Role of Pharmacy Management in ACOs: Environmental Assessment

August 6, 2014

Study Conducted by Hobart Innovations

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Acknowledgements

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Study Rationale

Accountable care organizations (ACOs), which are driven by delivery-system reform aimed at achieving greater value and reducing healthcare costs, have grown dramatically since the passing of the Patient Protection and Affordable Care Act (PPACA)

Given the ever-increasing role medications serve in the health of patients, this evolving business model is likely to incorporate some aspects of pharmacy management principles and may influence how pharmacists engage with provider organizations, as well as managed care organizations, with whom they contract

Because of the rapid growth and pharmacy implications of the accountable care model, it is essential to identify, support, and educate on the effective use of pharmacy management principles for all stakeholders on behalf of both current and new members in ACOs

The results of this study will help us gain a deeper understanding of how ACOs incorporate pharmacy management principles into their practice

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Objectives

The primary objectives of the AMCP environmental assessment were to:

1. Establish a baseline for how pharmacists participate within ACOs to impact overall quality and/or total healthcare cost savings

2. More accurately project future needs, opportunities, and challenges to the most effective use of pharmaceuticals for patient populations

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Methodology

- Recruitment for this multiphase assessment was targeted at entities recognized for having an affordable care component within their organization, for either Medicare or commercial payers
  - This included entities participating in CMS Pioneer Programs, CMS, Medicare Shared Savings Programs (MSSP), and commercial ACOs
  - Participants held medical, quality, and executive-level positions, and served the ACO as part of their overall responsibilities

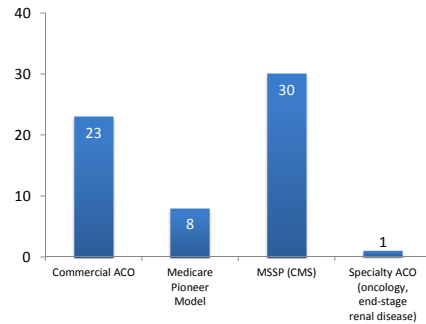| Phase 1	Phase 2	Phase 3
Three initial in-depth interviews were conducted to provide a foundation for the quantitative survey.	A virtual survey was fielded to 40 individuals to provide quantitative findings and results.	Five in-depth interviews were conducted with the survey participants to provide context and deeper insights into the findings.

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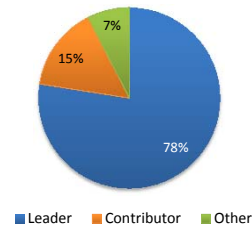AMCP Academy of Managed Care Pharmacy®

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Respondent Demographics

Number of ACO Arrangements by Population

Respondents classified themselves as holding various roles within their ACO organizations, with a majority acting in leadership positions.

Position in ACO

- Leader
- Contributor
- Other

Respondents had an average of 5 years of experience in their roles
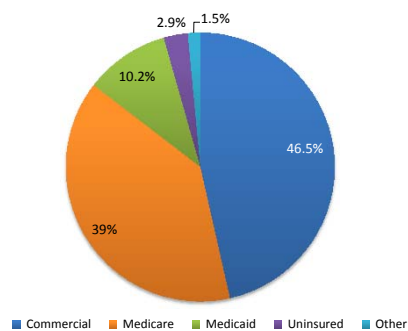
N=40

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Type and Channel Mix Within ACOs

Respondents had a higher Medicare population, which may be due to their origins as Medicare Shared Savings and Pioneer Programs.

Payer Channel Breakout

- Commercial
- Medicare
- Medicaid
- Uninsured
- Other

Respondents also had high expectations for member and provider growth within the next 18 months.

