Objectives

- Overview of long-term care pharmacy (LTCP)
- Services LTC pharmacies provide to residents of long-term care facilities
- Current prescription payment systems for LTCP
- History of LTCP’s work with Congress and regulatory agencies
Objectives

- Implications of the discount card program and transitional assistance for residents of nursing facilities
- Implications under the Medicare prescription drug benefit
- Implications in other long-term care settings including assisted living facilities
What is long-term care pharmacy (LTCP)?
1960s

- Community pharmacies begin to service seniors who reside in nursing homes
  - Pharmacies develop organized distribution systems to aid in medication administration
  - “Consultant” pharmacists review medication regimens for appropriateness
  - Many pharmacies begin to specialize in providing services to LTC facilities
- American Society of Consultant Pharmacists founded in 1969
Brief History of LTCP

1974

- Federal nursing home standards require Medicare and Medicaid certified nursing homes to provide distribution systems to control acquisition and disposition of medications

- Federal nursing home standards require consultant pharmacists to review medications on a monthly basis

1995

- Federal nursing home standards revised and require more aggressive monitoring of appropriate medications by consultant pharmacists

42 CFR §483 et seq.
Services Provided by LTCPs to Residents of LTC Facilities
Today’s focus
Nursing Facilities

Services can and should also apply to other settings based on beneficiary needs
Profile of Typical Nursing Facility Resident

- Generally admitted to a facility for multiple chronic disease states requiring around-the-clock nursing care
- Usually more frail and older than average Medicare beneficiary
- Average age and gender, 83 year old female
Profile of Typical Nursing Facility Resident

- Takes 8 -10 medications daily and often takes other medications as needed for pain or other transient symptoms which might arise.

- Combination of multiple disease states and chronic conditions require vigilant monitoring by pharmacists and medical team.
Services Provided

- Medication distribution systems and clinical services tailored to the unique needs of individual LTC facility
  - Multiple daily deliveries of medications to facility
  - Around-the-clock (stat) delivery of emergency medications
  - Consultant pharmacists interventions to optimize medication therapy and reduce medication related problems
Services Provided

- Pharmacists available 24 hours a day, 7 days a week providing
  - Emergency medications, and
  - Checking for medication errors
- Special packaging systems
- More organized record-keeping
- Minimize dispensing errors
- Improvement in overall compliance
Specially Packaged Medications
Systems to Package Medications in LTCP

- Fully-automated packaging machines meet demands for multiple prescriptions and large LTCFs
Systems to Package Medications in LTCP

- Partially-automated systems help meet needs for LTCPs servicing smaller LTCF.
- Allows pharmacy to package lower quantities of medications.
How do LTCPs contract with nursing facilities?

- LTCPs selected by nursing facilities based on the services necessary for its residents
- Generally nursing facility selects one LTCP based on the needs of the residents
- Multiple pharmacies in nursing facilities would disrupt establish quality procedures established for delivery, administration, and clinical services
How does this relationship comply with Medicare/Medicaid beneficiaries’ freedom of choice?

- Centers for Medicare & Medicaid Services (CMS) supports the use of a single LTCP selected by the nursing facility
  - Federal nursing home standards require facilities to establish a safe medication distribution system
  - Safe medication distribution system means facilities can restrict pharmacies

42 CFR Part 403
Medicare Program;
Medicare Drug Card Assistance Initiative
Final Rule
September 2, 2003
Approximately 3.5 million of the 40 million Medicare beneficiaries will reside in a LTC facility.

- Long-term care facilities where Medicare-eligible seniors reside
  - Medicaid certified nursing facilities
  - Medicare certified skilled nursing facilities
  - Assisted living facilities
  - Adult board and care homes
  - Group homes
  - Facilities for the developmentally disabled
LTCP Market Today

- Four publicly-held LTCP-only pharmacies cover 2 million + lives in LTC facilities
  - Omnicare, NeighborCare, Pharmerica, Kindred
  - Provide medication distribution, dispensing, and consulting services

- Independent long-term pharmacies cover remainder
  - 43% of independent community pharmacies provide service to LTC facilities
  - Some provide medication distribution, dispensing, and consulting services
  - Independent consultant pharmacists only provide medication reviews and clinical services
Current Payment Systems for LTCP
Current Payment Systems for LTCP

- Medicare Part A post-hospital skilled nursing facility care for up to 100 days
  - 10-20% of SNF/NF residents at any time
  - Pharmacy included under prospective payment per diem rate

- Medicaid for patients who have spent down assets and otherwise indigent
  - 60-70% of residents of nursing facilities

- Remainder private pay
  - Some have private prescription plans but most plans do not cover additional services
LTC and the Medicare Modernization Act (MMA)
Medicare Modernization Act (MMA) interchanges terms long-term care facility and NF throughout.

