Welcome to Our Program!

Please sign in and pick up a program evaluation.

David Baker, PharmD.
Vice President of Managed Care
Pharmacy Quality Solutions

Partnering for Quality
US Healthcare System
Speaking the Quality Lingo...

- ACOs = Accountable Care Organizations
- AHRQ = Agency for Healthcare Research & Quality
- CAHPS = Consumer Assessment of Healthcare Providers and Systems
- CER = Comparative Effectiveness Research
- CQI = Continuous Quality Improvement
- HIE = Health Information Exchange
- HEDIS = Healthplan Effectiveness Data Information Set
- IHI = Institute for Healthcare Improvement
- JCAHO = Joint Commission for Accreditation of Healthcare Organizations
- NQF = National Quality Forum
- PDC = Proportion of Days Covered
- PQA = Pharmacy Quality Alliance
- PQS = Pharmacy Quality Solutions
- PCMH = Patient Centered Medical Home
- QIO = Quality Improvement Organization
- QRS = Quality Ratings System for HIE/Marketplace plans
- RHICs = Regional Healthcare Improvement Collaboratives
- RHIOs = Regional Health Information Organizations
- URAC = Utilization Review Accreditation Commission
Quality Organizations – Overview

Measure Development
- NCQA
- AMA Physician Consortium for Performance Improvement: PQA

Endorsement
- NQF

Implementation
- The Ambulatory Care Quality Alliance (AQA)
- PQA
- PQS

Pay for Performance Programs
- THELEAPFROGGROUP
- BRIDGES to Excellence
- CMS
- Health Plans & PBMS
- PQS

Users
- Public Sector: CMS, VA, Medicaid
- Health Plans
- PBMs
- Others: MTM, DM
- Employers
Quality Measure Development and Modification

From Policy to Practice

- Measure Development
- NQF Endorsement
- NQF MAP Measures Under Consideration to CMS
- MAP Pre-Rulemaking Recommendations to CMS for use in federal programs
- Issuance of Final Rule by CMS – Measures in Federal Payment and Reporting Programs

Gaps in Quality Measurement

Adapted from the NQF Measure Application Process
<table>
<thead>
<tr>
<th>Clinical Composite</th>
<th>Measurement Types</th>
<th>Sub-Types of Measures Endorsed by NQF</th>
<th>Medication</th>
<th>Service</th>
</tr>
</thead>
</table>
| Clinical Care       |                         | ▪ **Appropriate Use**  
▪ Clinical Outcomes / Intermediate Outcomes  
▪ **Medication Adherence**  
▪ Patient Reported Outcomes (Fx Status & QOL) | ✓          | ✓       |
| Patient Experience  |                         | ▪ AHRQ CAPHS  
▪ Shared Decision Making  
▪ Care Plan Creation |            | ✓       |
| Population / Community Health |                  | ▪ Screening / Preventive Services |            | ✓       |
| Patient Safety      |                         | ▪ Health Care Acquired Conditions  
▪ Potentially Avoidable Complications |            | ✓       |
| Care Coordination   |                         | ▪ Communication of Care Plan  
▪ Hospital Readmissions  
▪ **Medication Reconciliation** |            | ✓ ✓     |
| Cost Composite      | Total Overall Costs     | ▪ Global / Capitated Costs | ✓          |         |
|                     | Medical Costs / Episode | ▪ Episode of Care Costs for a Medical Condition | ✓          |         |
HHS Secretary Burwell’s Goals:

- Increased value-based arrangements from 2016 thru 2018
- 1\textsuperscript{st} time that HHS has set goals for alternative and value based payment models

New Delivery & Payment Models

- **New Delivery Models:**
  - Provide Incentives based on High Quality + Low Cost

- **New Payment Models:**
  - Value Based Purchasing
  - Bundled Payments
  - Population Risk Based Payments
Early Results

Accountable Care Organizations

- North Shore-LIJ employees:
  - Healthcare costs rise dropped to less than 2 percent in 2011

- Mount Auburn Hospital and MACIPA Care Management Program:
  - In 2012, decrease admissions (252 from 390 inpatient admissions per 1,000 enrollees
  - nearly 50 percent fewer inpatient days

- The Accountable Care Alliance and Nebraska Medical Center:
  - costs rose just 4.2 percent over the past five years, compared with 27.4 percent nationally.
  - Nebraska Medical Center and Nebraska Methodist Hospital partnership - each saved $5 million the first year after contracting jointly for dialysis, insurance, and pharmacy services.

- University Hospital Case Medical Center:
  - Drop in ER use and length of hospital stay its first year, as well as more attention to wellness.