Providers **41%** Expected Growth

Membership **83%** Expected Growth

N=40

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Competition and Growth Were the Key ACO Drivers

- Business objectives (being competitive or blocking competition, as well as organic growth and profitability) were by far the greatest motivations for launching an ACO

Motivations for Launching an ACO

Motivation	Value
Remaining competitive or blocking competitive entries in your geography	16
Physician group growth and profitability	15
Other*	7
Hospital growth and profitability	2

*Other reasons for launching an ACO included providing better care for patients, gaining experience in ACO management, and helping physicians thrive in a new reform era.
Q. Which of the following is your primary motivation for launching an ACO?   N=40

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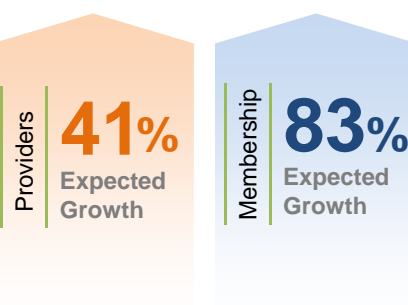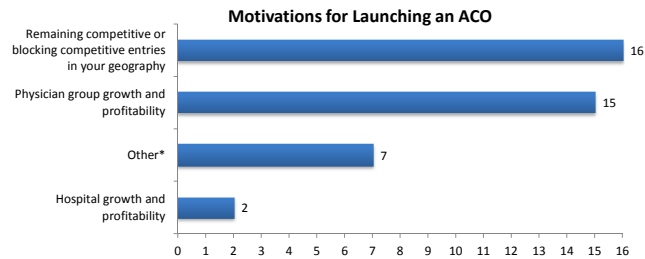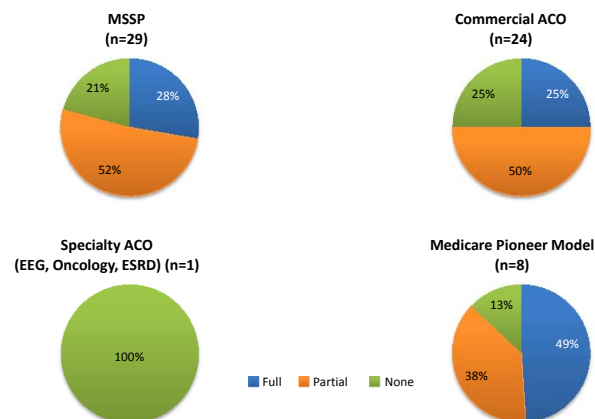
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Risk Levels Within ACOs Varied by ACO Model and Population Type

Excluding the Medicare Pioneer model, respondents indicated that there was a lower proportion of ACO plans with full risk than with partial risk.

MSSP (n=29)
- 28%
- 52%
- 21%

Commercial ACO (n=24)
- 25%
- 50%
- 25%

Specialty ACO (EEG, Oncology, ESRD) (n=1)
- 100%

Medicare Pioneer Model (n=8)
- 49%
- 38%
- 13%

Legend: ■ Full ■ Partial ■ None

Q. What types of accountable care arrangements do you have in place and how large is the population in each? What level of risk is associated with each arrangement?   N=40

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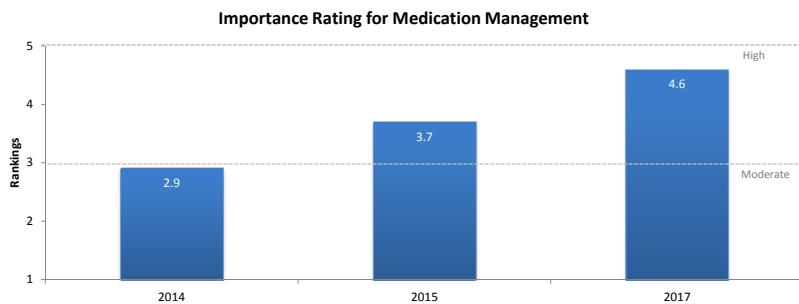©AMCP 2014   10

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Management of Medications

Medication Management Is Moderately Important and Forecasted to Grow in Importance

Respondents reported that medication management is currently ranked as moderately important, but would become increasingly important over the next five years, ultimately receiving near-maximum scores.

