Accountable Care Organization Framework for Pharmaceuticals

Speakers

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Robert W. Dubois, MD, PhD Chief Science Officer – National Pharmaceutical Council

Marv Feldman, MS, RPh Managing Principal, Consulting Services Group - Premier Inc.
Discussion Topics

• Overview of the collaboration
  • Eleanor Perfetto, PhD, MS, Senior Director, Reimbursement & Regulatory Affairs, Federal Government Relations, Pfizer Inc

• Pharmaceutical framework & Readiness self-assessment
  • Robert W. Dubois, MD, PhD-Chief Science Officer, NPC

• Role of the pharmacist
  • Marv Feldman, MS, RPh, Managing Principal, Consulting Services Group, Premier Inc.

PART I: Background & Collaborative Partnership
New Payment Approaches Can Shift the Dialogue

BEFORE

ACO OPPORTUNITY

Siloed Resources Must Merge
AMGA-Premier-Dartmouth-NPC Collaboration: The Role of pharmaceuticals in ACOs

Goal: develop and implement a framework for considering the role of pharmaceuticals in helping ACOs succeed

- Meet financial targets
- Meet quality benchmarks
PART II: Framework
Condition – Level Questions

1. Is the condition chronic or acute?
2. Are there quality measures for this condition likely to be impacted by pharmaceutical use?
3. How large a role do pharmaceuticals play in treating the condition?
## Two Condition Examples

<table>
<thead>
<tr>
<th>Condition</th>
<th>Condition Type: Chronic or Hospital</th>
<th>Rx Focus: Inpatient or Outpatient</th>
<th>Quality Benchmarks</th>
<th>Cost</th>
<th>Rx Share of Cost</th>
<th>Cost Offsets from Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestive Heart Failure</td>
<td>Chronic, Hospital</td>
<td>Outpatient</td>
<td>Receiving Rx therapy; % of patients requiring re-hospitalization</td>
<td>Yes</td>
<td>Low</td>
<td>Impact on re-hospitalization</td>
</tr>
<tr>
<td>Rheumatoid Arthritis</td>
<td>Chronic</td>
<td>Outpatient</td>
<td>Receiving Rx therapy; Functional Status</td>
<td>No</td>
<td>High</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

## Population View

<table>
<thead>
<tr>
<th>Population</th>
<th>Intervention</th>
<th>Quality Measures Impacted by Pharmaceuticals</th>
<th>Cost Offsets from Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Risk</td>
<td>Prevention</td>
<td>Receiving vaccines</td>
<td>TBD</td>
</tr>
<tr>
<td>Moderate Risk</td>
<td>Address individual conditions; Assess drug-drug/drug-condition interactions</td>
<td>See condition grid for individual condition measures; Medication reconciliation</td>
<td>See condition grid for individual condition offsets</td>
</tr>
<tr>
<td>High Risk</td>
<td>Polypharmacy</td>
<td>Medication reconciliation</td>
<td>TBD</td>
</tr>
</tbody>
</table>
Framework Recommendation #1

- Proactively consider medications an essential part of the full spectrum of condition management, and not just an expense or care silo.

Framework Recommendation #2

- The role, impact, and characteristics of medication therapy management will vary by condition, and a “one size fits all” approach will not yield optimal clinical or economic outcomes.
Framework Recommendation #3

• Composite risk can be used to identify patients who are candidates for medication management strategies to watch for drug-drug, drug-disease, or poly-pharmacy concerns.

Framework Recommendation #4

• In each circumstance where there are condition-specific incentives to achieve economic savings, there should also be a quality metric to detect underuse.
Part III: Readiness Assessment

ACO Readiness Assessment

• Formularies synchronized across sites of care?
• Ability to transmit prescriptions electronically to pharmacies?
• Providers access patient data electronically?
• Providers alerted by gaps in recommended preventative care?
• Ability to capture full episode of care costs?
• Medication reconciliation performed?
Respondent Profile

N=46 Respondents

- 50% Chief Pharmacy Officer/Pharmacy Director
- 50% Chief Medical Officer/Medical Director

Type of Organization

<table>
<thead>
<tr>
<th>Type</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated delivery system</td>
<td>37%</td>
</tr>
<tr>
<td>Hospital system-based ACO</td>
<td>19.6%</td>
</tr>
<tr>
<td>Physician practice-based ACO</td>
<td>30.4%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
</tbody>
</table>

# of Physicians

<table>
<thead>
<tr>
<th>Range</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50</td>
<td>8.7%</td>
</tr>
<tr>
<td>50-100</td>
<td>6.5%</td>
</tr>
<tr>
<td>100-300</td>
<td>28.3%</td>
</tr>
<tr>
<td>300-1000</td>
<td>32.6%</td>
</tr>
<tr>
<td>&gt;1000</td>
<td>23.9%</td>
</tr>
</tbody>
</table>

Respondent Profile

Covered Lives

<table>
<thead>
<tr>
<th>Range</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;10K</td>
<td>15.2%</td>
</tr>
<tr>
<td>10K-20K</td>
<td>32.6%</td>
</tr>
<tr>
<td>20K-50K</td>
<td>30.4%</td>
</tr>
<tr>
<td>&gt;50K</td>
<td>21.6%</td>
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</tbody>
</table>