Patient Centered Medical Homes

- Capital Health Plan, Tallahassee, Florida:
  - 40% fewer inpatient stays
  - 37% fewer ER visits
  - 18% lower health care claims costs

- Geisinger Health System, Danville, Pennsylvania
  - 25% fewer hospital admissions
  - 50% fewer hospital readmissions
  - 7% lower cumulative total spending

- HealthPartners, Bloomington, Minnesota
  - 39% fewer ER visits
  - 40% fewer hospital readmissions
  - Reduced appointment wait time from 26 days to 1 day

- Vermont Medicaid
  - 31% fewer ER visits
  - 21% reduction in inpatient services
  - 22% lower per member per month costs

http://www.pcpcc.org/content/results-evidence
Ratings Programs

- **Medicare Star Ratings**
  - Annual ratings of Medicare plans that are made available on Medicare Plan Finder and CMS website
  - Ratings are displayed as 1 to 5 stars
  - Stars are calculated for each measure, as well as each domain, summary, and overall (applies to Medicare Advantage-Part D Plans) level
  - Bonus payments for MA-PDs tied overall Star score performance
  - Two-year lag between “year of service” and reporting year for PQA measures in Star Ratings (e.g., 2013 drug claims for 2015 Ratings)
    - 2015 Star Ratings were released in October 2014 to inform beneficiaries who were enrolling for 2015

- **Quality Ratings System for HIX/Marketplace plans**
  - Annual ratings system for qualified benefit plans participating in the exchanges
  - In its beta test phase of 2014 data in 2015
  - CCIIO intends to publicize plan scores for the 2017 benefit year open enrollment period

- **Medicaid**
  - Includes HEDIS measures
Ratings Programs

- **Part D Star Ratings**
  - Medicare drug plans receive a summary rating on quality as well as four domain, and individual measure, scores (13 individual measures)
  - Five measures are from PQA:
    - 2 measures of medication safety
      - High risk medications in the elderly
      - Appropriate treatment of blood pressure in persons with diabetes
    - 3 measures of medication adherence (PDC measures)
      - Non-insulin diabetes medications
      - Cholesterol medication (statins)
      - Blood pressure (renin-angiotensin system antagonists)
  - Due to the higher weighting of clinically-relevant measures, the PQA measures account for roughly 50% of Part D summary ratings for 2015

- **HIX Quality Rating System**
  - Qualified benefit plans will receive summary rating on quality. System is currently in its beta phase
  - 1 measure is from PQA:
    - Collection of 3 PDC/medication adherence measures

- **Medicaid**
  - 2 measures are from PQA:
    - Asthma – Suboptimal therapy measure
    - Asthma – Absence of controller therapy measure
Why invest in Star Ratings Improvement

- **MA-PD Plans**
  - Additional Revenue
    - CMS publishes benchmark rates (i.e. average monthly costs to care for a Medicare member)
    - MA-PDs submit bids to CMS that they can manage their members for a lower cost than the benchmark
    - CMS pays a portion of the difference between the benchmark and the bid as a rebate back to the plans
    - Plans that score a 4-Star rating or above can receive additional bonus payment
  - Calculation Example
    - Benchmark is $750
    - Bid is $700
    - Plan has 10,000 members and scores a 4-Star rating (provides plans with 5% bonus and 65% rebate of the difference)
    - Plan receives over $6.5M in rebate/bonus payment

- Marketing opportunities
- Extended open enrollment periods
- Penalty for consistent poor performance

- **PDP Plans**
  - Not currently tied to additional revenue
  - Marketing opportunities
  - Extended open enrollment periods
  - Penalty for consistent poor performance
### Distribution of Membership by Medicare Star Score

From CMS 2015 Star Ratings Fact Sheet

#### MA-PD

<table>
<thead>
<tr>
<th>Overall Rating</th>
<th># of Contracts</th>
<th>Enrollment Weighted (%)</th>
<th># of Contracts</th>
<th>Enrollment Weighted (%)</th>
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<tr>
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<td>11</td>
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<td>4.5 stars</td>
<td>64</td>
<td>14.85%</td>
<td>61</td>
<td>15.44%</td>
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<td>4 stars</td>
<td>87</td>
<td>20.19%</td>
<td>86</td>
<td>21.77%</td>
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<td>3.5 stars</td>
<td>143</td>
<td>33.18%</td>
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<td>3 stars</td>
<td>109</td>
<td>25.29%</td>
<td>73</td>
<td>18.48%</td>
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<tr>
<td>2.5 stars</td>
<td>16</td>
<td>3.71%</td>
<td>26</td>
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<td>2 stars</td>
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<td>0.23%</td>
<td>2</td>
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<td><strong>Total Number of Contracts</strong></td>
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#### PDP