Importance Rating for Medication Management

Q. For the following three time periods, what level of importance do you place on medication management within your ACO populations?   N=40

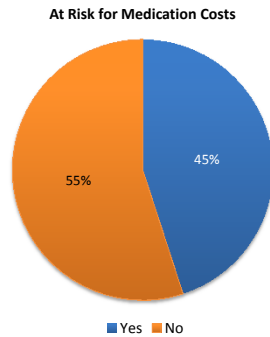www.amcp.org

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Nearly Half of ACOs Are at Risk for Medication Costs

At Risk for Medication Costs

45%

55%

■ Yes ■ No

- A majority of the respondents who stated that they were at risk for medication costs were participants in commercial-based ACOs

- Investigation into how medication use impacted total healthcare costs varied by ACOs, but the responses fell into the following major categories:
  - Analyze pharmacy and medical claims/PBM data
  - Integrate CMS data into health information exchange/EHR system
  - Watch prescribing patterns and patient compliance
  - Use quality measure results to target patients not at goal
  - Emphasize medication reconciliation

"We are at risk for medication costs in some ACO contracts and not in others…these split incentives between different payers are a major issue, which make it challenging to address patients as a single population."
-AMCP Environmental Assessment Survey Respondent

Q. How are you investigating the impact of medication use on total healthcare costs?
Q. Are you at risk for medication costs in your ACO population?   N=40
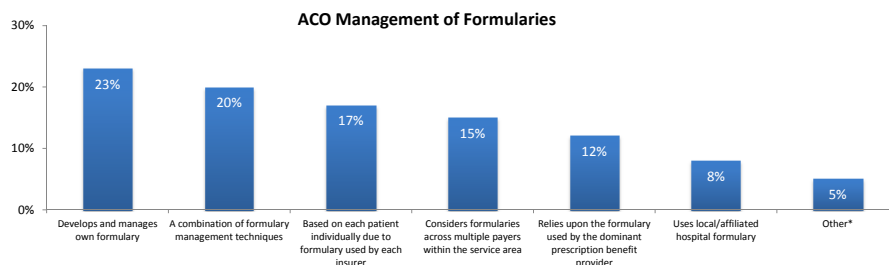
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ACOs Varied in Their Management of Formularies for Their Populations

- While almost 25% of respondents stated that their ACO developed and managed their own formulary, more than 75% noted that their ACO was dependent on others, or took a combination approach when it came to managing their formulary
  - The combinations used most often were "Considers formularies across multiple payers within the service area" and "Relies upon the formulary used by the dominant prescription benefit provider"

ACO Management of Formularies

Develops and manages own formulary	23%
A combination of formulary management techniques	20%
Based on each patient individually due to formulary used by each insurer	17%
Considers formularies across multiple payers within the service area	15%
Relies upon the formulary used by the dominant prescription benefit provider	12%
Uses local/affiliated hospital formulary	8%
Other*	5%

*Other includes: "No focus on formularies at this time and specific formularies for hospitals and inpatient care."
Q. How does your organization manage the use of formularies for your ACO population?   N=40
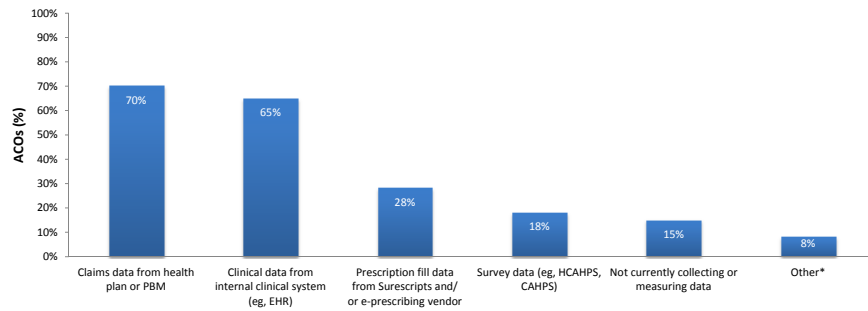
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Claims and EHR Data Are the Primary Methods for Measuring Medication Usage

- ACOs are using claims data from health plans and clinical data from EHRs to measure how medications are being used by their patients
- Only 15% of ACOs did not collect or measure data for medication usage

Methods of Measuring Medication Use in Specific Disease Areas

*Other includes: "Measuring with claims data next quarter," and "ACO related prescription claims are unreliable."

Q. How are you currently measuring medication use in specific disease populations (eg, bladder control, cardiovascular patients, diabetes, etc)?