CMS can only regulate Medicare and Medicare skilled nursing facilities and Medicaid NFs.
- These facilities must meet the federal nursing home standards.

LTC settings such as assisted living facilities not required to meet federal standards and cannot be covered.
A Square Peg in a Round Hole:

How Residents of NFs Were Folded into Medicare Outpatient Drug Benefit?
Overview of LTCP’s Work with Congress

- Ten years of work by LTCP associations and other organizations
- Issues considered
  - Should residents of LTCFs be “carved-out” of the outpatient Medicare prescription drug benefit?
  - Should residents of LTCFs be designated in a different manner from community-dwelling seniors?
  - Should Medicaid remain the primary payer?
Congress’ Efforts to Consider LTCF Population

- Congress listened to concerns of LTCP but remained divided and perplexed on how to handle the population.
- House bill passed in 2003 folded in the “dual-eligible” Medicare/Medicaid beneficiaries into the Medicare outpatient prescription drug benefit program.
- Senate bill passed on 2003 carved out dual-eligible beneficiaries of the Medicare program and Medicaid remained primary payer.
Beginning in 2006, Medicaid beneficiaries lose prescription drug coverage unless they enroll in a Medicare Advantage program or a stand-alone prescription drug program.

Managed care has not proven to be efficient or effective in NFs.

LTCPs established processes and procedures to work with state Medicaid agencies to improve efficiencies.

Folding dual-eligible NF beneficiaries may prove disastrous to quality-of-care and cost.
Implications of Senate Bill for Residents of NFs

- Dual-eligible beneficiaries remain under the Medicaid program
- Advantage of having established systems and processes by LTCPs
- Complicated billing and claims for LTCFs administered by one state entity rather than multiple plans
- More assurances of access to needed and appropriate medications because of less-restrictive formularies
Final MMA Compromise Folds in Dual-Eligibles to Medicare Program

Implications to Residents of LTCFs
Effect of MMA

- Medicare Part A post-hospital benefit remains the same
- Medicaid residents of nursing facilities and other long-term care settings eligible for prescription drug coverage Medicare prescription benefit remains unchanged during implementation of discount card 2004-2005
Effect of MMA

- Private pay residents eligible for Medicare prescription benefit
- Nursing facilities not required to accept discount card during 2004-2005
- Low-income residents of nursing facilities whose income falls below 135% of federal poverty level but do not qualify for Medicaid eligible for $600 transitional assistance
Medicare-Endorsed Discount Cards and LTC
Discount Cards and LTC

- Residents of nursing facilities exempt from the provisions of the “regular” discount card program
  - CMS required to provide transitional assistance to NF residents
- Inclusion would disrupt established processes and procedures developed by the LTCP and facility
- CMS found that administration and implementation difficult
Discount Cards and LTC

What about assisted living facilities (ALF) and LTC other settings?

Typical resident of ALF similar to NF residents and require similar pharmacy care and services
  - Many ALFs designate a single pharmacy to provide services in the same manner as NFs
  - Pharmacies serving ALFs provide similar services as in NFs

These settings not explicitly exempt from discount card rule and residents may choose to use discount card in ALF

How will this impact pharmacy services in ALFs?
Discount Cards and LTC

- Community-dwelling Medicare beneficiaries who enroll in the discount card program may change or drop coverage upon admission to a nursing facility
- One of the limited exceptions to change coverage outside of open-enrollment period
Transitional Assistance & LTC
“The Secretary shall establish procedures and may waive requirements of this section as necessary to negotiate arrangements with sponsors... with pharmacies that support long-term care facilities... to ensure access... for transitional assistance eligible individuals who reside in long-term care facilities.”

MMA §1860-D31(5)(A)
How will TA be provided to residents of NFs?