<table>
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<tr>
<th>Overall Rating</th>
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<th>Enrollment Weighted (%)</th>
<th># of Contracts</th>
<th>Enrollment Weighted (%)</th>
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</thead>
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<td>6.94%</td>
<td>3</td>
<td>4.92%</td>
</tr>
<tr>
<td>4.5 stars</td>
<td>6</td>
<td>8.33%</td>
<td>11</td>
<td>18.03%</td>
</tr>
<tr>
<td>4 stars</td>
<td>16</td>
<td>22.22%</td>
<td>17</td>
<td>27.87%</td>
</tr>
<tr>
<td>3.5 stars</td>
<td>18</td>
<td>25%</td>
<td>18</td>
<td>29.51%</td>
</tr>
<tr>
<td>3 stars</td>
<td>17</td>
<td>23.61%</td>
<td>7</td>
<td>11.48%</td>
</tr>
<tr>
<td>2.5 stars</td>
<td>8</td>
<td>11.11%</td>
<td>3</td>
<td>4.92%</td>
</tr>
<tr>
<td>2 stars</td>
<td>1</td>
<td>1.39%</td>
<td>1</td>
<td>1.64%</td>
</tr>
<tr>
<td>1.5 stars</td>
<td>1</td>
<td>1.39%</td>
<td>1</td>
<td>1.64%</td>
</tr>
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<td><strong>Total Number of Contracts</strong></td>
<td><strong>72</strong></td>
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<td><strong>61</strong></td>
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## Improvement in Adherence Rates

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<tr>
<th>Part D Measure</th>
<th>MA-PD</th>
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<th>PDP</th>
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<tbody>
<tr>
<td>PDC - Diabetes</td>
<td>73.0%</td>
<td>73.7%</td>
<td>75%</td>
<td>77%</td>
<td>74.4%</td>
<td>75.8%</td>
<td>77%</td>
<td>79%</td>
</tr>
<tr>
<td>PDC - Hypertension</td>
<td>72.2%</td>
<td>73.9%</td>
<td>76%</td>
<td>78%</td>
<td>74.3%</td>
<td>76.8%</td>
<td>78%</td>
<td>81%</td>
</tr>
<tr>
<td>PDC - Cholesterol</td>
<td>68.0%</td>
<td>69.0%</td>
<td>71%</td>
<td>74%</td>
<td>69.1%</td>
<td>71.0%</td>
<td>73%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Average across all contracts for each year
Part D Star Thresholds Change Example

**PDC Diabetes**

The chart shows the threshold levels for Part D stars for PDC Diabetes. The levels are compared for different years: 2014 and 2015. The thresholds for 2 Star, 3 Star, 4 Star, and 5 Star levels are depicted with different colors, each representing MAPD and PDP for the respective years.
*New* Star Ratings Measure for 2016

Medication Therapy Management Program Completion Rate for Comprehensive Medication Reviews (CMR). Highlights:

- PQA-endorsed measure
- Measures the percentage of beneficiaries who met eligibility criteria for the MTM program and who received a CMR with a written summary in the CMS standardized format.
- 2016 score will be based on 2014 measurement period
- This measure will be assigned a weight of “1”
2017 and beyond…

Potential new measures for future years:

- **Asthma Measure Suite**
  - NCQA is currently testing three asthma measures, all for members 5-64 years of age. The three measures are:
    - Use of Appropriate Medications for People with Asthma
    - Medication Management for People with Asthma
    - Asthma Medication Ratio

- **Statin Therapy**
  - As of November 21, 2014, PQA has endorsed “Statin Use in Persons with Diabetes” measure. CMS will consider this as a new 2017 Display Measure and a 2018 Star Rating.

- **High Risk Medication (HRM)**
  - If changes are published and endorsed by PQA prior to the 2016 bid deadline in June 2015, CMS may consider adoption for the 2018 Star Ratings.

