



Medication Therapy Management in Medicare Part D: S. 274 and H.R. 891¹

The Medicare Modernization Act of 2003 (MMA) requires prescription drug plans (PDPs) and Medicare Advantage plans that offer prescription drug coverage (MA-PDs) to have a medication therapy management (MTM) program in order to improve medication use and reduce adverse events for select beneficiaries. Section 1860D-4 identifies the following criteria for targeting eligible beneficiaries for MTM services: having multiple chronic conditions, taking multiple Part D medications, and being likely to incur annual costs of at least \$3,000 per year. The Center for Medicare and Medicaid Services (CMS) has managed the program through the annual contracting process. The Affordable Care Act codified several of the annual CMS guidelines, including an annual comprehensive medication review, written summary, an opt-out method of enrollment, and quarterly assessment of at-risk, non-enrollees.

AMCP Position: The Academy strongly supports Part D MTM services provided by pharmacists and has worked closely as part of a broad coalition of 14 national pharmacy organizations to ensure access to MTM services beyond Medicare Part D. However, the Academy believes that imposing a rigid and specific set of statutory requirements on Part D MTM programs will restrict further innovation in this constantly evolving area and could increase costs to beneficiaries and taxpayers.

- **Innovations and Best Practices Underway** - Many of the Academy's members work daily to provide high quality MTM services to individuals under Medicare Part D. Managed care organizations continue to experiment with innovations to this program that was only recently initiated by the MMA.
- **Increased Costs to Beneficiaries and Taxpayers** - S. 274 and H.R. 891 would expand the current Part D MTM program to cover additional chronic diseases and would require comprehensive medication reviews for dual eligibles, as well as require medication review for any enrollee at the time of transition of care. Plan sponsors would be responsible for absorbing the additional costs associated with expansion of the program, which could impact premium rates for beneficiaries. Additionally, funds for the incentive payments would be paid out of the Medicare trust fund, which is already in financial peril. While these additional costs may be offset by reduced medical expenses for some beneficiaries, the potential impact on all beneficiaries and taxpayers must be considered.

¹ *See also AMCP's Position Statements on Any Willing Provider Legislation; Compensation for Pharmaceutical Care Services; Competitive Marketplace; Fraud, Waste and Abuse in the Medicare Part D Prescription Drug Benefit; and Government-Mandated Pharmacy Benefits at www.amcp.org.*

- **Unintended Consequences** - A requirement for managed care organizations to reimburse any willing pharmacy in the network and other qualified health providers furnishing MTM services can have the following consequences:
 - Result in increased costs to the health system
 - Undermine managed care's ability to control the quality of clinical services provided to its members
 - Could increase the likelihood of prescription drug fraud
 - Undermine competition in the marketplace

While the Academy strongly supports the benefits derived from MTM services, enactment of S. 274 and H.R. 891 could unnecessarily restrict the MTM services provided by Medicare Part D plans by limiting innovative programs that are encouraged under the existing flexible statutory framework, undermine competition in the marketplace, and add significant costs to Medicare and the federal deficit.

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The Academy of Managed Care Pharmacy (AMCP) is a national professional association of pharmacists and other health care practitioners who serve society by the application of sound medication management principles and strategies to assist patients in achieving positive therapeutic outcomes. The Academy's 6,000 members develop and provide a diversified range of clinical, educational and business management services and strategies on behalf of the more than 200 million Americans covered by a managed care pharmacy benefit. More news and information about AMCP can be obtained on its website, at www.amcp.org.