Pills, Patients, Payment, and Policy
The Future of Pharmacy

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Blind Spots in Health System Reform
• NEJM, 368;10, March 7, 2013: The Whole Ball Game, L. Rosenbaum
• Famous experiment of Simons and Chabris.
• Participants were shown a video in which 2 3-person teams, one in black, the other in white passed basketballs as they revolved around each other.
• They were then asked to count the number of passes on the white team.
Blind Spots in Health System Reform

• Woman in gorilla suit walks across the screen beating on her chest, remaining for 5 seconds.
• Participants were asked if they noticed anything unusual.
• 50% failed to notice the gorilla!
• They were focused on their task.
• More striking was their insistence that they could have missed something like that.
• Replay of video elicited accusations of changing the video to trick the participants.

Blind Spots in Health System Reform

• The obvious question each of us must ask is: Where is MY blind spot?

• Principle 4 of Covey: “Seek first to UNDERSTAND, then to be UNDERSTOOD,”

Health spending
My only relevant financial arrangement is with my employer, Leavitt Partners, Salt Lake City, Utah.
The Affordable Care Act

- Also known as “Obamacare.”
- Signed into law on March 23, 2010
- Over 2,300 pages of legislation.
- Most sweeping legislative overhaul of American healthcare in history.
- Highly controversial.
- Complex

Goals of the ACA

- Increased rate of Americans with health insurance coverage.
  - Mandates.
  - Subsidies.
  - Tax credits.
- Improve healthcare outcomes.
- Streamline the delivery of healthcare.
- Control healthcare costs.

What ACA Does Not Do

- Does not provide access to healthcare coverage for everyone.
- Does not address the liability issues facing physicians especially in high risk specialties.
- Does not guarantee a decrease in the rate of rise in healthcare expenditures.
- Does not allow the status quo to be a viable alternative.
Insurance Requirements of ACA

- Must cover all applicants.
- Offer same rates to all (guaranteed issue.)
- Eliminates pre-existing conditions.
- Provides for an insurance exchange through which coverage would be available.

Terms Common to ACA

- Guaranteed issue.
- Individual mandates.
- Exchanges.
- Fee for service payments.
- Bundled payments.
- Essential benefits package.
- Accountable Care Organizations (ACOs.)

ACA Effects on Pharmacy

- There is an effort to close the doughnut hole in Medicare Part D.
- CMS has a Center for Innovation.
- Not very much is specified about pharmacy.
- The biggest changes and challenges will likely be in the way the healthcare delivery systems of the future are constructed and how pharmacy is considered in that construct.
Are We Asking the Right Question?

- Recent debate over health care reform had little if anything to do with health care.
- Debate was less than civil.
- Most of what was debated had to do with how to pay for what we now have.
- Is this the right question?

For example,

- Say you wanted to buy an Edsel.
- You could pay cash.
- You could borrow money from the bank.
- Somebody could buy it for you.

- But, in the end, you would still have...
Edsel: 1958

You can...

• Paint it
• Add chrome to it
• Give it a different name
• Redesign a part of it
• But,

• It’s still an Edsel!

Edsel: 1959
Edsel: 1960

Three Big Health Care Gears
- Accountable Care Organizations
- Medicaid
- Health Insurance Exchanges

Medication Use Not Yet Top of Mind...

PPACA Affects Those Gears
3 Pillars of the Patient Protection and Affordable Care Act
- Delivery Reform
  - Accountable Care Organizations (ACOs)
  - Innovative demonstration projects (bundled payments, MTM, transitions, etc.)
  - Quality metrics
- Medicaid Expansion
  - Up to 138% Federal Poverty Level*
- Insurance Market Reforms
  - Individual and Employer Mandates
  - Guarantee Issue and Community Rating
  - Essential Health Benefits (EHB)
  - Federal premium subsidies up to 400% FPL**
  - State Health Insurance Exchanges
Questions Emerge in Delivery System Reform...

- Public v. private sector structures
  - Impact of drug spend being “in” or “out” of risk calculation
- Role of insurer-based formularies v. delivery-system formularies
- Parameters for defining value
  - Different for ACOs and other integrated delivery systems?