N=40

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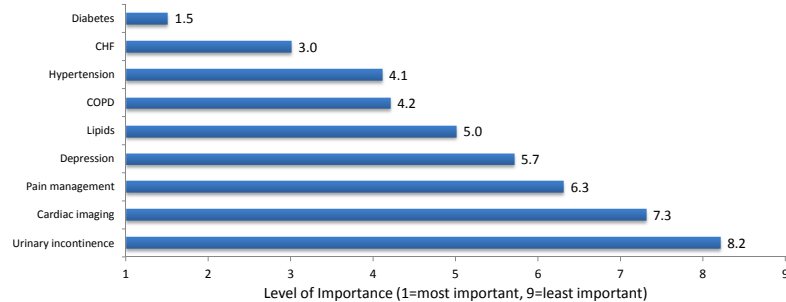
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Meeting Quality Measures

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Unsurprisingly, Diabetes and CHF Were the Most Important Conditions to ACOs

- Over 90% of respondents ranked diabetes as the most important or second most important condition that would need to be managed within their ACO population
- Forty-two percent of respondents ranked congestive heart failure (CHF) as the most important or second most important condition that their ACO would need to manage in order to improve outcomes in their patient population

Therapeutic Area by Rank

Condition	Value
Diabetes	1.5
CHF	3.0
Hypertension	4.1
COPD	4.2
Lipids	5.0
Depression	5.7
Pain management	6.3
Cardiac imaging	7.3
Urinary incontinence	8.2

Level of Importance (1=most important, 9=least important)

Q. Please rank (1-9) the following therapeutic conditions by importance in relation to managing your ACO population.   N=40
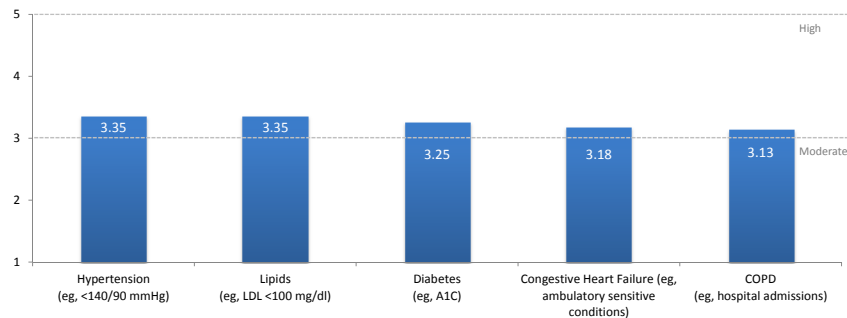
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Confidence in Achieving Quality Measures Was Moderate Across Therapeutic Areas

- Without positive pharmacotherapy outcomes, ACOs were not very confident that quality measures could be achieved in any of the most common disease states

Level of Confidence in Achieving Quality Measures

Hypertension (eg, <140/90 mmHg)	Lipids (eg, LDL <100 mg/dl)	Diabetes (eg, A1C)	Congestive Heart Failure (eg, ambulatory sensitive conditions)	COPD (eg, hospital admissions)
3.35	3.35	3.25	3.18	3.13

Q. Please rate the level of confidence you have of achieving quality measures for the following conditions in your ACO population if patients do not have positive pharmacotherapy outcomes.   N=40
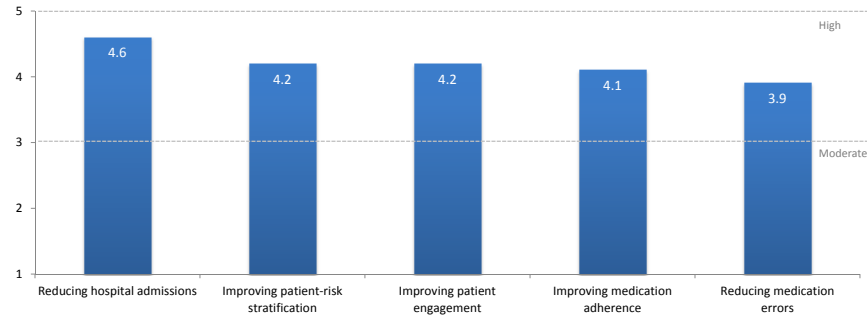
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Reducing Hospital Admissions May Have the Most Impact on Improving Quality Measures

