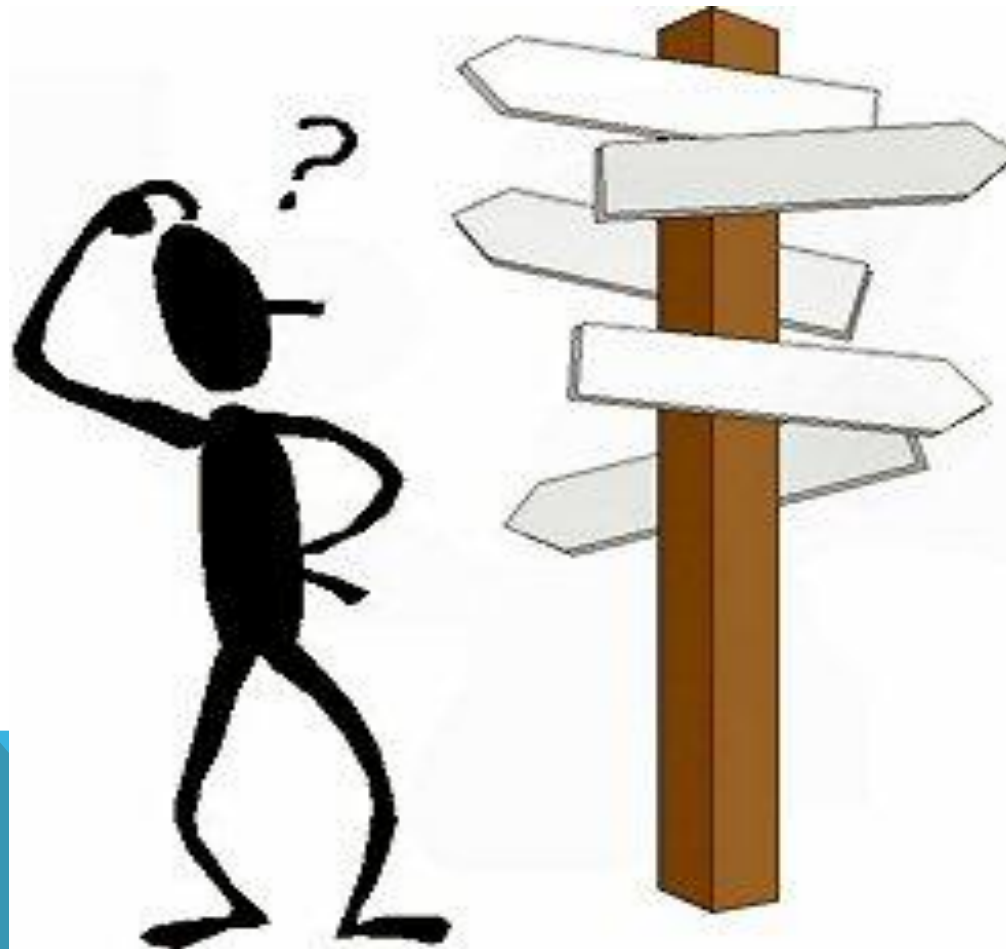
MEDICATION ADHERENCE



ADHERENCE



NON-ADHERENCE



LET'S DEFINE ADHERENCE

Simply put:

**PATIENTS TAKING THEIR
MEDICATIONS**



ADHERENCE IS NOT.....

Not Simply Autofill

CVS Caremark prescription refills under scrutiny, source says - Los Angeles Times

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Los Angeles Times | ARTICLE COLLECTIONS

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CVS Caremark prescription refills under scrutiny, source says

In a case involving possible Medicare fraud, the U.S. is investigating reports of prescriptions refilled without patients' approval, a source says.

October 12, 2012 · David Lazarus

Medicare is investigating reports that CVS Caremark Corp., the country's second-largest drugstore chain, has refilled prescriptions and submitted insurance claims without patients' approval, according to an official with knowledge of the matter.

The Office of the Inspector General for the U.S. Department of Health and Human Services has launched the investigation into CVS' refill practices, said the official, who was not authorized to discuss the case and therefore requested anonymity.

The inspector general is the starting point for any case involving possible Medicare fraud. Such probes also can include other law-enforcement agencies, including the Federal Bureau of Investigation.

Word of the Medicare investigation follows my columns on CVS' refill practices. One column featured confidential company emails showing that dozens of pharmacists in the New Jersey area were instructed by a supervisor to refill prescriptions and bill insurers without patients' say-so.

Another column included statements from CVS customers and pharmacists in California and elsewhere saying they too had experienced prescriptions being refilled without authorization.

Typically, drugstores submit claims to insurers when a prescription is filled, not when customers pick up their medicine.

