



Evaluation of Pharmacy Service Delivery Models

As Required by

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1. Introduction

The Texas Health and Human Services Commission (HHSC) seeks to improve access to services that may be provided by a pharmacist to target the most critical health care needs of Texans, including opioid addiction, mental health, and heart disease.

The 2018-2019 General Appropriations Act, Senate Bill 1, 85th Legislature, Regular Session, 2017 (Article II, HHSC, Rider 23), directed HHSC to evaluate and report on any new pharmacy delivery models that improve cost-effectiveness and increase competition for market share opportunities with the goal of improving health outcomes for Medicaid beneficiaries. This report is due to the Governor and the Legislative Budget Board by December 1, 2018.

HHSC evaluated three areas that represent potential opportunities for increased competition for market share by allowing Texas Medicaid-enrolled pharmacies to offer some of the services currently covered solely in physicians' offices.

The *Evaluation of Pharmacy Service Delivery Models* report reviews the agency's progress on the exploration and implementation of identified pharmacy delivery models.

- HHSC is currently evaluating a Texas Medicaid pharmacy benefit to cover certain LAI medications in a pharmacy setting.
- HHSC expanded the availability of the flu vaccine through the outpatient pharmacy benefit to include individuals ages 7 and older in managed care.
- HHSC implemented system and policy changes to further support medication synchronization.
- New this year is a review on value-based purchasing arrangements related to Medicaid pharmacy programs.

2. Background

The Texas Legislature first directed HHSC to evaluate new pharmacy delivery models to improve cost-effectiveness, increase competition for market share opportunities, and improve health outcomes in House Bill 1, 84th Legislature, Regular Session, 2015 (Article II, HHSC, Rider 83).

In response to Rider 83 of the 84th legislative session, HHSC submitted the *Evaluation of Pharmacy Service Delivery Models* report which discussed the following pharmacy delivery models:

- Long-acting injectable (LAI) antipsychotic medications;
- Influenza “flu” immunizations; and
- Medication therapy management (MTM), including a Texas pilot on MTM.

The MTM pilot resulted in improved health outcomes but did not demonstrate overall cost savings. Improved health outcomes observed included more consistent use of medications and fewer emergency department visits.

The 2016 report hypothesized that LAI, flu immunizations, and MTM offered in a pharmacy setting would increase Texas Medicaid enrollees’ access to care and offer potential cost-savings by allowing pharmacists to practice to the full extent of their training and education. Cost-savings were hypothesized to be realized through:

- Improved access to care resulting in decreased use of emergency departments;
- Optimized medication regimens to reduce adverse drug reactions; and
- Increased adherence to medications to reduce potentially preventable readmissions.

The previous report also advised increasing access to LAI antipsychotic medications for individuals in Texas Medicaid. Individuals with certain mental health diagnoses, including schizophrenia, certain forms of bipolar and depressive disorders, and some substance use disorders, can remain stable over longer periods of time with LAI medications. LAIs promote more stable blood serum drug levels, which reduces incidence of relapse and hospitalization and also decreases the risk of accidental or deliberate overdose. LAIs are cost-effective, and many individuals prefer the convenience of a monthly injection to a daily medication regimen. LAIs are typically given once or twice per month. HHSC is evaluating an LAI pharmacy service benefit

for drugs approved to treat certain mental health diagnoses and substance use disorders.

In addition to administering LAIs, certified pharmacists can administer influenza or “flu” vaccines. For the past 20 years, certified pharmacist immunizers have been vaccinating against the flu for Texans of all ages. Flu immunizations administered by pharmacists are a cost-effective, efficient delivery method, with the added benefit of improving overall flu immunization rates.^{1,2} In 2017, the flu killed nearly 10,000 Texans, and the number of children who died from the flu was nearly double compared to the prior year’s flu season.³ The 2017 flu season was one of the worst Texas has experienced, and HHSC responded by ensuring access to antiviral medication used to treat the flu. For 2018, HHSC proactively worked to increase immunization to the flu via pharmacist administration of flu vaccines billable through the Texas Medicaid pharmacy benefit for Medicaid members ages 7 and older.

