February 27, 2019

The Honorable Lamar Alexander
Chairman
Committee on Health, Education, Labor and Pensions (HELP)
428 Dirksen Senate Office Building
Washington, DC 20510

Re: Recommendations to Help Address America's Rising Health Care Costs

Dear Chairman Alexander.

The American Pharmacists Association (APhA) is pleased to submit the following recommendations in response to your specific questions on ways to help address America's rising health care costs. APhA, founded in 1852 as the American Pharmaceutical Association, represents nearly 60,000 pharmacists, pharmaceutical scientists, student pharmacists, pharmacy technicians, and others interested in improving medication use and advancing patient care. APhA members provide care in all practice settings, including community pharmacies, physicians' offices, hospitals, long-term care facilities, community health centers, managed care organizations, hospice settings and the uniformed services.

As you know, chronic health conditions cost the U.S. health care system more than $1 trillion annually.[1] Many patients with chronic disease require multiple medications. Unfortunately, almost 50% of these patients, do not take their medications correctly.[2] Consequently, the United States spends a possible $672 billion annually on medication-related problems and nonoptimized medication therapy, including nonadherence. [3] To address these and other health care costs and issues, such as access, pharmacists stand ready to help. Given millions of Americans do not have adequate access to health care and nearly 90% of Americans live within five miles of a community pharmacy,[4] pharmacists are an underutilized health care resource.

1. **What specific steps can Congress take to lower health care costs, incentivize care that improves health and outcomes of patients, and increase the ability of patients to access information about their care to make informed decisions?**

[1] CDC. Health and Economic Costs of Chronic Diseases. Last reviewed: October 23, 2018. Available at: https://www.cdc.gov/chronicdisease/about/costs/index.htm
[2] Sabaté E, editor, ed. Adherence to Long-Term Therapies: Evidence for Action. Geneva, Switzerland: World Health Organization; 2003. Available at: https://www.cdc.gov/chronicdisease/about/costs/index.htm
[3] Watanabe, Jonathan H. Et. al. Cost of Prescription Drug–Related Morbidity and Mortality. Annals of Pharmacology. First Published March 26, 2018. Available at: http://journals.sagepub.com/eprint/ic2iH2maTdI5zfN5iUay/full
[4] NCPDP Pharmacy File, ArcGIS Census Tract File. NACDS Economics Department.

Despite the fact many states and Medicaid programs are turning to pharmacists to improve patients' health and outcomes and lower medication-related costs,[5] Medicare Part B does not cover the patient-care services pharmacists can provide. APhA recommends the Committee pass legislation enabling beneficiaries to access pharmacist-provided patient care services under Medicare Part B. Last year, 56 Senators signed onto S. 109, the *Pharmacy and Medically Underserved Areas Enhancement*, and the bill enjoyed the support of many members of the HELP Committee. Such legislation would help improve health outcomes, increase quality, reduce costs and consequently, increase the viability and longevity of the Medicare program. In addition, S. 109 aligns with team-based and cost-effective health care by facilitating opportunities for early intervention so as to minimize long-term health care costs, such as those associated with preventable higher-cost conditions.

APhA understands Congress' interest in constraining drug and other health care costs. Although, it is important to note that the cost of the product is only a portion of the expenditures related to drugs in the Medicare Program. When developing mechanisms to lower drug costs, APhA reminds the Committee about the need to consider separately the reimbursement of the product, which is fixed for pharmacists, from any related patient care service or performance incentive payment. Providing coverage for patient care services by pharmacists, the medication expert on the health care team, would be a major step forward in making sure medications are appropriate and taken/ used correctly which would maximize the federal government's significant investment in Medicare patients' medications.

2. What does Congress or the Administration need to do to implement those steps? Operationally, how would these recommendations work?

Congress

As previously stated, APhA strongly recommends Congress pass the *Pharmacy and Medically Underserved Areas Enhancement Act*, last introduced in the 115th Congress as S. 109. For decades, pharmacists have been one of the few health care professionals lacking recognition as health care providers in Medicare Part B statute. Nearly all other health care professionals' services are rightfully covered under Medicare laws, including those provided by physician assistants, midwives, and dieticians, but not services provided by pharmacists. The *Pharmacy and Medically Underserved Areas Enhancement Act* would allow pharmacists to be reimbursed under Medicare Part B for services provided to patients in medically underserved communities if the services are consistent with state scope of practice laws. Similar to nurse practitioners and physician assistants, this legislation would allow for pharmacist services to be reimbursed at 85% of the physician fee schedule, unless they are operating under the direct supervision of a physician, in which case they would be reimbursed at 100% of the physician fee schedule.