CVS said unauthorized refills are not condoned by the company. State officials said such practices could be considered insurance fraud, particularly if insurers weren't refunded for any drugs rejected by patients.

CVS spokesman Mike DeAngelis said the company hasn't been contacted yet by federal investigators about its refill practices.

The Centers for Medicare & Medicaid Services, which oversees the federal programs, declined to comment on whether an investigation was underway.

Medicare, which provides health coverage to about 50 million beneficiaries, said only that it "takes any allegations of fraud very seriously and works in close coordination with our law-enforcement partners when we receive a complaint of possible fraudulent activity."

Investigators are reviewing a random sampling of the millions of claims CVS has submitted on behalf of customers to ensure that refunds were made to Medicare for drugs that patients hadn't requested and didn't pick up, said the official with knowledge of the case.

Last year, CVS agreed to pay \$17.5 million to resolve allegations that the company falsified claims for prescription drugs for Medicaid programs in California and nine other states.

In that case, the Justice Department accused CVS of submitting inflated bills to the healthcare program for low-income people who had other insurance as well. As part of the settlement, CVS denied any wrongdoing but agreed to allow federal authorities to monitor its billing procedures.

"This case is an example of the government's strong commitment to pursue companies that overcharge our federal health programs by submitting false claims," Tony West, assistant attorney general for the Justice Department's Civil Division, said about last year's settlement.

Don White, a spokesman for the Inspector General, wouldn't comment on whether refilling prescriptions without patient approval was a violation of last year's settlement agreement.

Meanwhile, federal authorities have been stepping up efforts to crack down on Medicare fraud.

Last week, federal prosecutors filed criminal charges against 91 doctors, nurses and other medical professionals for allegedly submitting nearly \$430 million in false bills to the agency.

In May, a similar investigation resulted in criminal fraud charges accusing 107 people of defrauding Medicare of \$452 million.

Private insurers, which do extensive business with CVS, are playing down concerns of possible fraud.

Anjie Coplin, a spokeswoman for insurance giant Aetna Inc., said her company works hard to ensure that all claims are legitimate.

"Aetna manages pharmacy utilization closely, and there are audits and double-checks in place to prevent excess billing," Coplin said. "This includes the auditing of individual pharmacies, where claims are compared to prescriptions and to the signatures in the patient log book."

<http://articles.latimes.com/print/2012/oct/12/business/la-fi-lazarus-20121012>

10/26/2012

ADHERENCE IS NOT.....

A smartphone app

A blinking cap

An equal tablet count

A “Robo-Call”

A medication package

A predictive algorithm



ADHERENCE IS.....

A True Adherence Program

Addresses ALL CAUSES of non-adherence

Incorporates therapeutic recommendations to prescribers

Creates a partnership between the clinician and the patient

Keeps patients adherent to their medications over time



QUESTION ONE: TRUE OR FALSE?

**Adherence is a simplistic problem
with a simple solution.**



WHY MEDICATION ADHERENCE?

**It's
GOOD FOR THE
PATIENT**



ADHERENCE AND THE DIABETIC PATIENT

Non-adherent patients have

- Higher HbA1c, BP, and Cholesterol
- Higher risk for all-cause hospitalization
- Increased risk for all-cause mortality*

*.HO, P.; RUMSFELD, J.; MASOUDI, F.; McCLURE, D; PLOMODON, M.; STEINER, J.; MAGID, D; EFFECT OF MEDICATION NONADHERENCE ON HOSPITALIZATION AND MORTALITY AMONG PATIENTS WITH DIABETES MELLITUS, ARHC INTERN MED VOL 166, SEPT 25, 2006

ADHERENCE AND THE DIABETIC PATIENT

We Know:

Diabetes medications control blood sugar



Controlling blood sugar leads to fewer complications of the underlying disease



Controlling blood sugar leads to healthier patients



ADHERENCE AND THE DIABETIC PATIENT

Your Patient

The Journal:

Medical Care

Your
Influence

“Pharmacies can be instrumental in...policies to improve medication adherence.....* ”

SHARMA, K ET.AL. "Pharmacy Effect on Adherence to Antidiabetic Medications, Medical Care, Vol 50, Number 8, 2012.