- **Opioid Overutilization**
  - PQA is developing 3 measures evaluating multi-provider, high dosage opioid use for consideration
Leveraging the Pharmacy Network to Improve Quality

**Advantages**
- Trusted healthcare practitioners
- High encounter rate between members and pharmacists
- Programs implemented with pharmacy partners are often scalable
- Unprecedented access to real-time data
- Integrated with other health care providers (i.e. nurses, physicians, etc.)
- Underutilized/untapped healthcare practitioner

**Disadvantages**
- Lack of direct connection to health plan
- Unaccountability on quality improvement
- Lack of knowledge on quality improvement programs and measures
- Lack of knowledge on how to measure and how they are performing
Key Observations

- Many health plans have reported that their accountable Star’s team/steering committees routinely reviewed performance dashboards of each Star Ratings measure
  - Identified as an effective way to prioritize and evaluate ongoing performance of active programs
  - Utilized by senior leaders to assign accountability to specific measures and domains
- When healthcare payers and providers were recently surveyed on value-based arrangements in a study sponsored by McKesson Health Solutions, they stated that “the tools they most urgently need to successfully implement value-based reimbursement are those that help clinicians understand and measure performance against quality and cost metrics.”
Performance Measurement and Assessment for Pharmacy & Health Plans

Overview

- PQS is a Joint Venture (for profit) between CECity and Pharmacy Quality Alliance (non-profit), trusted licensor of medication-use quality measures
- CECity platform leveraged to present unbiased performance at provider, organization, state, national and payor network level
- Includes core “measures that matter” – Medicare Stars (Part D)
- Major health plans and Chain Pharmacies are all in

How do we compare vs. peers?
How do we compare vs. state?
How can we compete to participate in value-based, shared-risk or tiered networks?

How is my network performing?
How do we compare as a plan?
How can we create networks to properly share value based on high performance?
Data Flow for EQuIPP

- Health Plan
- PBM

Data

EQuIPP

Results

- Dashboards
- Clinical / MTM Platforms
- P4P reports
<table>
<thead>
<tr>
<th>Measure</th>
<th>Trend</th>
<th># of Patients</th>
<th>Medicare Advantage</th>
<th>Versus Goal</th>
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</thead>
<tbody>
<tr>
<td>ACEI/ARB in Diabetes</td>
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<td>13865</td>
<td>79.9%</td>
<td>87%</td>
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<td>ACEI/ARB PDC</td>
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<td>23053</td>
<td>82.5%</td>
<td>79%</td>
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<tr>
<td>Cholesterol PDC</td>
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<td>19457</td>
<td>76.7%</td>
<td>75%</td>
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<tr>
<td>Diabetes PDC</td>
<td></td>
<td>7581</td>
<td>81.5%</td>
<td>77%</td>
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<tr>
<td>Drug-Drug Interactions</td>
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<td>19222</td>
<td>5.2%</td>
<td>5.5%</td>
</tr>
<tr>
<td>High-risk Medications</td>
<td></td>
<td>58313</td>
<td>4.2%</td>
<td>3%</td>
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</table>
## Pharmacy Dashboard

### Measures and Performance

<table>
<thead>
<tr>
<th>Measure</th>
<th>Trend</th>
<th># of Patients</th>
<th>Performance Score</th>
<th>Goal</th>
<th>Gap</th>
<th>Versus Others</th>
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</thead>
<tbody>
<tr>
<td>ACE/ARB in Diabetes</td>
<td></td>
<td>64</td>
<td>74.9%</td>
<td>87%</td>
<td>12.1%</td>
<td>82.6% / 80.2%</td>
</tr>
<tr>
<td>ACE/ARB PDC</td>
<td></td>
<td>87</td>
<td>82.7%</td>
<td>79%</td>
<td>✔</td>
<td>87.1% / 83.5%</td>
</tr>
<tr>
<td>Cholesterol PDC</td>
<td></td>
<td>97</td>
<td>70.1%</td>
<td>75%</td>
<td>4.9%</td>
<td>85.4% / 79%</td>
</tr>
<tr>
<td>Diabetes PDC</td>
<td></td>
<td>29</td>
<td>89.6%</td>
<td>77%</td>
<td>✔</td>
<td>85.5% / 82.1%</td>
</tr>
<tr>
<td>Drug-Drug Interactions</td>
<td></td>
<td>97</td>
<td>0%</td>
<td>5.5%</td>
<td>✔</td>
<td>3.8% / 2.7%</td>
</tr>
<tr>
<td>High Risk Medications</td>
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<td>254</td>
<td>6.6%</td>
<td>3%</td>
<td>3.6%</td>
<td>5.2% / 5.4%</td>
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</tbody>
</table>
## Patient Outlier Application

### Measures and Trends

<table>
<thead>
<tr>
<th>Measure</th>
<th># of Patients</th>
<th>Performance Score</th>
<th>Versus Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACE/ARB in Diabetes</td>
<td>28</td>
<td>85.7%</td>
<td>85%</td>
</tr>
<tr>
<td>ACE/ARB PDC</td>
<td>40</td>
<td>82.5%</td>
<td>72%</td>
</tr>
<tr>
<td>Asthma - Absence of Controller Therapy</td>
<td>3</td>
<td>0%</td>
<td>30%</td>
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<tr>
<td>Cholesterol PDC</td>
<td>33</td>
<td>57.5%</td>
<td>68%</td>
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</tbody>
</table>