- CMS will grant “special endorsements” to certain card sponsor applicants.
- Special endorsements given to those sponsors with a proven ability to provide for the special needs of residents of NFs.
- Card sponsors that apply for the discount card program submit a supplement to the general application.
Special Endorsement
Application Process

- Card sponsors meet all requirements for general endorsement AND:
  - Submit a plan and background information regarding experience in LTC pharmacy
  - Agree to contract with any willing long-term care pharmacy
  - Agrees to process claims from in-network and out-of-network long-term care pharmacies
  - Agree to meet standards for claims processing and billing
Special Endorsement Application Process

- CMS might consider appropriately qualified applicants that choose only a special endorsement
- CMS will select at least two card sponsors to provide special endorsements
- Number of card sponsors selected will depend on the quality of applications received
Exceptions from General Discount
Card Provisions for LTC Special
Endorsement

- Need not meet requirements for passing on discounts, including rebate reporting
- Need not establish or follow a formulary as it pertains to other card sponsors
- Residents exempt from co-pay provisions applicable to others receiving transitional assistance
Implications of LTC TA Special Endorsement

- LTCPs not likely to process many claims for TA because
  - Residents of NFs have typically spent down assets and qualify for Medicaid upon admission
  - Residents who qualify for special assistance likely to have spent $600 before admission
  - Residents likely to use up funds quickly in a NF
- BUT, experience with TA in NFs provides potential basis for inclusion or exclusion under full Medicare benefit
Discussion of current status of applications for LTC Special Endorsement
Medicare Outpatient Prescription Drug Benefit and LTC
No Congressional Guidance on How to Implement Medicare Program for Residents of LTCFs

- Requires studies to examine the impact of the Medicare prescription drug benefit for residents of LTCFs
  - Assessment of the need for additional payment and services for residents of LTCFs-- due 12/04
  - Assessment of whether “special populations”, including residents of LTCFs should be excluded or receive other special consideration under the Medicare program-- due mid-2005
Success or failure of transitional assistance special endorsement critical to status under drug benefit
Medication Therapy Management Services (MTMS)

- MMA requires MTMS to improve medication therapy outcomes by proper management of medications
- Pharmacists have a role in developing MTMS programs and may participate
Medication Therapy Management Services (MTMS)

- Programs targeted to beneficiaries who take multiple medications for chronic illnesses such as diabetes or hypertension
- Services may include provision of special packaging
- Plan sponsors may distinguish between ambulatory services and "institutional" settings
These residents represent the most frail of the senior population and require careful monitoring of medication therapy.

Consultant pharmacists and LTCPs already provide services and interventions to ensure responsible medication therapy management.

MTMS programs that pay pharmacists for the clinical interventions they perform have a positive impact on health outcomes and costs.
Ohio LTC Management Incentive Program (LTC-MIP)

Improving Medication Therapy in NFs and Achieving Cost Savings
Overview of LTC-MIP

- In 2002, Ohio Medicaid faced a budget deficit
- Medicaid sought to implement Medicaid pharmacy reimbursement reductions
- SCPA developed a CMS approved program designed to save the state money and ensure appropriate medication utilization
Key Components of LTC-MIP

- Individualized medication therapy regimen assessment by consultant pharmacists
  - Federal nursing home standards require monthly review
  - Consultant pharmacists perform intensive review of medication orders in the pharmacy and in the nursing facility
  - Consultant pharmacists recommend appropriate medications for the individual patient

- Return, credit, and reuse of medications when deemed appropriate by a pharmacist
  - Certain unit-dose and blister packed medications are appropriate for return because integrity remains intact
Specialized Long Term Care Pharmacies lower costs

*Medication Therapy Management Services* result in reduced utilization of unnecessary medications and efficient use of needed medications – the result is lower costs.

*Unit Dose Packaging* results in better compliance and safety – reducing harmful medication errors AND it allows for pharmacies to accept returned unused medications for re-use saving the system millions.

*Access to Services* – Long Term Care Pharmacies have pharmacists available 24 hours a day, 7 days a week and provide emergency service for nursing facilities including daily and emergency delivery.
*** Participating and Best Practice Pharmacies return medications and provide Medication Therapy Management Services to drive costs down for the State – saving >$60 per patient per month.

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Key to Achieving Similar Results under Federal Drug Benefit Programs

- Promote use of open networks for LTC pharmacies
- Ensure payment for the most appropriate pharmaceutical product based on an individual senior’s need
- Establish appropriate payment for crediting of returned, unused pharmaceuticals
- Develop payment systems for consultant pharmacist’s clinical interventions
Ensuring Provision of Clinical and Packaging Services for All Medicare Beneficiaries

- ALF residents today are often as frail as NF residents
- As health care procedures evolve and improve, many Medicare beneficiaries will remain at home for a longer period of time
- Medicare and other payers must begin to recognize that pharmacist and pharmacy services must be provided based on the health status of the patient, not the place of residence
What’s Next & What Does the Future Hold?
Thank you!

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