PHARMACIST'S INFLUENCE

Two year randomized study

Prince of Wales Hospital-Hong Kong

502 Cardiac Patients



RESULTS

Pharmacist intervention resulted in a 41% reduction in the risk of death

Number needed to treat for prevention of death was 16!*

*. WU, J.; LEUNG, W.; CHANG, S.; LEE, B.; ZEE, B.; TONG, P.; CHAN, J.. *Effectiveness of telephone counselling by a Pharmacist in reducing mortality in patients receiving polypharmacy: randomised controlled trial*. BRITISH MEDICAL JOURNAL;333:DOI:10.1136/BMJ.333.7567.0-A (PUBLISHED 7 SEPTEMBER 2006)

QUESTION TWO: TRUE OR FALSE

Improvements in medication adherence can result in improved clinical outcomes



**WE ACCEPT THAT ADHERENCE IS GOOD
FOR THE PATIENT**

**Adherence is also
good for
HEALTHCARE**



ADHERENCE IS GOOD FOR HEALTHCARE

United States Congressional
Budget Office (CBO)

November 2012 Report:

**\$317.4
billion
wasted***

A **1 %**  in RXs filled 
a one-fifth of **1 %** fall in
medical services spending

* INFOGRAPHIC: Predicting Rx Non-adherence
Healthcare Insights from the Express Scripts Lab
<http://lab.express-scripts.com/category/adherence/>

**ANOTHER STUDY,
MORE STATISTICS**

***Impact of Medication Adherence on
Hospitalization Risk and Healthcare Cost***

2005 Study by Sokol ET.AL

Published in the journal: *Medical Care*



Adherence saves money for ALL-CAUSE healthcare costs for:

- Diabetes
- Hypertension
- Hypercholesterolemia

(Mostly by reduction in hospitalization rates)

The amount saved varies with disease states to yield a return on every dollar invested in improving adherence



ROI

7:1 for Diabetes

4:1 for HTN

5:1 for Hyperlipidemia

Example:

- A \$177 increase in diabetes RX spending → \$1251 ↓ per patient³

WE HAVE SHOWN

**Adherence saves money for
healthcare**

Adherence keeps patients healthier

Adherence saves lives



SO WHAT?



IMPROVING ADHERENCE IS GOOD FOR YOUR PHARMACY

Practice pharmacy proactively

Manage patient therapy & maximize the number of refills on each prescription

Reduce your inventory, increase inventory turns

All with your *CURRENT* patients

Increase pharmacy volume

Increase pharmacy profits

WHAT'S THIS ABOUT INCREASED VOLUME AND PROFITS?

Sokol study

Increase diabetes RX expenditures by \$177 and decrease overall healthcare costs by \$1251

Where does the \$177 increase come from?

Increased dispensing at the pharmacy!



**The
Impact of Medication
Adherence on Healthcare
and
Your Practice**



NATIONAL ADHERENCE DATA

National adherence numbers are abysmal

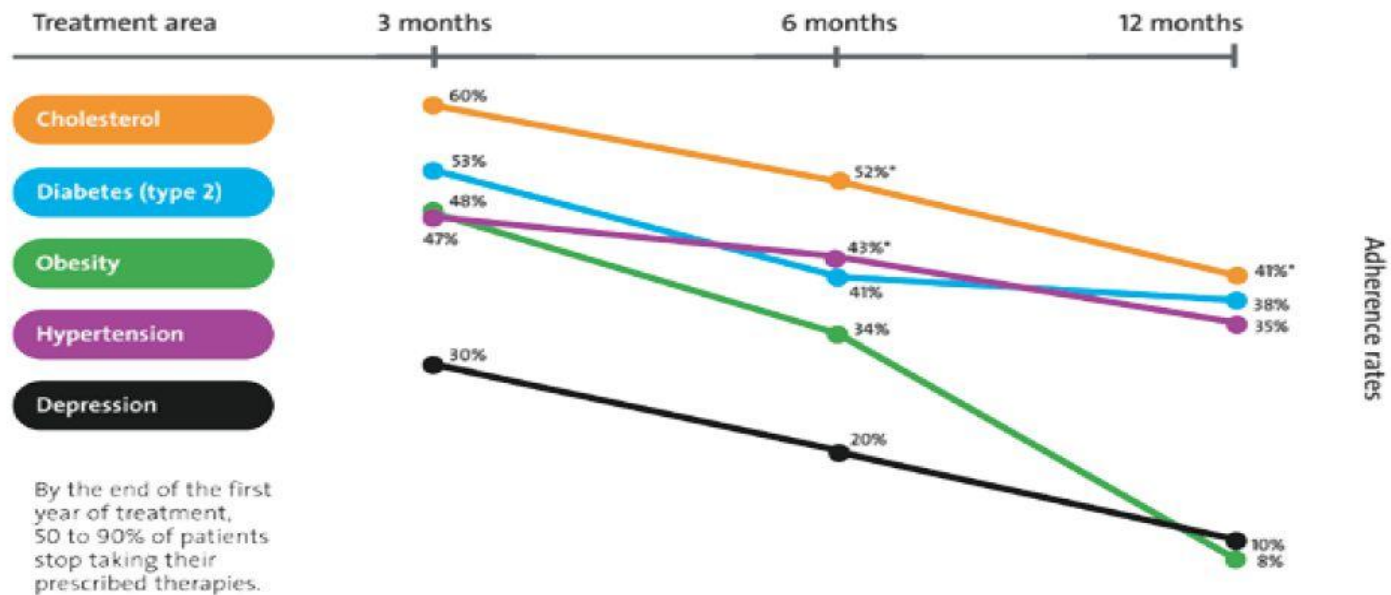
Industry reports show nationwide average adherence rates range from 40% to 80%