Source of Formulary

- ACOs work with multiple payers.
  - Thus navigate multiple formularies.
    - With multiple approaches to drug spend calculation and risk.
      - At time when they are aspiring to achieve clinical consistency.
- Likely to stimulate interest in ACO formulary development...

The Practice of Medicine

- Ethics
- Patient/Physician Relationship
- Science
- Caring
The Patient/Physician Relationship

- The cornerstone of American medicine.
- Based on principles of good interpersonal relationships:
  - Dignity.
  - Respect.
  - Confidentiality.
  - Care of the patient is paramount.

Fundamentals of the Patient/Physician Relationship

- Pt. has right to information.
- Pt. has the right to make own decisions.
- Pt. has the right to respect, dignity, responsiveness, timely attention.
- Pt. has right of confidentiality.
- Pt. has right to continuity of care.
- Pt. has right to have available adequate healthcare.

The Practice of Medicine

- 85% of a diagnosis is made by the clinical history.
- 10% of a diagnosis is made by the physical examination.
- 5% of a diagnosis comes from the lab.
Anatomy of a Relationship

The Practice of Pharmacy

 Desired Attributes of Care

• Safe.
• Effective.
• Patient centered.
• Timely.
• Effective.
• Equal.
The ACO

- The concept of the Accountable Care Organization is attributed to Dr. Elliott Fisher at Dartmouth University.
- All entities are to be accountable to each other.
- All entities are “at risk” financially.
- All are to benefit from financial stewardship.

Defining Accountable Care

An entity that directly influences the provision of care and bears financial risk for the measured health outcomes of a defined population.

Goals of an Accountable Care Organization

- Improve the experience of the patient.
- Improve the health of the population.
- Decrease per capita and overall costs of health care.
The Triple Aim

• Improving the patient experience of care (to include quality and satisfaction.)

• Improving the health of populations.

• Reduce the per capita costs of health care.

ACO Models

Insurer ACO: A regional or national insurer who takes the lead in organizing providers in such a way that the health plan bears the burden of ensuring accountable care (e.g. employs care coordinators, provides data analytics, etc.)

Insurer-Provider ACO: The insurer and the provider are equal partners in providing accountable care – both entities furnish services that are above and beyond industry expectations.

Single Provider ACO: Usually an integrated delivery system that receives payment for a population and takes on the responsibility of providing accountable care. The payer’s involvement is generally limited to the provision of a risk-based payment such as capitation or shared savings.

Multiple-Provider ACO: Two or more providers (usually a hospital and a physician organization) have partnered (i.e. do not own each other) to provide accountable care for a population. The insurer involvement, like the single provider ACO, is limited to the provision of a risk-based payment.

ACO Sponsoring Entity

Physician Groups
Insurer
Hospital System
Community-Based Organization

Source: Partners Center for Accountable Care Intelligence 2013
Overall Trajectory

Who is partnering?

ACO Type

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
</tr>
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<tr>
<td>Insurer ACO</td>
<td>11</td>
</tr>
<tr>
<td>Insurer-provider ACO</td>
<td>40</td>
</tr>
<tr>
<td>Multiple provider ACO</td>
<td>177</td>
</tr>
<tr>
<td>Single provider ACO</td>
<td>213</td>
</tr>
</tbody>
</table>

Public vs. Private Participation

- Public Program Only: 49
- Private Contracts Only: 184
- Both Public and Private: 216
ACO Effects on PPR

**Possible Positive Effects**
- Use of evidence base.
- Shared decision making.
- Increased use of HIT.
- Attention to population health.
- Team approach to care.
- Coordination of care.

**Possible Negative Effects**
- "Cookbook medicine."
- May stifle innovation.
- Intrusion between patient and caregiver.
- Clinical decisions too closely controlled by costs.
- Paternalistic
- Liability concerns

The Successful ACO

**Business Success**
- Meets the goals of the Triple Aim.
- Is accepted by the local community.
- Is transparent in its dealings.
- Decreases costs.

