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PRO PHARMA
PHARMACEUTICAL CONSULTANTS, INC.

Pharmacy Benefit News

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COMMENTARY | Disaster Spells Non-Compliance

There is a test of confidence in outcomes that is used in finance. The test is the Stock Market Confidence Index based on surveys conducted by Professor Robert Shiller, a Nobel Prize winning economist at Yale University. The indices are predicated on monthly surveys of investors and their confidence in outcomes when severe stock market drops occur. The outcomes reported are heavily influenced by stock market performance and news coverage. A critical motivator of the process to perform the monthly indices was the evaluation of investor decisions. Investors told Professor Shiller that market crashes were more important than economic indicators, worldwide events, and policy maker remarks.

What does this have to do with health care benefits? Consider those issues that directly impact patients, physicians, pharmacists and hospitals. How much do patients have to pay for drugs and services? How much are physicians, pharmacists and hospitals paid, and how much are they discounted? While data analysis is moving rapidly into health care, and artificial intelligence is increasingly being used to help make clinical and financial decisions, individuals still make decisions based on their guts. The impact of social information in benefits and clinical decision research is relatively new. Yet, research has shown that patients with confidence in their primary health care are more likely to seek care and show greater compliance with treatment. (BMJ Open 2014; 4(2), e003884)

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While finance and health care are clearly not the same, a confidence index may be useful to follow with the financial, adherence, utilization of services, medication utilization and other common medical indicators used today. In the very least it may be a better predictor of patient compliance and a method for predicting medical messages that have little traction. We need to identify the anti-vaxxer, over reliance on antibiotics, opiate demands, and other pressing issues before they become disasters!

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COMMENTARY |

How to Finance Health Care for All? – Ask the Chinese!

Ant Financial Services Group, owned by Jack Ma of Alibaba, started a “mutual protection” plan for users of its Alipay (a payment network like Apple Pay, etc.) in 2018. Fifty million people have signed up with a goal of 300 million participants in the next two years. This is not new in China. Over a dozen Chinese companies have started these “crowdfunding” products to cover the health care for themselves, their dependents and parents. Why do the people do this? More than 90% of China’s population has public health insurance that covers basic drugs and hospitalization costs after deductibles; however, high out-of-pocket costs prevent many from taking imported drugs and medical treatments.

What is crowdfunding? Individuals pay a very small fee of about 0.01 yuan (1 yuan = $0.14 USD) per medical claim when they pay with Alipay. Alipay collects an administrative charge of 8% for each payout. The administrative fee allows Alipay to review claims before payouts including interviews with patients, review of their medical records and contacts with hospitals providing care. It is important to note that In China this is not insurance so that they don’t have to

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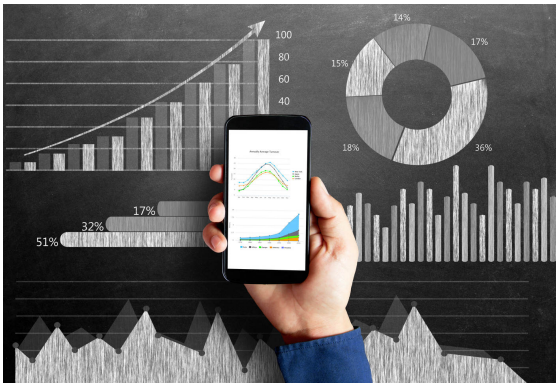
across hundreds of millions of people to keep the costs small. Families pay approximately 50 yuan (i.e., about $7 USD) annually for participation in multiple crowdfunding plans. [WSJ, B6, 4/22/19]

Commentary: Crowdfunding works if they obey the law of large numbers, i.e., huge populations pay-in, while smaller numbers of people take out. The population of China allows for 300 million person goals, i.e. slightly less than the population of the US at 327 million people. Further, electronic payments and digital review of records provide only marginal cost to administration of these programs. The risk for the individual is that the company backing the crowdfund, must be stable, and financially viable for the long term so that their money is still available at the end of the year. These programs have the same problems as insurance companies without the regulation, financial restrictions, and government oversight.

While the US government argues over health care as a right or a privilege, other countries have found demand type options. Enrolling huge numbers of people is certainly a challenge, but digital payment structures lower costs and oversight expense. The current system in China is risky, but individuals are making short-term choices for small fees to get the health care that they need. In China a little creativity goes a long way.

ANALYTICS AT WORK |

Fraud, Waste & Abuse



Problem: Fraud is generally rare, expensive to prove, and requires attorneys to pursue and prosecute. Medicare and Medicaid have emphasized prevention as the preferred route. As a result, the target is to prevent fraud, waste and abuse. Pharmacy Benefit Managers (PBMs) address the problem at point of care. However, prevention requires behavior changes that must be accomplished through regular and consistent communications including peer-to-peer comparisons. One of our health plans requested a solution in addition to their PBM approach which we have detailed below.

Methodology: We deployed a solution that had been validated in a multi-year provider intervention. A study group was age/gender/specialty/severity/geographically matched with a control group. Hundreds of compliance metrics were analyzed electronically with emphasis on opiates, scheduled agents, timing of prescription fills, quantity/days' supply, and other Plan pre-selected metrics. All study and control providers were

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above matched averages were grouped into probability bands. For example, in probability quartiles providers were placed into high risk pools for potential fraud, waste or abuse. The providers were analyzed each month and reported in comparison to their matched peers. Every provider was trended to their individual experience and to their matched peers.

Outcome: Over the first year, and subsequently and ongoing, study group providers demonstrated improvements in selected metrics and costs on a per-utilizer-per month (PUPM) basis. PUPM reductions were in the range of 20-30% each year. Compliance with opiates and scheduled agents were reduced the most at 30-50% or more, while other metrics were reduced at 20% or more depending on the priority of each metric.

This was valuable information for the Health Plan and assisted not only with cost controls and compliance with Federal, State and National Regulatory Associations.

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COMMENTARY |

Artificial Intelligence (Ai) Vs. Humans – Who Wins?

The answer to this question is everyone. A new book by Dr. Eric Topol, cardiologist and founder of Scripps Research Translational Institute in San Diego, argues that AI will improve the accuracy of diagnoses and treatments, while also restoring compassion. His argument is that every type of clinician can augment their performance with AI support. This support also removes burdensome administrative tasks. Since AI is particularly useful in pattern recognition, the probabilities of predicting disease, outcomes, treatment effectiveness and adoption are significant benefits across all of health care. But what do you do about privacy? Dr. Topol recommends that all people own their own data. Then they can make decisions about what to expose and what to keep secret. [WSJ, A12, 3/5/19]

Commentary: The volume of journal articles (2.5 million each year) is so large that all types of clinicians can't know it all. Physician burnout (ca. 35%) is increasing at alarming rates. Administrative work consumes at least one-sixth of physician time. Similar data is indicative of pharmacists and nurses. Support is crucial. Medical errors represent at least 10 million errors every

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shortages in the numbers of primary care physicians, pharmacists, and nurses.

AI can bring all data to the patient interaction to make better diagnoses and treatment decisions. AI can include social issues and diets to include in the patient decision. AI can bring personal health care metrics to the clinician. AI can improve telehealth interactions so that not as many clinicians are required. Patients with mental health conditions are showing a willingness to bare their souls to avatars. The bottom-line is that humans cannot be the only resource for the future. AI, analytics of big data, and robotics are poised to enter the team. They are already here. The clinicians of all types become stronger team members, coaches, diagnosticians and treaters, and providers of health care. The future may be scary, but inaction is significantly worse. Just look at the statistics above. AI is part of the change!

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