Reports also show that around 23% of prescriptions are never filled at all (primary non-adherence)*

*FORISSIER, T., Firlik, K. ESTIMATED ANNUAL PHARMACEUTICAL REVENUE LOSS DUE TO MEDICATION NON-ADHERENCE, CAPGEMINI CONSULTING 2012

NATIONAL ADHERENCE DATA

Industry Adherence Data



Source: Various sources; A.T. Kearney analysis. Adherence rate ranges were averaged.

Source: IMS Health All Rights Reserved
65

ims

WHAT CAN PHARMACY DO?

**Can pharmacists make a positive
impact in patient adherence to
medications?.....YES**



ABOUT US



Rural Missouri

County Population ~ 10,000

Low Income Area

High Prevalence of Diabetes

Created a Pro-Active Practice

Why did we build our pharmacy practice around adherence?

**The story of how we began our adherence
initiative.....**



OUR ADHERENCE TIMELINE

2006

**Created adherence program
Enrolled patients
Monitored closely**

2009

**NCPA Annual Meeting in New Orleans
NASPA Project**

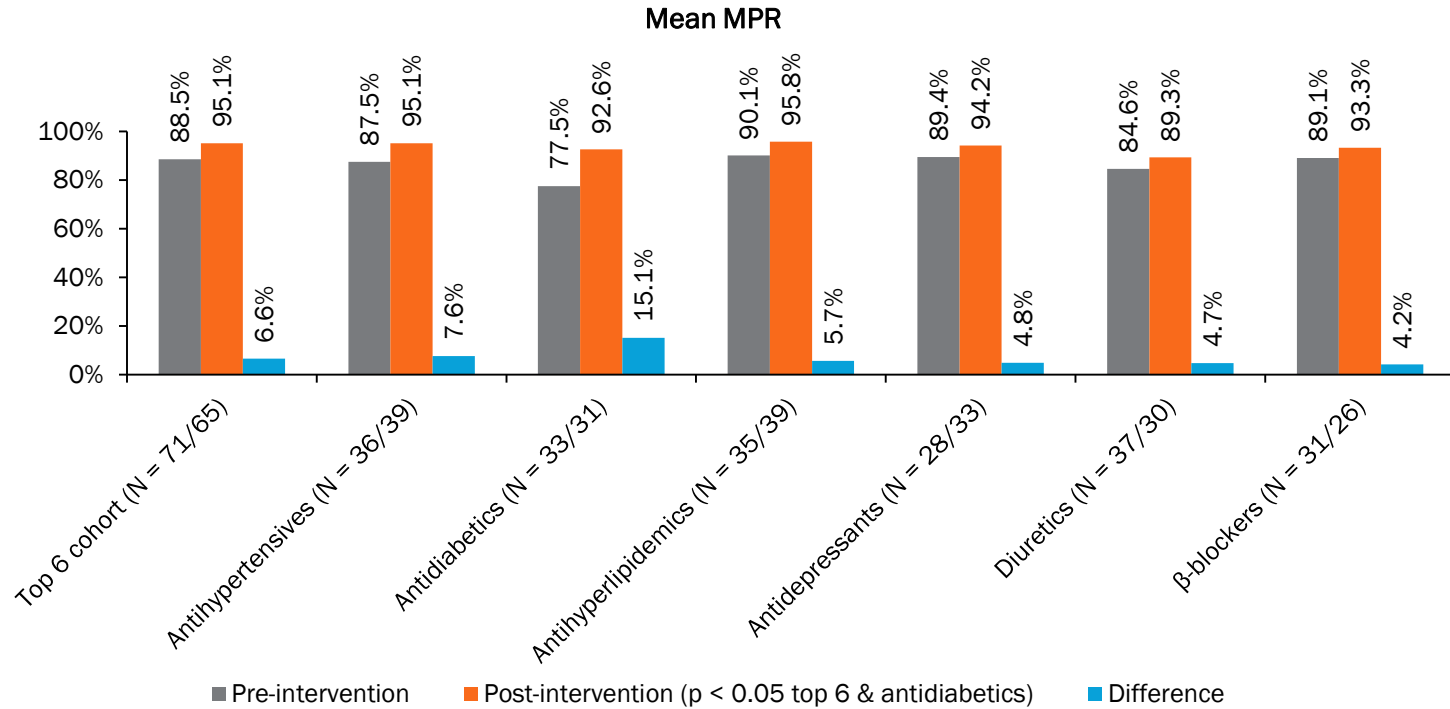
2010

Pfizer Study I

2011

Pfizer Study II

ADHERENCE RATES

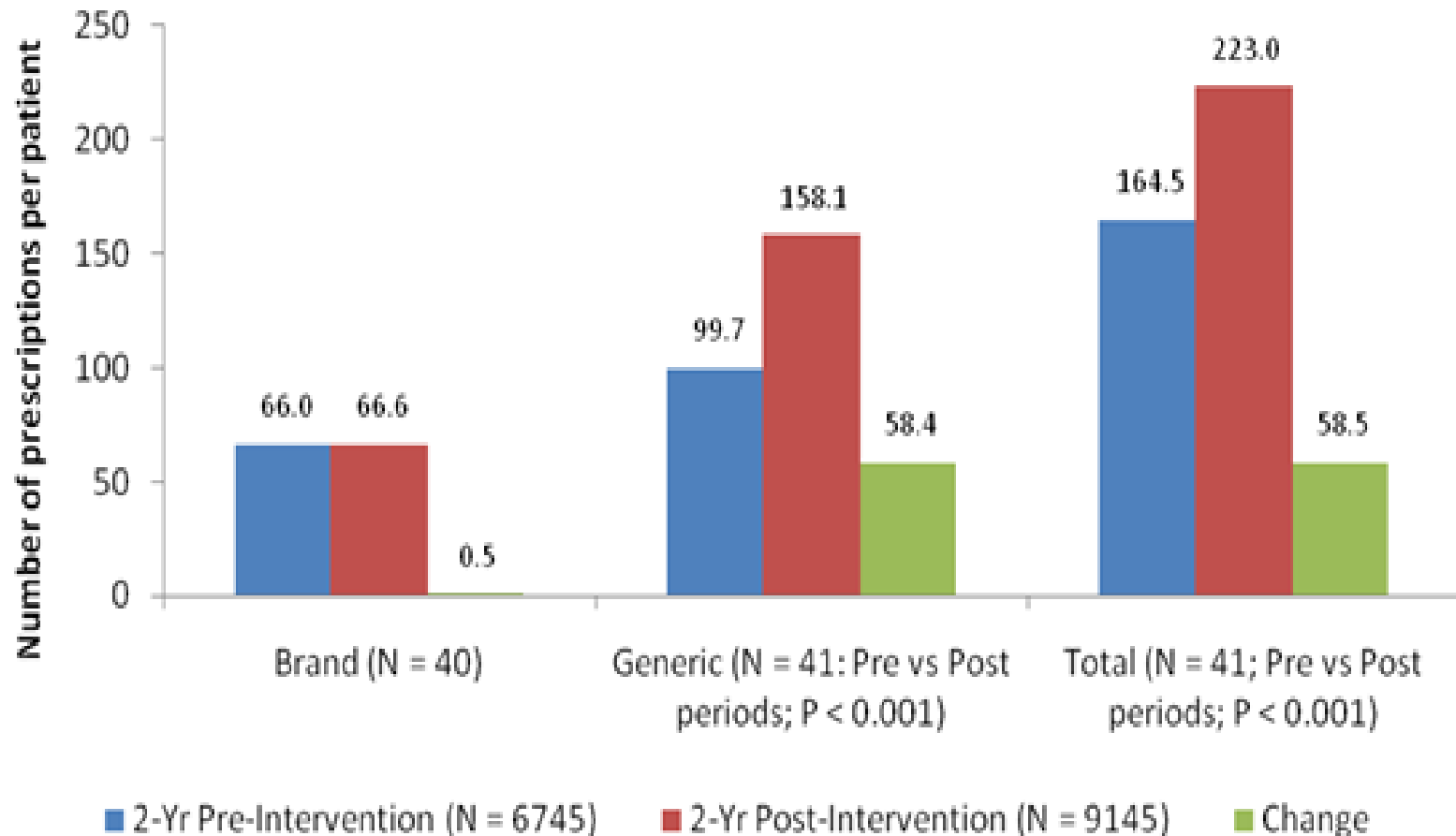


ADHERENCE RATES WENT UP.....