The 2016 report discussed MTM, which can positively affect health outcomes through improved medication use. In MTM, a pharmacist reviews all medications prescribed by all providers caring for an individual, along with over-the-counter products and other products such as herbal remedies and other supplements the individual is taking. The pharmacist provides in-depth medication-related education to the individual, and consultation to the prescribing providers. Texas Medicaid initiated a pilot study of MTM in 2016 to determine the clinical and economic value of a community-based MTM program among Texas Medicaid recipients with asthma or chronic obstructive pulmonary disease. Medicaid enrollees with asthma, or chronic obstructive pulmonary disease, who had suboptimal medication

¹ Isenor, JE; O’Reilly, BA; Bowles, SK. Evaluation of the impact of immunization policies, including the addition of pharmacists as immunizers, on influenza vaccination coverage in Nova Scotia, Canada: 2006-2016. *BMC Public Health*, 2018; 18(1):787. Retrieved October 24, 2018 from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6019522/>.

² Drozd, EM; Miller, L; Johnsrud, M. Impact of Pharmacist Immunization Authority on Seasonal Influenza Immunization Rates Across States. *Clinical Therapy*, 2017, Aug;39(8):1563-1580. Retrieved October 24, 2018 from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6019522/>.

³ Ackerman, T. Flu killed nearly 10,000 Texans in 2017-2018. *San Antonio Express-News*. June 27, 2018. Available at <https://www.expressnews.com/news/local/article/Flu-killed-nearly-10-000-Texans-in-2017-2018-13028706.php>, retrieved October 25, 2018.

management (i.e., overuse of short-acting relief medication or underuse of long-term controller medication) or an emergency department visit or hospitalization for asthma or chronic obstructive pulmonary disease were targeted for study inclusion. Pharmacists provided MTM services with a focus on either initiating appropriate asthma therapy or enhancing asthma medication adherence with inhaled corticosteroids or controller medications. While the Texas pilot did not demonstrate cost-savings across all measurements, it did demonstrate improved health outcomes like reducing emergency department visits and increasing appropriate medication use for asthma treatment.

3. Pharmacy Delivery Models

Long Acting Injectable

HHSC is currently evaluating a Texas Medicaid pharmacy benefit to cover certain LAI medications in a pharmacy setting. Traditionally, LAI medications have been administered to an eligible individual in a physician's office and billed as a Texas Medicaid medical benefit. The National Council for Prescription Drug Programs creates national standards for electronic healthcare transactions used in pharmacy-related transactions. Today, the National Council for Prescription Drug Programs standard allows pharmacies to submit claims for the drug ingredient cost, dispensing fee, and pharmacist administration fee, where applicable. This provides Texas Medicaid the flexibility to allow pharmacies to bill under a pharmacy benefit and be paid for the administration of a LAI. HHSC is exploring allowing pharmacists to be paid for the administration of certain LAIs, including:

- Vivitrol – used in the treatment of alcohol and opioid use disorders; and
- Antipsychotics – several drugs used to treat disorders such as schizophrenia, bipolar disorder, and depression.

Individuals with certain mental health diagnoses, including schizophrenia, certain forms of bipolar and depressive disorders, and some substance use disorders, can remain stable longer and have reduced incidences of relapse and hospitalization through the use of LAIs, which promote more stable blood serum drug levels. This increase in stability results in LAIs being a cost-effective way of decreasing ED visits and potentially preventable readmissions. Offering maintenance LAI administration in a pharmacy setting will increase Texas Medicaid enrollees' access to care. Also, adherence to medication may increase as many individuals prefer the convenience of a monthly injection to a daily medication regimen.

Flu Vaccine

Previously, Texas Medicaid managed care organizations (MCOs) could authorize a pharmacist to bill for flu vaccines given in a pharmacy to eligible individuals ages 18 and older. HHSC reevaluated flu vaccine coverage in a pharmacy setting for Medicaid enrollees since the Legislature amended statute to allow pharmacists to administer the flu vaccine to younger children.

Beginning in 2018, HHSC allows MCOs to implement administration of flu vaccines in pharmacy settings to Medicaid members ages 7 and older. The goal of covering flu vaccinations in a pharmacy setting is to increase access to the most effective method for flu prevention: vaccination. Increased vaccination rates for the flu may reduce incidence of, and complications related to, the flu, as has been well established in the scientific literature.^{4,5} Additionally, it may offer cost-savings to Texas Medicaid in the form of reduced antiviral use and reductions in potentially preventable emergency department visits and inpatient admissions due to flu-related complications. The Texas Department of State Health Services will continue to monitor seasonal flu activity within the state of Texas.