Primary Contract Type

<table>
<thead>
<tr>
<th>Type</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMS PGP Demonstration</td>
<td>6.5%</td>
</tr>
<tr>
<td>CMS Pioneer ACO</td>
<td>15.2%</td>
</tr>
<tr>
<td>CMS MSSP ACO</td>
<td>17.4%</td>
</tr>
<tr>
<td>Regional Commercial Payer</td>
<td>23.9%</td>
</tr>
<tr>
<td>National Commercial Payer</td>
<td>6.5%</td>
</tr>
<tr>
<td>Other</td>
<td>30.4%</td>
</tr>
</tbody>
</table>
Relevant Findings: Managing Care Across the Continuum

Opportunities:
• Only 20% of respondents notify a patient’s care providers when a medication is prescribed for the patient
• 9% of organizations notify a patients’ care providers when a medication is filled by patient

Relevant Findings: Rx Management by Patient & Condition

Positive Findings:
• 41% report a moderate to high ability to capture Rx plans in visit summaries

Opportunities:
• Only 15% of organizations report the ability to capture or plan to capture self-reported measures
• Only 28% have ability to report gaps in care
Relevant Findings:
Composite Risk To ID Patients

Opportunities:
Only 13% of organizations report high ability to share potential Rx risks with care team.

Relevant Findings:
Quality Metrics to Balance Economic Incentives

Opportunities:
65% report few metrics exist to balance cost mgmt and appropriate Rx use.

Balancing incentives for economic savings with quality outcomes and appropriate Rx use.
Data/Technology Findings

Positive:
- Use of basic technology to capture Rx data – either via EMR or registries – is standard

Opportunities:
- Effective utilization of data is still a “work-in-progress”, and an opportunity for differentiation

Other Relevant Findings

Opportunities:
- 35% report ability to synchronize formularies across sites / partner organization
- Only 11% report high levels of patient education about Rx alternatives (aka, shared decision making)
- Only 22% report having Pharmacists directly involved in patient care
Our work group explored the role of the pharmacist in the ACO environment

- Critical Team Members
  - Expanded role in advising prescribers of relative effectiveness and value of drug treatment options in an ACO.
- Management and Outcomes
  - Accept greater responsibility for the ongoing management of medication therapy and outcomes measurement.
- Care Connectivity
  - Ensuring efficient and consistent pharmacotherapy as patients move across the health care continuum is critical to help ACOs achieve quality benchmarks and financial targets.
All ACOs must ensure that their members properly use drug therapy to gain their ROI

- 32 million Americans take 3+ medications daily.
- Nearly 75% of Americans report not always taking their medications as prescribed.
- Almost 30% of Americans stop taking their medicine before it runs out.
- ~50% of patients with high blood pressure take their prescribed doses of drugs.

Clearly the dollars are being spent but the value is not being realized

Source: PhRMA; National Council on Patient Information and Education; WSJ reporting.

How can an ACO set the stage to gain the full value from its medication investment?

- Communication
  - Establish effective communication amongst all prescribers to ensure consistent drug selection and remove redundancy.
- Outcomes
  - Incorporate economic analysis that includes the downstream impact of drug therapy made possible by averting other treatments.
- Consistency
  - Remove the formulary disparities that exist between ambulatory and acute care settings.
What are a few common drug use situations that cost ACOs needless dollars?

- Use of more expensive pharmacologic stress test drugs because the current reimbursement is better for the more expensive products. The delta between inpatient and ambulatory testing.

- Patients remain on IV therapy longer than clinically needed because they cannot be placed outside of the acute care environment. An old work-around due to capacity challenges.

- Drugs dispensed in full month increments on initial fill that are then discontinued due to patient’s inability to tolerate the new therapy. Smaller “test therapy” or “starter supplies” could help.

Several indications that ACOs are taking the expanded role of pharmacists seriously...

- ACOs are investing in Emergency Department pharmacists to ensure proper reconciliation at that point in the care process for high risk patients recognizing that this step increases efficiency through the down stream inpatient admission.

- Pharmacists actively participating in the discharge counseling process to ensure patients understand how to take their medications thus averting needless 30-day readmissions.

- Enhanced medication reconciliation efforts to better coordinate care transitions, mitigate unnecessary acute care episodes.
Impacting readmission rate for pneumonia through optimal drug management

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<tr>
<td>Moderate Risk</td>
<td>Complete course of antibiotic therapy; Use spacers for aerosolized drugs; Proper IV to PO Streamlining</td>
<td>Reduced hospital readmissions</td>
<td>Minimal drug costs if used properly with significant gains when decreasing readmission</td>
</tr>
</tbody>
</table>

Several ACOs where transformation of the pharmacists’ role has started

- **Marshfield Clinic** has focused on the application of evidence-based information to define the “place in therapy for drugs.” They have incorporated clinical pharmacists in their ambulatory drug use and evaluation committees.

- **Geisinger Health** has included clinical pharmacists in their patient management clinics focused on anticoagulation, lipids and diabetes.

- High risk patients have benefited through the **Patient Safety and Clinical Pharmacy Services Collaborative** funded by the Health Resources and Services Administration of the Government.