**WHAT DOES
THAT MEAN?**



Mean 2-Year Prescription Volume per Patient

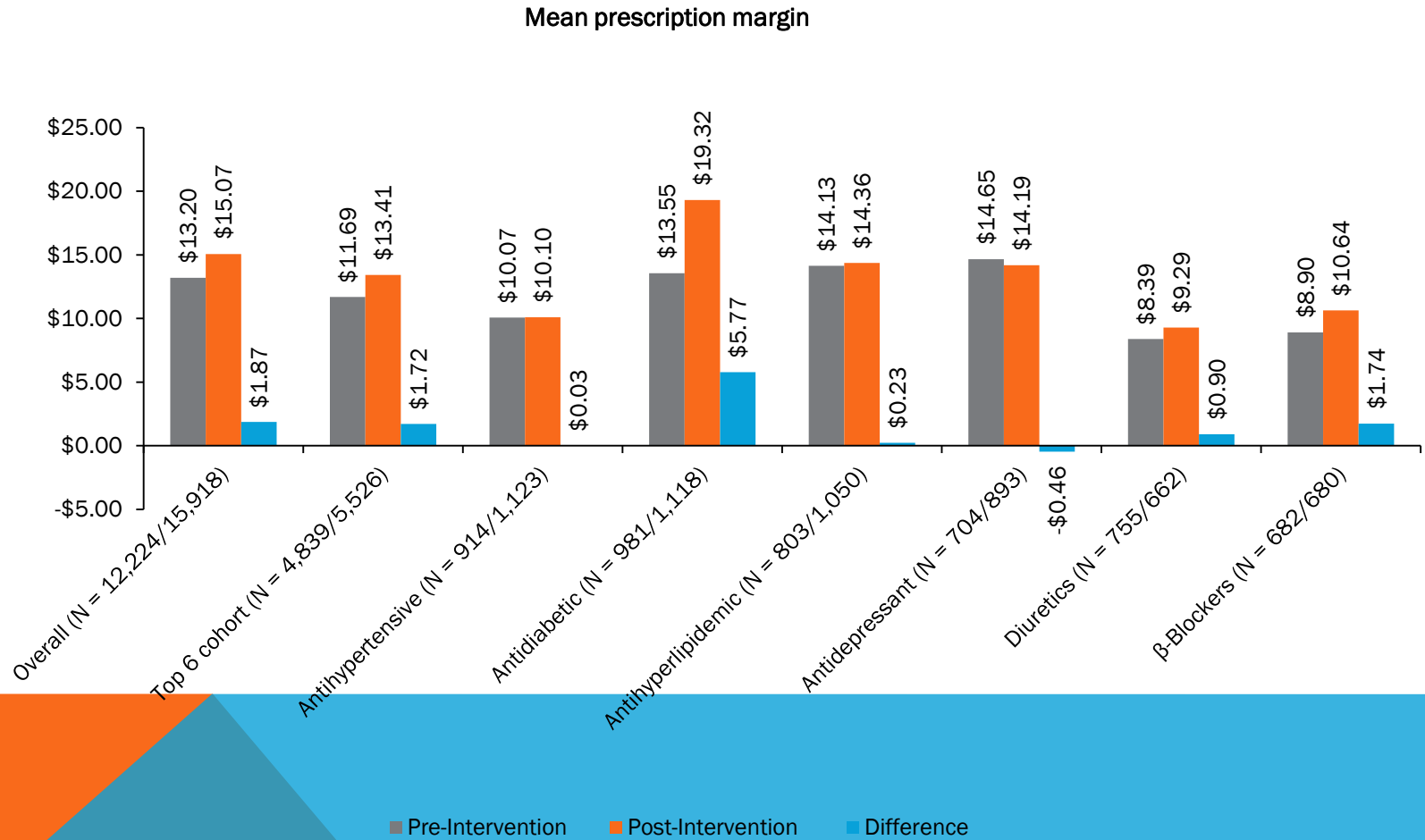


Pfizer Study Results

Statistically significant increases in prescription volume

29 prescriptions/patient/year

PFIZER STUDY RESULTS



PFIZER STUDY RESULTS

Significant Increase in Average Prescription Margin



\$1.87

ADHERENCE IN REVIEW

We've determined Adherence is.....

