2016 MTM TRENDS REPORT
The 4th annual MTM Trends Report compiles metrics, case studies, stories and more to showcase the current state of Medication Therapy Management and emerging trends. Within this report, we look at community pharmacies’ engagement in MTM, review exciting new developments impacting both payors and providers and share insights into the future of MTM.

MTM in 2015
Review key developments and MTM milestones
- 2015 MTM Timeline
- National MTM Advisory Board
- CMS, MTM + CMRs
- See stats on Medicare MTM programs and how CMS Star Rating changes are affecting MTM
  - Medicare MTM Program Facts
  - CMS Top 500
  - CMS Comprehensive
  - Blue Shield of California Case Study
  - Adherence

Where is MTM Going?
Look ahead to a changing healthcare landscape and the evolution of MTM
- National Healthcare Key Facts

New MTM Models + Services
Consider new ways healthcare payors are using MTM to improve outcomes
- Enhanced MTM Model Test
- Blue Cross & Blue Shield of Rhode Island Case Study
- New MTM Services: Medsync + MADi

Where is MTM Today?
Look at how pharmacies are engaging in MTM like never before
- Power of the Network
- Network Performance Maps

Top MTM Centers + Top Chains
View the best of the best in the OutcomesMTM Personal Pharmacist™ Network
- Top MTM Centers
- Top Chains

The ROI of MTM
Review measures of success for MTM
- Passport Health Plan Case Study
- MADi Case Study
- New MTM Services: Medsync + MADi

2016 MTM TRENDS REPORT

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Where is MTM Today?

The end of 2015 marked the close of the first decade of Medicare Part D. The launch of the Part D benefit was a milestone for Medication Therapy Management (MTM) as it marked the first time Medicare recognized MTM as a payable service. In the ensuing decade, MTM has grown and evolved significantly. Government regulations and performance ratings have stoked innovation, particularly in the last five years. More innovation will follow with new approaches, better technology, wider adoption of MTM (by both pharmacists and patients) and the Enhanced MTM Model test for PDP plans.

Over the last 17 years, OutcomesMTM®, now a Cardinal Health company, has catalyzed the evolution of MTM. From the first pioneering pharmacists to the engaged network of thousands of local pharmacists today, OutcomesMTM has provided support and ever-increasing opportunities to demonstrate value for healthcare payors. Pharmacies across the country have adopted MTM, delivering services for millions of patients that not only impact facts, figures and ratings—but also lives. From educating on a new prescription to resolving an adverse drug reaction that helps a husband return to daily walks with his wife, pharmacist-delivered MTM services improve quality of life as well as quality of care.

Why is MTM activity increasing?

1. The foundation has been developing for many years. Local pharmacists have never been more prepared to successfully and consistently deliver MTM services than they are today.
2. Pharmacies, including large pharmacy chains, are investing resources in MTM at unprecedented levels. This includes investments in people, processes and technology to sustainably incorporate MTM into daily practices.
3. Demand is at an all-time high. Medicare Star Ratings related to Comprehensive Medication Reviews and medication use are driving plan sponsors to seek new strategies for reaching members and influencing behavior.

Local pharmacies have made great strides in the delivery of MTM over the last 10 years. It is a story about action, leading to results—one that is worth telling again and again—to every healthcare stakeholder.
How active are local pharmacists in MTM today?

Nearly 7,000 new pharmacies participated in OutcomesMTM programs in 2015.

Last year, more than 34,000 pharmacies submitted an MTM claim—almost 7,000 of them new to MTM. This increase greatly enhanced the network's capability to respond to the needs of millions of MTM-eligible patients.

The number of MTM service claims increased by 90% over 2014.

Just shy of 10,000 pharmacists and 8,800 technicians worked on MTM opportunities in 2015. Although MTM is most often associated with CMS, these 2.4 million MTM encounters also represent local pharmacists assisting patients outside CMS-required MTM programs. Every day, MTM services benefit members of Medicare, Medicaid, commercial and other groups.

More activity resulted in a 160% increase in MTM service payments to pharmacies in 2015.

Today, more than half of U.S. pharmacies are active in OutcomesMTM programs, earning revenue for their clinical services while helping healthcare payors reach their goals.

In addition to the 2.4 million MTM service claims submitted by network pharmacists, remote telephonic teams contributed an additional 106,000 MTM claims for patients who could not receive MTM services at their local pharmacies.