Medication Therapy Management (MTM)

MTM programs are used to control costs and improve outcomes associated with prescription drug coverage. MTM can include a number of different tools and strategies, depending on the design and goals. For example, MTM might include or be complemented by comprehensive medication reviews; a pharmacist's complete assessment of all prescribed medications to develop a medication management strategy or work plan for the client; and other client or provider educational components.

Medication Synchronization

HHSC previously explored the disease management aspect of MTM through the pilot study discussed earlier in this report. Medication synchronization is another aspect of MTM. Medication synchronization allows a pharmacist to coordinate the refill dates of multiple prescriptions for an individual with chronic illness so the individual can limit the number of visits to the pharmacy per month. The synchronization process reoccurs when an individual's physician prescribes a new medication(s), or changes the dosage or strength of a medication. Pharmacists are in a position to

⁴ Muennig, PA; Khan, K. Cost-Effectiveness of Vaccination versus Treatment of Influenza in Healthy Adolescents and Adults. *Clinical Infectious Diseases*, Volume 33, Issue 11, 1 December 2001, Pages 1879–1885. Retrieved October 18, 2018 from <https://doi.org/10.1086/324491>.

⁵ Ting, EEK; Sander, B; Ungar, WJ. Systematic Review of the Cost-Effectiveness of Influenza Immunization Programs. *Vaccine*, Volume 35, Issue 15, 4 April 2017, Pages 1828-1843. Retrieved October 18, 2018 from <https://doi.org/10.1016/j.vaccine.2017.02.044>.

optimize the synchronization process. Reducing the number of visits to pharmacies can increase adherence by limiting transportation or other barriers to individuals seeking prescription fills or refills.

HHSC implemented system and policy changes to further support medication synchronization. HHSC worked with stakeholders and a vendor to develop the changes, and the system changes necessary for the medication synchronization early refill override code was smoothly executed in September 2018. Pharmacists now have access to an override code that allows early refills of nonscheduled drugs to synchronize medications prescribed to individuals in traditional Medicaid. While the medication synchronization rule was established by federal rule, Texas Medicaid opted to adopt this rule to the Texas administrative code for clarity.

Transition of Care (TOC)

TOC is another facet of MTM. TOC MTM uses pharmacists' expertise to reconcile medications for individuals being discharged from inpatient hospital admissions. TOC includes comprehensive medication reviews, a pharmacist's complete review and assessment of all prescribed medications. In TOC MTM, the pharmacist develops a medication management plan for the individual. Individuals experiencing changes in care settings (for example, going from a hospital to home), changes in medications (types, schedule, dosing), and individuals prescribed multiple medications by different prescribers are at greater risk for serious adverse drug events, visits to the emergency department, and hospital readmissions.⁶ Individuals discharging from hospitals are often experiencing all three of these risk factors.

HHSC is exploring the feasibility of adding TOC as a service under the capitation rate, as part of a value-based agreement. Currently, TOC is an allowable value-added service. A value-added service is any service or coverage beyond the standard package of services. Value-added services offer increased benefits to members at no additional cost to the member.

⁶ Budlong, H; Brummel, A; Rhodes, A; Nici, H. Impact of Comprehensive Medication Management on Hospital Readmission Rates. *Population Health Management*, 2018, Sep:26(5) Retrieved October 25, 2018 from <https://doi.org/10.1089/pop.2017.0167>.

4. Value-Based Purchasing (VBP)

HHSC recently implemented a number of initiatives to emphasize quality and value in the Medicaid program. The agency developed a roadmap to guide the agency's move to VBP arrangements in Medicaid. Currently, HHSC requires Medicaid MCOs to transition from volume based payment approaches to quality-based payment models, such as VBP, increasing year-over-year percentages of provider payments linked to measures of quality and/or efficiency. Alternative Payment Models should be designed to improve health outcomes for Medicaid members, empower Medicaid members and improve experience of care, lower healthcare costs, and incentivize Medicaid enrolled healthcare providers.