- Good for the Patient
- Good for the Healthcare System
- Good for the Pharmacy

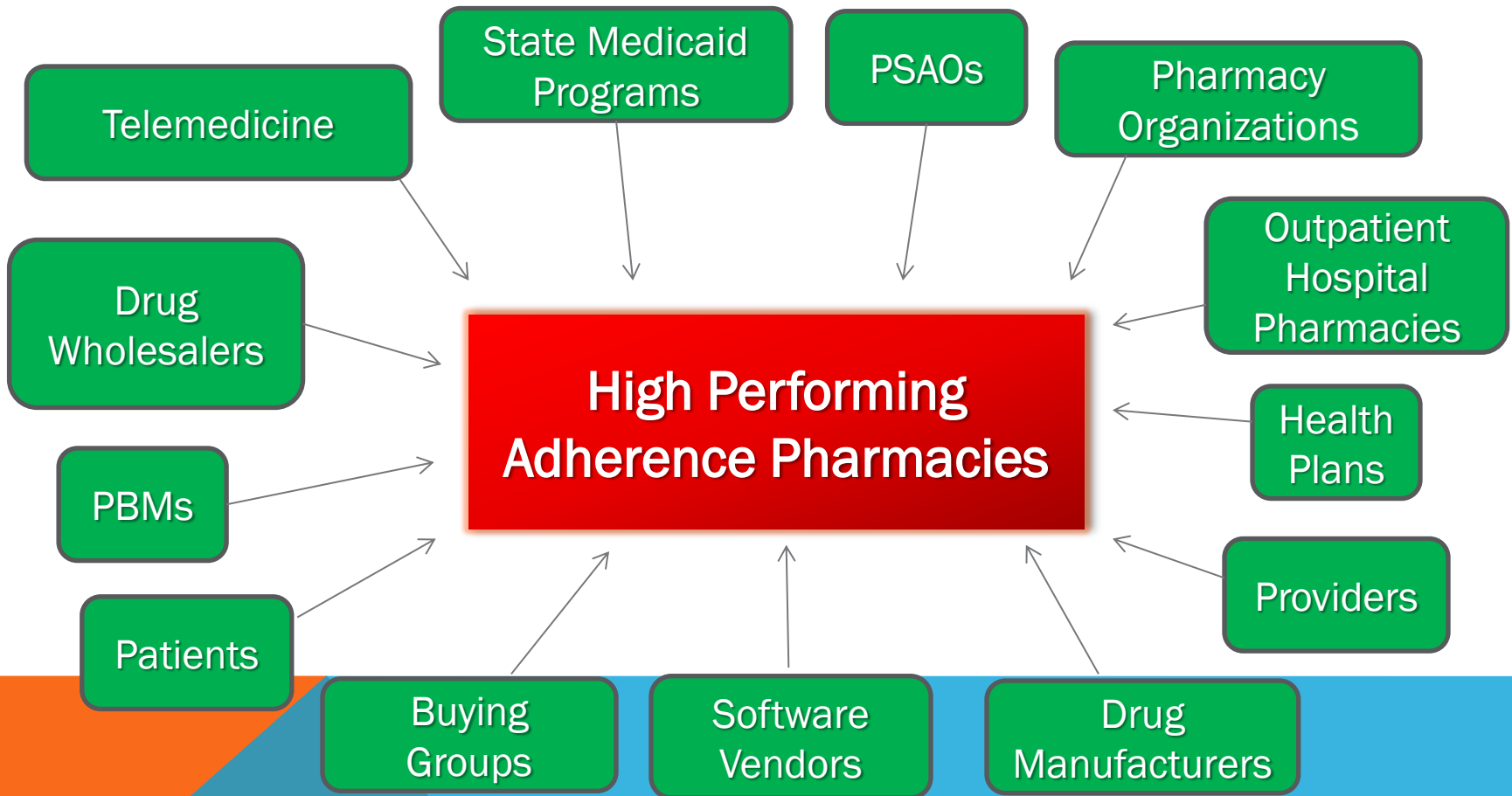
Can a focus on Adherence
be good for you?

QUESTION THREE: TRUE OR FALSE?

Improving my patient's medication adherence can have a positive impact on my practice.



WHO IS INTERESTED IN ADHERENCE?



ADHERENCE & PAYERS

Third party payers invest in medication,
and save in hospitalizations

Healthcare Spending



PHARMACY IS CHANGING.....

Pay for Performance Model

Your pharmacy is being graded based
on it's performance



CMS, PART D, AND PQA

Medication non-adherence is costly to the health care system

Important to the largest health care purchaser in the country—the Federal Government

In 2006 Dr. Mark McClellan established the Pharmacy Quality Alliance (PQA)

Create a “Pay for Performance” System



PHARMACY QUALITY ALLIANCE (PQA)

A Public–Private partnership between CMS & the health care industry

Purpose: Develop guidelines for pharmacy services and patient care metrics.

PQA's impact on pharmacy:

MEDICARE PART D STAR RATINGS



MEDICARE STAR RATINGS

Ratings are displayed as 1 to 5 stars

**More stars means more incentives for
Part D Plans**

Benchmark adherence rates

**Plans can receive as much as 5% higher
payments and 12 month open
enrollment**



MEDICARE STAR RATINGS

Each month CMS issues a report to Part D plans on their current scores/ratings

Report identifies “outlier” pharmacies

Plans are **NOT** required to share this data

Plans have the potential to receive
\$ Hundreds of millions of dollars \$
in star rating incentives

MEDICARE STAR RATINGS

“If each pharmacy in a network gets just one patient to be more adherent, that could move a plan up an entire star.” “That is a tremendous advantage for the plan and for every pharmacy in that plan network.”