Average calls per day to the OutcomesMTM Provider Resources Help Desk

333

ROI

per pharmacist-identified cost-savings intervention:

$656.39
2015 MTM SERVICE ACTIVITY
This map provides a state-by-state comparison of overall MTM service activity, including all service types: Comprehensive Medication Reviews (CMRs), prescriber consultations and patient consultations for adherence or education.

Network Performance

2015 COMPREHENSIVE MEDICATION REVIEWS
This map details a state-by-state comparison of Comprehensive Medication Review (CMR) activity.

2015 DRUG THERAPY PROBLEMS
This map displays a state-by-state comparison of MTM services related to drug therapy problems (DTPs). This subset includes prescriber consultations and patient adherence consultations.

*Maps represent MTM activity based on MTM service claims from 2015. All data maps are based upon patient’s state of residence.
“In the heart of every practicing pharmacist is the desire to provide MTM. Rekindling that flame has granted our success. MTM performance is directly tied to team engagement. This starts at the very top with our organization’s leadership and goes all the way to technicians at our stores. We set goals and expectations for MTM performance and regularly communicate progress. It is important to not only coach those who are underperforming but to also celebrate and share the successes of those who are doing well.”
- Jim Kirby, PharmD, BCPP, CDE, Clinical Strategy and Programs

“Our local pharmacists’ training and engagement in the MTM program has helped us succeed with MTM and provide the individualized care our patients need. MTM gives us the opportunity to care for them beyond dispensing their medications, and we see direct value in our patients’ satisfaction. Our MTM achievements mean our patients succeed in improving their health—the ultimate award for us.”
- John DeJames, Manager of Clinical Programs

“Medication therapy management is more than just the pharmacist acting as the bridge between the patient and the insurance company. It gives us the opportunity to educate the patient, listen to their concerns, and work together to increase their overall health. Being recognized as the Top Regional Chain two years in a row is a tremendous honor and speaks volumes to the commitment that our pharmacists have towards our patients and their needs.”
- Tom Roth, Director of Pharmacy Operations

“We collaborated with OutcomesMTM to improve patient outcomes as well as help transition to the new ACA star ratings system at our pharmacies. This increased collaboration led to a dramatic increase of completed TIPs, CMRs and pharmacy revenue. We feel MTM is an important part of patient care, and we are honored to be recognized for our efforts.”
- Dave Chism, RPh., MBA, Director of Pharmacy Services

“We fostered a culture change that valued and measured MTM services as equal to prescriptions in serving our guests and supported it with goals, resources and training to enable our pharmacists and technicians to practice at the top of their respective licenses. Data analytics, actionable reporting and easy-to-execute interventions resulted in phenomenal execution that delivered results well ahead of our goals—with meaningful and measurable impact on patient care.”
- Victoria Lounsbury, PharmD, PhD, Senior Professional Services Manager
MTM IN ACTION

Resolving Adherence Barriers
Personal Pharmacist™ Bethany Lalonde
Walmart 5244 – Eagle Point, OR

A TIP alerted Bethany that a patient was not adherent to her diabetes medication. When she spoke with the patient, Bethany learned the woman had stopped taking the medication due to side effects. She counseled her on the importance of taking the medication to decrease the risk of complications related to uncontrolled blood sugars, such as kidney damage or nerve pain. She also informed the patient about an alternative formulation that causes fewer stomach issues while still controlling blood sugars. The patient agreed to try the alternative medication, so Bethany contacted the prescriber for a new prescription.

Clearing Up Post Discharge Confusion
Personal Pharmacist™ Greg Baker
Sixth Street Drug Inc. – Traverse City, MI

Greg learned that his patient, who had recently started a blood thinner, was discharged from the hospital after a readmission related to blood loss. The patient was confused by his discharge summary and unsure if he should restart his blood thinning medication. For this patient, continuing the medication could lead to another hospitalization for uncontrolled bleeding, so Greg conferred with the hospital. After confirming the medication was discontinued, Greg counseled the patient on why he should hold the medication.

Preventing Pregnancy Complications
Personal Pharmacist™ Tina Shook, Discount Drug Mart 16 – Willard, OH

While counseling a patient on a new medication, Tina learned the woman was pregnant. The patient was also picking up a medication for high blood pressure that Tina recognized as contraindicated in pregnancy due to risk for skeletal, lung and kidney issues in a fetus. She contacted the patient’s OB/GYN, who reported not having the medication on the list provided by the patient. Tina educated the patient about the risks of the blood pressure medication and sent a current list of prescriptions for the physician to determine which therapies should be discontinued or altered during the patient’s pregnancy.
2015 was a pivotal year for MTM in many ways. Two major milestones marked it as one of the biggest years for MTM so far—CMS moved CMR Completion Rate from display to an official Star measure and announced the measure’s cut points for 2016 Star Ratings.