- When asked about 5 specific process improvements, respondents noted all had moderate to critical impact on quality
- Medication management processes were viewed as having moderate impact

Level of Confidence in Achieving Quality Measures

Category	Score
Reducing hospital admissions	4.6
Improving patient-risk stratification	4.2
Improving patient engagement	4.2
Improving medication adherence	4.1
Reducing medication errors	3.9

Q. Please rank the potential impact the following issues will have in regard to improving quality measures.   N=40
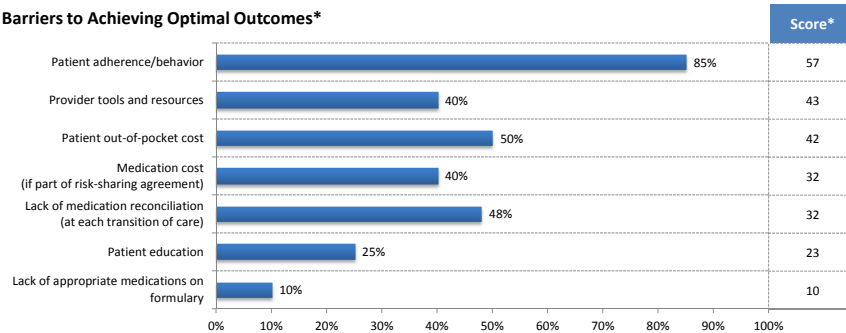
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Patient Behavior Is Strongly Considered the Leading Barrier to Achieving Positive Outcomes With Medications

- When considering medication use, ACOs saw patient behavior, specifically their adherence to medications, as the number one barrier to meeting their quality goals and achieving optimal outcomes
  - Thirty-four respondents ranked patient adherence as either their top barrier or their second-highest barrier
- Formulary restrictions limiting drug choice were the lowest rated of the barriers tested

Barriers to Achieving Optimal Outcomes*

Barrier	Percentage	Score*
Patient adherence/behavior	85%	57
Provider tools and resources	40%	43
Patient out-of-pocket cost	50%	42
Medication cost (if part of risk-sharing agreement)	40%	32
Lack of medication reconciliation (at each transition of care)	48%	32
Patient education	25%	23
Lack of appropriate medications on formulary	10%	10

*Percentages represent the portion of respondents who ranked an issue as their "top barrier." Scores represent the sum of the rankings (1-3) given to each barrier by respondents.

Q. In the use of medications, please rank the top 3 barriers that prevent patients from achieving optimal outcomes in your ACO population.   N=40

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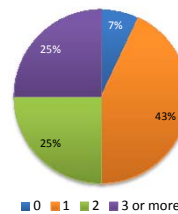AMCP Academy of Managed Care Pharmacy®

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Medication Management Initiatives to Achieve Quality Measures

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Respondents Utilize Multiple Methods Post-Prescription to Improve Quality Measures

- More than half of respondents increased patient education at the point of prescribing
- Nearly as many implemented patient support programs or services
- While virtually all used 1 of the methods, only 25% used at least 3 of the listed tactics

Methods to Increase Patient Engagement, Adherence, and Positive Outcomes	
Increased patient education at the point of prescribing	53%
Implementation of patient support program or service to improve medication adherence	45%
Increased patient access to medication information (eg, a website to view patient medications and/or lab results)	38%
Data on whether the patient filled or refilled the medication prescribed	38%

Number of Methods Used to Improve Outcomes

7%
25%
43%
25%

■ 0 ■ 1 ■ 2 ■ 3 or more

Q. After the prescription is written, what methods are in place to increase patient engagement, adherence, and positive outcomes in order to meet quality measures?

