

# Pharmacy Benefit News

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## Commentary: More Flu Can Be Prevented

The Centers for Disease Control (CDC) has increased its estimate of the number of deaths from Influenza. The current estimate is now about 300k to 650k people worldwide. What is more concerning is that only 40% of adults and children had received Influenza vaccine by early November 2017. But, even more concerning is that 2/3 of pregnant women had not been vaccinated as of November 2017.

Yet, the most people still received their vaccinations from medical locations (49% adults/87% children) followed by retail settings (28%) and workplaces (17%). This rate was similar to the rate noted in 2016. Additionally, Hispanics had lower rates of vaccination than other races.

The flu vaccines contain Influenza A subtypes. This flu season is particularly complicated by the high rates of Influenza B, which is increasing the duration of the disease. It is particularly critical that patients receive counseling and education about the truth of vaccinations.

People can't be treated with false and/or misinformation. Medical use, cost and medical personnel utilization are all dependent in this case on prevention. If we want to address some of the cost of healthcare, then we must PREVENT disease as much as possible.

Source:  
<https://www.cdc.gov/media/releases/2017/p1213-flu-death-estimate.html>  
<https://www.cdc.gov/flu/fluview/nifs-estimates-nov2017.htm>

## Analytics at Work: A Real World Example

### Comprehensive Medication Review

#### Rationale and Problem:

Comprehensive Medication Reviews (CMR) are common in Medicare (MTM) and TMR (specific targeted medication review) for public and private patients. CMRs have had a variable response across the US and adoption due to manual reporting, billing and physician uptake of results. Health Plans have tried to measure the CMR completions for their populations and use the results to improve their Medicare Star Ratings. Clients have repeatedly asked for population CMR oversight, and a reduction of manual paper work as well as improved adoption by network physicians.

#### Methodology:

Pro Pharma and ProData Analytics designed population clinical edit monitoring decades ago. Pro Pharma's Population CMR, MTM and TMR was designed several years ago. Recently the entire process was automated for population health management. Our cloud-based process includes:

1. Identification of target patients with introductory communications
2. Identification of clinical problems
3. Automated CMR's for every patient including Physician and Patient Letters

## 6. Automated billing forms

**Results:**

The results are monitored every month. All results are tracked by patient, physician, CMR compliance and individual edit. Results indicate gaps where further improvement is required. Tracking has demonstrated improvements in population risk management and improvements of Star Ratings of 1 to 3 Stars.

[Learn More](#)

### Commentary: How To Budget Rebates?

If a Health Plan or Pharmacy Benefit Manager (PBM) contract has a flat amount rebate per branded claim, then budgeting is simple. However, if the contract is less transparent, then budgeting is a "best guess" based on prior rebate receipts. Contracts that pay all rebates less an administrative fee are common, yet with the rebated drugs, the correlation with claims payments, the deductions, and the expected amount are all largely unknown. [Link to CS Article on Rebate Cost Accounting]

The common argument is that PBMs that are rebate aggregators provide higher rebates, so receiving payments on a quarterly basis is the best that can be done. Large Health Plans use the same argument. It is also known that the best rebates are those received by the federal government at 23% of AMP. However, average manufacturer price (AMP) is not universally published, so the actual number is still not known.

Additional information on the Affordable Care Act (ACA) in 2016 indicated that \$447m was paid for 3.9m consumers, or \$114.62/consumer. Clearly, one must know whether consumers are paid beneficiaries or utilizing members to know the correct denominator, but the best guess is that rebates contributed \$115 per enrolled member in an ACA Plan for 2016. The result would be different for other lines of business.

It is interesting that Health Plans and PBMs do not provide an estimated rebate per paid brand claim, and then reconcile or true-up the result at year end. Presumably, the dollar flow does not occur at point-of-sale so the Health Plans and PBMs don't want to "front" the money. Yet, the arguments between pharmacies, PBMs, Health Plans and Centers for Medicaid and Medicare Services (CMS) over DIR (direct and indirect rebates) indicates that better options need to exist.

Source:

<http://www.modernhealthcare.com/article/20180104/NEWS/180109961>

### Commentary: Hospital Closures High In States That Rejected Medicaid Expansion

In the continuing discussion of the Affordable Care Act (ACA), there has been a lot of emphasis that it is failing. However, multiple indicators demonstrate that the ACA is improving health care. The latest indication is that hospitals closed at higher rates in States that rejected Medicaid expansion (2007 - 2015). Nineteen States have not expanded Medicaid. However, States that embraced Medicaid expansion experienced lower, and falling, hospital closure rates. Why? The expansion under the ACA lead to improved hospital financial performance with lower probability of closure for rural markets and counties with large numbers of uninsured adults.

The Supreme Court left decisions on Medicaid expansion to the States. Yet, the authors of the study indicate that "Hospitals are often major employers of local residents," they wrote. "The closure of a hospital results in the loss of well-paid, highly skilled jobs. Absent alternative employers, hospital closures will hasten the migration of well-paid skilled labor to larger cities."

While politicians continue to argue whether the ACA has been effective, it is important for all policy makers to look at those areas where the ACA is working and compare to those where it is not as effective. The public will benefit when all policy is based on evidence rather than on rhetoric.

Source:

<http://www.ajmc.com/focus-of-the-week/ihealth-affairs-i-study-details-link-between-medicare-expansion-choices-and-hospital-closures>

# PROPHARMA

PHARMACEUTICAL CONSULTANTS, INC.



## CMR

### Comprehensive Medication Review

## MTM

### Medication Therapy Management

Pro Pharma evaluates diagnostic and medication profiles for every patient each month. Medicare patients can be selected for CMS selected criteria in MTM. All other patients can be evaluated using client selections for diagnoses, patient severity, clinical edit problems, age/gender, prescriber and/or patient.

Patient problems can be prioritized and selected for review with accompanying reports and recommendations for each clinical edit problem. Digital letters are linked for prescribers and patients containing concerns and recommendations for change.

### *Important client benefits are:*

- *Improved MTM Completion Rates*
- *Improved HEDIS Scores*
- *Best-in-Class Ratings for Prescribers*

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