David Nau, PhD, RPh, CPHQ

President, Pharmacy Quality Solutions, Former Senior Director, Quality Strategies,
Pharmacy Quality Alliance (PQA):

QUESTION FOUR: TRUE OR FALSE?

Third-party payers have little to no interest in medication adherence



THIRD PARTY PAYERS ARE.....

January 21, 2013



Searching for
medication
adherence
solutions

Testing different
methods

L AND S PHARMACY
406 S MAIN STREET,
CHARLESTON, MO 63834

Dear L AND S PHARMACY,

We have identified your pharmacy through NCPDP as offering delivery services. This puts you in a position to greatly impact medication adherence and patient care.

Non-adherence to medications is an ever-increasing concern. While adherence is a multifaceted issue, patients often cite that getting to the pharmacy is a significant barrier.

WellCare has identified members who are non-adherent (less than 80 percent adherent) with cholesterol, blood pressure and/or diabetes medications and have filled prescriptions at your pharmacy.

Non-adherent patients are at high risk for complications. We ask you to **call the listed member(s) to offer your delivery services** and your medication expertise. The **benefits to your pharmacy** include increasing timely refills, fostering patient loyalty and improving patient adherence/care.

FAX RESPONSE TOLL-FREE TO 1-877-331-0595

This pharmacy does NOT offer home delivery services

Thank you,

WellCare Health Plans, Inc.
Pharmacy Dept.

WellCare is a Medicare-approved Part D sponsor.

PREFERRED/NARROW NETWORKS

Formed to benefit Third Party Payers by exchanging lower reimbursement for increases in prescription volume

Drives patients to Third Party's pharmacy

Patients benefit from using a “preferred network” pharmacy

Limit patient choice

Limit pharmacy access to patients

Being accepted by more and more groups in an effort to drive down healthcare costs.



MEDICATION ADHERENCE FOCUSED PHARMACY NETWORK

What if.....

Network of High Performing Adherence Pharmacies

Network adherence data could be produced

**Network adherence data was used to negotiate third
party contracts**

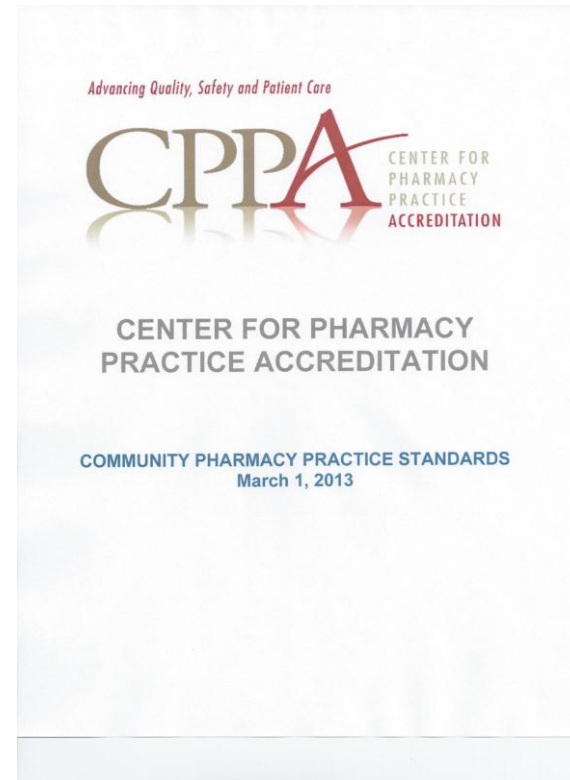


NEW PHARMACY ACCREDITATION STANDARDS

Will pharmacies be forced to be accredited in order to continue practicing pharmacy?

Will pharmacies be forced to be accredited in order to participate in preferred pharmacy networks?.....

ABSOLUTELY



THE FUTURE OF PHARMACY

The entire healthcare system is struggling to address medication non-adherence

New “tools” are being developed every day to address the problem

Pharmacy IS the best “tool” available to solve the problem



FINAL QUESTION: TRUE OR FALSE?

Third-party payers are looking to narrow networks to not only save money, but to make more.



THE FUTURE OF PHARMACY

Pharmacies can

Lead the adherence initiative

Demand preferred network inclusion


Demand payment for performance

**If we stand together, leverage what we do well,
and embrace pharmacy's new role in the
healthcare system.....**

**THE FUTURE OF PHARMACY IS
BRIGHT**

ACTION ITEMS

When you return to your practice:

- 1. Examine your patient records and see if your patients could benefit from an adherence program*
 - 2. Check your prescription volume and see if your practice could benefit from a group of adherence patients filling 29 more Rxs per patient per year.*
 - 3. Visualize how your pharmacy's adherence data looks to a Part D payer. Are you an outlier?*
- 

QUESTIONS??????

Richard Logan, PharmD

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Thank You!