Administration

Comparable to existing legislative constraints, there are also regulatory barriers such as references to "provider," "eligible professional," or similar terms that do not include pharmacists in their definition, preventing pharmacists from being able to be optimized, including in team-based care and value-based models.. The Centers for

[5] CMS/ CMCS Informational Bulletin. State Flexibility to Facilitate Timely Access to Drug Therapy by Expanding the Scope of Pharmacy Practice using Collaborative Practice Agreements, Standing Orders or Other Predetermined Protocols. January 17, 2017. Available at: https://www.medicaid.gov/federal-policy-guidance/downloads/cib011717.pdf

Medicare and Medicaid Services (CMS) has stated it does not have the statutory authority to authorize Medicare coverage for many pharmacists' services. However, APhA has requested CMS employ its regulatory discretion, similar to efforts the agency applied for chronic care management (CCM) and transitional care management (TCM) services, to remove restrictions preventing qualified providers, like pharmacists, from being utilized. Such regulatory action has helped to allow pharmacists improve patient access to and participation in these beneficial services.

CMS has increasingly acknowledged the value pharmacists and their services bring to patients and the Medicare program. In one recent report highlighting evidence from a variety of states including North Carolina, California, Indiana, Minnesota, Connecticut and others supporting the Part D Enhanced Medication Therapy Management (MTM) model, many of the activities referenced for helping reduce health care costs[6] are in the specific expertise of pharmacists, including:

- Reducing Adverse Drug Events (ADEs): Multifaceted pharmaceutical care provided in a variety of settings has been shown to result in a reduction in inappropriate medication use and adverse drug events significantly (35%) post-intervention.[7] In addition, medication self-management programs, including those with pharmacist involvement, appear to improve medicine use, adherence, and clinical outcomes and reduce adverse events and mortality in people self-managing antithrombotic therapy.[8]
- Improving Medication Appropriateness and Therapeutic Substitutions: One study showed implementing pharmacist-led MTM resulted in better prescribing patterns by physicians, reduced total number of medications taken by patients, and improvement in most clinical outcomes, as well as improvement in patient quality of life outcomes.[9]

3. Once implemented, what are the potential shortcomings of those steps, and why are they worthy of consideration despite the shortcomings?

Any outlays would be offset through significant reductions in the $672 billion spent annually on medication-related problems and nonoptimized medication therapy on America's health care system,[10] including the annual, ongoing and mounting cost increases from treating our nation's chronic diseases and opioid addiction.

APhA recently shared with the Committee an additional benefit to passing legislation to recognize pharmacists and their services in Medicare Part B is helping to fill the provider gap in Health Professional Shortage Areas and Medically Underserved Areas. As previously stated, with almost 90% of Americans living within five miles of a

[6] CMS. Center for Medicare and Medicaid Innovation. Evidence Supporting Enhanced Medication Therapy Management. Last updated 12/04/2018. Available at: https://innovation.cms.gov/files/x/mtm-evidencebase.pdf
[7] Patterson S, Cadogan C, Kerse N, et al. Interventions to improve the appropriate use of polypharmacy for older people. Cochrane Database of Systematic Reviews 2014(10):CD008165.
[8] Ryan R, Santesso N, Lowe D, et al. Interventions to improve safe and effective medicines use by consumers: an overview of systematic reviews. Cochrane Database of Systematic Reviews. 2014(4):CD007768.
[9] Nkansah N, Mostovetsky O, Yu C, et al. Effect of outpatient pharmacists' non-dispensing roles on patient outcomes and prescribing patterns. The Cochrane database of systematic reviews. 2010(7):CD000336.
[10] Watanabe, Jonathan H. Et. al. Cost of Prescription Drug–Related Morbidity and Mortality. Annals of Pharmacology. First Published March 26, 2018. Available at: http://journals.sagepub.com/eprint/ic2iH2maTdI5zfN5iUay/full

community pharmacy,[11] pharmacists are the most accessible health care practitioner situated to provide health care services and immediate relief to these communities.

APhA thanks you for your ongoing leadership to address the barriers to innovation which continue to increase America's rising health care costs. Please contact Alicia Kerry J. Mica, Senior Lobbyist, at AMica@aphanet.org or by phone to (202) 429-7507 to arrange a meeting with APhA to discuss the many services pharmacists can and do provide, including lifesaving ways to combat chronic disease and our nation's opioid epidemic, improve patient care, outcomes and reduce costs.

Sincerely,

Thomas E. Menighan, BSPharm, MBA, ScD (Hon), FAPhA
Executive Vice President and CEO

cc: Stacie Maass, BSPharm, JD, Senior Vice President, Pharmacy Practice and Government Affairs
Members of the Senate HELP Committee

[11] NCPDP Pharmacy File, ArcGIS Census Tract File. NACDS Economics Department.