**Patients' View of Success**
- Appropriate array of services.
- Is MY doctor a part of the ACO?
- Is the relationship between patient and caregiver respected?
- Decreases costs.
ACO v. PPR?

- Improve pt. care ✓
- Improve population health. ✓
- Decrease health care costs. ✓

Francis W. Peabody, MD

“For the secret in caring for the patient is to care for the patient.”

Lecture at Harvard, 1927

This is a BIG DEAL!
Medicaid

- Combination of federal and state funding.
- Assumption is that the federal portion of funding will remain basically unchanged.
- States are in difficult times.
- Real “sticker shock.”
- For most States, the amount allocated for their portion of Medicaid funding exceeds their spending on education.
  - First time in history.

Legal Challenge to ACA

- SCOTUS upheld the constitutionality of the Affordable Care Act in a landmark decision which was announced on June 28, 2012.
- Individual mandate was upheld.
- Question now is left to the States as to whether or not to expand Medicaid to cover more uninsured.

Medicaid

- With economic downturn, more people will be eligible for Medicaid.
- Many newly insured people anticipate getting their health insurance from Medicaid.
- Question: to expand or not to expand.
- Scorecard:
  - States will expand.
  - States will not expand.
  - States undecided.
Likelihood of States Choosing to Expand Medicaid by January 1, 2014

As of 04/22/2013

Source: Leavitt Partners

Very Unlikely to Expand (11 states)
Unlikely to Expand (10 states)
Likely to Expand (7 states)
Very Likely to Expand (22 states & DC)

Medicaid

• So, the questions are the same:
  – How do we afford the care of recipients?
  – What mechanisms may curtail costs?
  – What will be covered?
• One choice is a Medicaid ACO: Utah.
• ACA is not nearly so specific as it is for Medicare.
• The future?

Health Insurance Exchanges

• Fundamentally, a method to connect insurers and patients.
• Federal exchange distributes subsidies.
• Two State exchanges are up and working: Mass. and Utah.
• In Utah, no subsidies are used; only a mechanism for connecting payers and patients.
• Federal exchange is to be ready. Will it be?
Low Hanging Fruit?

• Health literacy: 89 million Americans cannot read a prescription and take it correctly.
• Incorrectly used medications account for poor adherence, complications, and re-admissions.
• Choosing Wisely from ACP gives evidence based recommendations on what care to cease.
  – 26/135 recommendations are about medications.

Scourges of Our Society

• Obesity.
• Sexually transmitted diseases (STDs.)
• Teenage pregnancy.
• Violence.
• Suicide.
• Accidents.
• Alcohol abuse.
• Tobacco use.

Common Theme

• Each contributing entity has as a major component the behavior of the individual patient.
• We need an EBM of changing behavior.
• (NIH agrees!)
Cost Estimates of the Scourges

• $1.13 trillion/year

• (Total healthcare expenditures were about $2 trillion/year)

And we have not even discussed waste or fraud and abuse.

New or Expanded Roles for Pharmacists

• Let’s build a house!
• Start with a foundation.
• Add walls.
• A roof is necessary.
• Finish work.
• Appliances and electrical fixtures.
• At which step should pharmacists be involved?
“Top of License Practice”

• Most healthcare professionals are highly trained and may have knowledge and skills that are not used.
• It is inefficient to have over-trained personnel performing tasks that others could perform.
• Examples:
  – Nurses changing bed linen.
  – Physicians taking blood pressures.
  – Pharmacists stocking shelves for OTC medications.

Top of License Practice

• The way to expand scope of practice is education, not legislation.
• Liability risks will necessarily increase.
• Education may need to change.
  – This is true for ALL of the health professions!

  Oh, yeah...
  • You should be PAID for what you do!

Top of License Practice

• What might this mean for the practice of pharmacy.

• Let’s take a look at a few examples.

• You will have the opportunity to expand my list!
Top of License Practices

- Onsite service provision.
- Flu shots.
- Vaccinations of other types.
- Screening tests.
  - Pregnancy tests.
  - Rapid strep tests.
  - Coagulation tests, etc.