N=40

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Leading Programs Are Driven by Quality Measures: Medication Reconciliation and Post-Discharge Follow Up

- The top 5 current and future programs that may improve medication use include
  - Medication reconciliation
  - Adherence programs
  - Post-discharge follow up
  - Medication therapy management
  - Report for physicians regarding medication use
- These findings align with previous responses, which forecasted a growth in medication management
- Patient copay/formulary information at point of prescribing is a low-priority program for ACOs

	Current	Future	Not Planned
Medication reconciliation programs	78%	20%	2%
Telephone, e-mail, or other post-discharge follow up	63%	30%	7%
Patient education at the point of prescribing	50%	35%	15%
Report for physicians regarding medication use	50%	43%	7%
Adherence programs	48%	47%	5%
Medication therapy management (MTM)	38%	55%	7%
On-staff pharmacists to support physicians in medication management	38%	40%	22%
Patient copay and/or formulary information at the point of prescribing	30%	30%	40%
Partnerships with community or hospital pharmacies	28%	55%	17%

Q. Please select all applicable processes and programs in place to improve medication use.   N=40
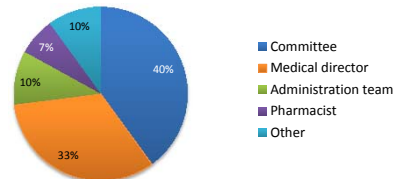
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Though ACOs Were Willing to Partner With Third Parties, There Was No Consensus on Partners

- More than three-quarters of the respondents (78%) expressed their willingness to partner with any third party (eg, care/disease management companies, pharmaceutical companies, MTM providers, health plans, PBMs)
- While 45% of respondents did not have a preference for a third-party partner, 16% noted that they would not be willing to partner with hospitals and pharmaceutical companies
- Respondents cited committees (40%) and medical directors (33%) as the 2 main parties who would be responsible for evaluating and improving quality in the area of pharmacotherapy outcomes in ACO populations
  - These groups may oversee potential partnership negotiations

Responsible Party for Improving Quality in Pharmacotherapy Outcome for Your ACO Population

- 40% Committee
- 33% Medical director
- 10% Administration team
- 7% Pharmacist
- 10% Other

Q. Would you be willing to partner with any third party (care/disease management companies, pharmaceutical companies, MTM providers, health plans, PBMs) on a pilot program to improve patient outcomes and quality within your ACO population?   N=40
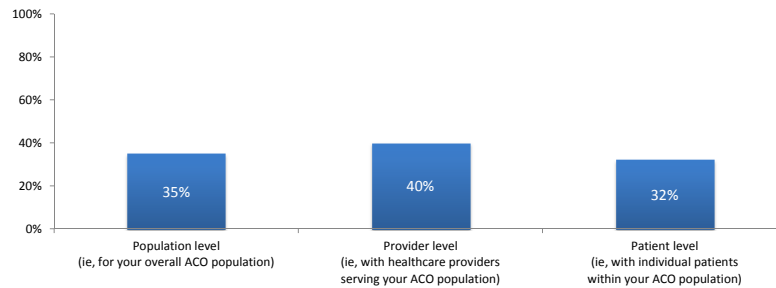
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Pharmacists Are Being Used in New Roles at ACOs

- Nearly half of ACOs (48%) in this study reported they are using pharmacists in expanded roles
- Twenty percent of respondents utilized pharmacists in all 3 expanded roles, while 15% utilized pharmacists in only 1 of the expanded roles

Use of Pharmacists for Different Types of Responsibilities

Population level (ie, for your overall ACO population)	35%
Provider level (ie, with healthcare providers serving your ACO population)	40%
Patient level (ie, with individual patients within your ACO population)	32%

Q. Is your organization using pharmacists for the following types of roles and responsibilities?
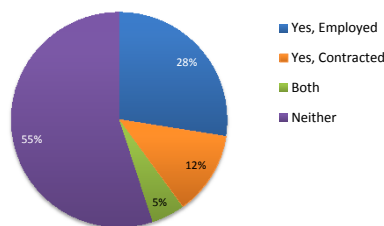
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Less Than Half of the Respondents Used Pharmacists to Optimize Medication Management

- Forty-five percent of respondents have employed and/or contracted pharmacists to help manage medication usage
  - Sixty-seven percent of respondents who previously stated that they are at risk for medication costs use pharmacists to manage medication