VBP arrangements incentivize quality versus volume with a focus on the value the healthcare services offer. VBP is a promising tool for use in pharmacy service delivery models. For some individuals, the pharmacist is the health care provider seen most frequently. VBP arrangements of pharmacy delivery models are associated with improved outcomes (better control of blood pressure) and reduced adverse drug events.⁷

Recently, the University of Massachusetts Medical School completed an environmental scan of the VBP arrangements throughout the United States currently used in a pharmacy or pharmacy-related setting. In pharmacy-related value-based arrangements, the payer offers additional reimbursement to the pharmacist or pharmacy for better health outcomes achieved within the population served. Some enhanced pharmacy services, such as the administration of LAI medications or vaccines, are appropriate for value-based delivery models. Pharmacy-related services are a large portion of Medicaid MCO costs, and feedback from MCOs suggests that VBP could be an area for positive gains in both health outcomes and cost controls. However, as the study from the University of Massachusetts indicates, VBP models in pharmacy are still in their infancy and necessitate more exploration.

⁷ Tate, ML; Hopper S; Bergeron SP. Clinical and Economic Benefits of Pharmacist Involvement in a Community Hospital-Affiliated Patient-Centered Medical Home. J Managed Care Specialty Pharmacy. 2018 Feb;24(2):160-164. Retrieved October 17, 2018 from <https://www.ncbi.nlm.nih.gov/pubmed/29384022>.

VBP is used in multiple industries as well as across many subspecialties within the healthcare industry. Examples of other pharmacy delivery models that might work well in value-based arrangements include point-of-care testing for chronic disease screening, such as testing for the human immunodeficiency virus or testing blood sugar control in individuals with diabetes; and medication adherence solutions, such as medication packaging, text message reminders, and auto refill programs.

Point-of-care testing refers to testing outside of a lab and can include onsite testing at a pharmacy for illnesses such as streptococcus “strep” throat and screening for high cholesterol by testing individuals’ blood lipid (fats) levels.

Pharmacy-based medication adherence packaging includes supports like medicines repackaged into individual packets based on dose, day, and time or put into blister packaging. Pharmacists repackage pills accurately and are knowledgeable about sensitive medications that could degrade if exposed to environmental conditions.

There are a variety of VBP arrangements including pay for performance (P4P) and risk-sharing agreements. Pay for performance is a payment model that offers financial incentives to healthcare providers for meeting certain performance measures. Pay for performance models do not usually incorporate downside risk (potential for financial losses). Risk-sharing agreements, as the name indicates, involve some level of risk and need to be carefully designed: entities involved in a risk-sharing agreement must agree on what to measure, how to measure it, and pricing parameters.^{8,9}

⁸ Renius, K; Kapoor, K. Value-based agreements in specialty pharmacy practice. Pharmacy Today. 2017, Jan. 23(1):44. Retrieved October 25, 2018 from [https://www.pharmacytoday.org/article/S1042-0991\(16\)31652-8/fulltext](https://www.pharmacytoday.org/article/S1042-0991(16)31652-8/fulltext).

⁹ Deloitte. 2012. Issue Brief: Value-based pricing for pharmaceuticals: Implications of the shift from volume to value. Retrieved October 25, 2018 from <https://deloitte.wsj.com/cfo/files/2012/09/ValueBasedPricingPharma.pdf>

5. Conclusion

HHSC will continue to support new pharmacy delivery models with the goal of improving health outcomes for Medicaid beneficiaries while improving cost-effectiveness and increased competition for market share opportunities.

In 2018, HHSC implemented medication synchronization in fee-for-service Medicaid. HHSC's Vendor Drug Program implemented flu vaccinations as a pharmacy benefit for Medicaid managed care members ages seven and older. The agency will continue exploring increasing individuals' access to care by evaluating a LAI pharmacy service for certain antipsychotics and Vivitrol, adding other LAI medications as appropriate, and the feasibility of VBP arrangements.

List of Acronyms

Acronym	Full Name
HHSC	Health and Human Services Commission
LAI	Long-acting injectable (medication)
MCO	Managed care organization
MTM	Medication therapy management
TOC	Transition of care
VBP	Value-based purchasing