Top of License Practices

- Wellness and prevention will be major components of a well run ACO.
- BP checks (with medication dosage adjustments.)
- BMI evaluation.
- TPR measurements.
- Psychometric testing and screening.

Top of License Practices

- Data volumes will become even larger and may not be able to be managed.
- Pharmacists have unique data.
  - Can identify problem patients.
  - Can identify problem prescribers.
  - Can see local area trends in usage.
- Need to integrate these types of data with the EHR kept by the clinician.
Top of License Practices

- Identify individual patient’s preventive health needs.
- Recommend appropriate screening.
  - To the patient.
  - To the clinician.
- Initiate age appropriate evidence-based screening (perhaps, onsite.)

Top of License Practices

- Patient counseling on medication use.
- If done in tandem with clinician, could be a strong incentive to comply with regimen.
- Discuss the interplay of prescribed drugs with OTC medications.
- Identify areas of counseling not currently being dealt with.
  - Emotional stress.
  - Fear of disease, etc.

Top of License Practices

- Increased input into formulary design.
- Oversight of formulary use.
- Identification of medications that should be included.
- Identification of medications that could be removed without harm to the patients.
- Updating the formulary using evidence based guidelines.
Top of License Practices

- Championing the use of tele-health technology.
- Promote its use for improving patient adherence to treatment regimens.
- Improve communication with clinicians.
- Foster communication among the triad of patient, physician, and pharmacist.

Top of License Practices

- Actively participate in the Choosing Wisely campaign.
- Assist in the elimination of inappropriate use of pharmaceuticals.
- Support clinicians in eliminating wasteful, inappropriate, and unnecessary practices.

Top of License Practices

- Become the “communications center” of the healthcare team.
- Uniquely positioned to do this.
- Foster communication with patients, clinicians, families, and, especially AMONG these groups.
- Identify incentives that work and those that may harm patients.
Top of License Practices

• Education.
• Professional education to keep up.
• Other healthcare professionals.
• The public.
• Legislative bodies.
• Individual patients.

Don’t be the first to use a new drug – nor the last to discard an old one.

Louis S. Goodman, MD

The most expensive drug?

The one that doesn’t work!
Might the ACO movement provide a very special opportunity?

• To take back control of the professions we represent.
• To demonstrate the value that clinicians and pharmacists bring to the healthcare equation.
• To improve that value by synergizing our professions to the benefit of the patients we serve.

Trends Affecting Health System Reform

• Demanding demographics.
• Strategic globalization.
• Unconstrained connectivity.
• Constrained resources.
• Accelerated consolidation.
• Big data.
• Consumer discontent.
• ALL will impact pharmacy.

Can This Be Done?

• The Maldives.

• Lessons learned from the tsunami.
What lies behind us and what lies before us are tiny matters compared to what lies within us.

-Ralph Waldo Emerson

What is the “Triple Aim?”

Describe the Patient/Pharmacist relationship.
What are the goals of an Accountable Care Organization?

What does it mean to “practice at the top of your license?”

Which ethical principles do not transcend the boundaries of the pharmacy profession compared to the medical profession?
What is a health insurance exchange?

How does an ACO differ from an HMO?

Define the ideal role of a pharmacist in the development of an Accountable Care Organization.
How does a Medicaid ACO differ from a Medicare ACO?

What is the “Choosing Wisely” campaign?

How can medication reconciliation save money?
What are the components of an idealized healthcare delivery team?

Exercise #1

• What can pharmacists do to improve patient adherence to a prescription medication regimen?

Exercise #2

• You have been assigned to initiate an in-store mini-clinic. Describe how you would do this including listing the benefits and risks to such a venture.
Exercise #3

• Share how the data that is collected by a pharmacy might benefit:
  – An individual patient.
  – That patient’s caregiver.
  – An Accountable Care Organization.

Exercise #4

• If you could talk to all of the physicians in the country (or even all that prescribe in your pharmacy,) what would you like them to know?

Exercise #5

• If you could talk to all of the insurance company CEOs, what would you tell them?
Exercise #6

- What legislative changes ought to be made to improve the practice of pharmacy and increase value of your services to the patients you serve?