### Patient Outliers for ACE/ARB in Diabetes

- **Download this Report**

### September 2014

Current Data Range: FEB 2014 - JUL 2014

**Show:** All Patients

<table>
<thead>
<tr>
<th>Patient</th>
<th>Last Name</th>
<th>First Name</th>
<th>Gender</th>
<th>Date of Birth</th>
<th>Provided By</th>
<th>Status</th>
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<td>03/19/19</td>
<td>iehp</td>
<td>Completed 08/13/2014</td>
</tr>
</tbody>
</table>
Value-Based Arrangement Considerations

- **Scope of Program**
  - Pilot or broad network program
  - Line of business
  - Measures to include and how to weigh into assessment of success
  - What to display to the participating pharmacies

- **Measurement Approach**
  - Measure performance of the pharmacy over time
  - How often to assess for disbursement

- **Incentive Approach**
  - Based on flat fee vs. per member or per claim
  - How to fund value-based arrangements
  - How much to weigh performance vs. improvement vs. fee-for-service for interventions
Pharmacy Pay-for-Performance Programs

- Hybrid Model Example:
  - Based on PDC-adherence (3 rates) and ACE/ARB in Diabetes measures
  - Combination of payment for gap closures delivered through MTM provider and bonus on reaching performance goals

- Multi-metric Model Example
  - Based on Star measures plus asthma and GDR
  - Pharmacies will receive bonus depending on their performance on each measure:
    - 3-star attainment = small bonus
    - 5-star attainment = large bonus

- Star-metric Model with Commitment Incentive Example
  - Based on PDC-adherence measures
  - Combination of payment for program commitment and for reaching performance goals
P4P strategies that worked...

- **Multi-channel communication campaign**
  - Health plan to corporate pharmacy contacts
  - Health plan/PBM to pharmacy network
  - Work groups, town halls, webinars with participants
  - Reinforcement of message among all engaged partners
  - Frequent communications with participants (e.g. newsletters, webinars, training, etc.)

- **Transparency of measurement and incentive/recognition design**
  - Available online resources and program materials

- **Incentive/Recognition**
  - Outcome/overall performance based incentive
  - Combination of performance and improvement recognition
  - Frequent recognition/incentive reporting
  - Comparative performance between participating pharmacies and top performers (i.e. how much was left on the table)
Early Results are in...

- PDC scores are improving following confirmed engagement

- PDC-Diabetes: MAPD

- PDC-HTN: MAPD

- PDC-Statins: MAPD
Considerations on Funding Value-Based Arrangements

- Bonus payments accounted for in overall Star’s budget

- Reductions in rates (or dispensing fees) from low performing pharmacies to be provided as bonus to top performing pharmacies by percentile

- Rates determined on past performance and incorporated into subsequent year’s contracts (matching the timeline for Star Rating scores)

- Reductions in rates (or dispensing fees) for all pharmacies to fund performance guarantees that are paid back for hitting quality performance thresholds

- Reductions in rates (or dispensing fees) for broad network/preferred network pharmacies to fund bonus pools that can be added to plan/PBM contribution for incentivizing top performers
The next step in pharmacy value-based arrangement

Medicare Part D PDPs, by Parent Organization, 2015

Express Scripts Medicare
Cigna-HealthSpring Rx
Humana Insurance Company
United American Insurance Company
WellCare
UnitedHealthcare
First Health Part D
SilverScript
Aetna Medicare
Stonebridge Life Insurance Company
Symphonix Health
EnvisionRx Plus
Anthem Blue Cross and Blue Shield
All Others (31 companies)

Preferred Total = 87% of PDPs

PDP = Prescription Drug Plan
Source: Pembroke Consulting analysis of 2015 Part D data from the Centers for Medicare & Medicaid Services
Published on Drug Channels (www.DrugChannels.net) on October 14, 2014.
Summary

- Value-based payment arrangements are growing and will increase consistent with HHS directives
- Prevalent in both physician and hospital-payer arrangements
- A growing number of prescription drug plans are implementing performance-based incentives for network pharmacies, such as:
  - Pay-for-performance models that include bonus payments to top-performing pharmacies
  - Preferred networks that include star-performance as a criterion for inclusion as a preferred pharmacy
- Tools and technology are needed to support tracking of quality measure performance
  - Supports collaboration and transparency between payer and provider
Contact Information:

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dbaker@pharmacyquality.com
816-783-3834