Pharmacists Employed or Contracted

- Yes, Employed — 28%
- Yes, Contracted — 12%
- Both — 5%
- Neither — 55%

Q. Are pharmacists employed or contracted by your ACO specifically to optimize medication management in your ACO population (eg, review all patients receiving certain medications or with certain conditions)?
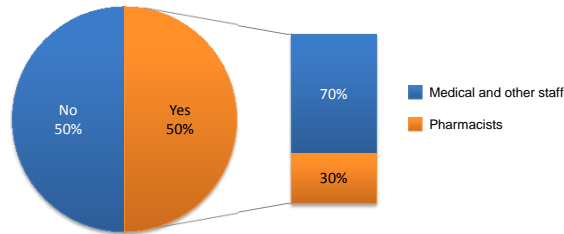
N=40

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Half of the Respondents Applied Medication Management Principles to Specialty Pharmacy Medications

- Medication management processes were utilized for specialty pharmacy medications to help improve patient outcomes and were mostly overseen by medical directors or other staff compared to pharmacists

Use of Medication Management Principles With Specialty Pharmacy Medications

No 50%
Yes 50%
70%
30%

- Medical and other staff
- Pharmacists

- Of those managing specialty pharmacy medications, half also move specialty and pharmacy benefit medications between the physician's office, home infusions, and hospitals

Q. Do you apply medication management principles to specialty pharmacy medications (self-injectable, infusion) to improve patient outcomes?   N=40

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Health Information Technology (HIT)

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The Use of Medication Management Functions Within EHRs Was Either in Place or Planned

- Although EHRs are not specific to ACO organizations, only a small minority of ACOs were either not using or not planning to use key EHR functions
  - E-prescribing and current and previous medication use were nearly universal
  - Prescription benefit and formulary information were in use by the majority
  - Adherence/fill history and report generation/drug use were in use by more than half

	Current	Future	Not Planned
Adherence/fill history	58%	42%	0%
Prescription benefit and formulary information	70%	23%	7%
E-prescribing/refills	93%	7%	0%
Clinical decisions support	68%	30%	2%
Current and previous medication use	98%	2%	0%

Q. Please select the various electronic health record (EHR) functions you are using to manage medications.

N=40

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Respondents Expect to Use EHRs and E-Prescribing More Frequently in the Future to Better Manage Medication Use

Responses regarding EHR and e-prescribing use fell into 3 tiers:

85%
Respondents expect to use EHRs for

- Patient engagement
- Medication management

70%-80%
Respondents expect to use EHRs for

- Transitions of care
- Protocols and guidelines
- Preventing or monitoring adverse events
- Screening and assessment tools

50%-60%
Respondents expect to use EHRs for

- Managing prior authorizations
- Therapeutic alternatives
- MTM data

Meaningful use requirements are likely drivers of the use of EHR technology for health systems seeking EHR incentive payments.

Q. Do you now or in future expect to leverage EHRs and e-prescribing to improve the use of medications for the following tactics?

N=40

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Key Findings

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Key Findings

- Being competitive/blocking competition, growth, and financial gain were the 3 main reasons respondents cited for launching an ACO
- Many ACOs currently rank medication management as moderately important within their population, but indicated that it would become a critical part of their ACO in the next three years
- Almost half of the respondents note that they are currently at risk for medication costs, and a majority utilize various types of internal and external data analytics—including collecting claims data from pharmacy benefit managers (PBMs)/health plans and clinical data from electronic health records (EHRs)—to investigate the impact medication use has on total healthcare costs
- ACOs are launching programs—including medication reconciliation and post-discharge follow-up procedures—that simultaneously improve medication use and align with quality measure objectives

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Key Findings

- Patient behavior and adherence were cited as the leading barriers to achieving positive outcomes with medications. In an effort to improve quality outcomes, more than 95% of respondents either increased patient education at the point of prescribing or implemented patient support programs or services
- Although some ACOs use pharmacists at the provider and patient levels, less than half are using them to improve medication management and quality outcomes
- Most respondents were willing to partner with a majority third-party organizations in order to improve quality outcomes, while a few cited that they would not partner with hospitals or pharmaceutical companies. Respondents stated that they currently partner with physician practices and health plans/payers to achieve their organizational goals
- Ninety-five percent of respondents cited using EHRs and e-prescribing to assess refill/e-prescribing information and track previous and current medication use

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How to Ask A Question

Raise your hand to ask verbally

Or, type your question in the 'Questions' area

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Acknowledgements

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