But, MTM’s moment in the spotlight didn’t stop there. It was the topic of a Congressional hearing and inspired a new model test that invited PDP plans to innovate in order to improve outcomes and reduce Medicare costs. It was also a record breaking year for OutcomesMTM. More pharmacies participated than ever before. The number of MTM encounters nearly doubled over 2014, and pharmacies earned the most service fees on record. It was also a record breaking year for outcomesMTM.

<table>
<thead>
<tr>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
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<th>DEC</th>
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| CMS RETIRES DTM MEASURE | MOST ACTIVE MONTH FOR OUTCOMESMTM (250K+ MTM CLAIMS) | OUTCOMESMTM ADDS SPANISH PATIENT TAKEAWAY | CMS ANNOUNCES CMR COMPLETION RATE AS 2016 STAR MEASURE | CARDINAL HEALTH ACQUIRES OUTCOMESMTM | OUTCOMESMTM ADDS TELEHEALTH CMR TO CONNECT™ | CONGRESSIONAL COMMITTEE HEARS MTM TESTIMONY

MTM IN 2015

2015 was a pivotal year for MTM in many ways. Two major milestones marked it as one of the biggest years for MTM so far—CMS moved CMR Completion Rate from display to an official Star measure and announced the measure’s cut points for 2016 Star Ratings.

Retirement of DTM Star Measure (February)

Following new JNC-8 guidelines that expanded the preferred first-line hypertension medications for patients with diabetes, the Centers for Medicare and Medicaid Services (CMS) announced they would retire the Appropriate Treatment of Hypertension in Persons with Diabetes measure for the 2017 Star Ratings but later delayed retiring the measure until the 2016 Star Ratings.

OutcomesMTM Acquisition (July)

OutcomesMTM joined Cardinal Health—combining its industry-leading MTM network and technology with the broad healthcare expertise of Cardinal Health—to create state-of-the-art MTM programs. The Cardinal Health Patient Engagement Team joined the OutcomesMTM Personal Pharmacist℠ Network, offering healthcare payors the benefits of a dual-channel model.

Telehealth CMRs (September)

Health systems, rural clinics, retail pharmacies and other healthcare providers contributed to significant advancements in Telehealth (video conferencing). This convenient, cost-effective technology engages patients not easily reached by traditional methods. Telehealth CMRs reached by traditional methods.

CMS Testimony in Congress (October)

MTM was the focus of a Congressional subcommittee hearing titled, “Examining the Medicare Part D Medication Therapy Management Program.” Committee members heard testimonies from multiple stakeholders, including representatives from CMS, industry think tanks, trade organizations, health systems and retail pharmacy. Testimonies illustrated how the CMS MTM program has shown measurable success as well as opportunities for further improvement. OutcomesMTM was cited as an example of how expanding MTM access for patients to community pharmacy can be a cost-effective quality strategy.

Enhanced MTM Model Test (September)

The Center for Medicare and Medicaid Innovation (CMMI) announced a pilot to spur MTM innovation. Part D plans in select states were invited to implement their visions for an Enhanced MTM Model January 2017. This convenient, cost-effective technology engages patients not easily reached by traditional methods.

CMS Cut Point Announcement (September)

When CMS released cut points for the 2016 Star measure, MTM Program Completion Rate for CMR, Medicare plans rushed to improve their CMR performance late in 2015. Growing demand for completed CMRs positioned MTM providers like the OutcomesMTM Personal Pharmacist℠ Network to satisfy health plans’ needs. OutcomesMTM expects the ripple effects of the cut points to make CMS a top priority for many Medicare plans in 2016.

Through personal interactions with patients, face-to-face consultations, and convenient access to preventive care services, local pharmacists are helping to shape the healthcare delivery system of tomorrow—in partnership with physicians, nurses, and others healthcare providers.”

Jesse McCullough, Director of Field Clinical Services
Rite Aid Corporation
Formed in 2010, the National MTM Advisory Board brings together representatives from multiple stakeholder groups to build consensus and influence policy development in the MTM industry. The Board incorporates a diverse mix of viewpoints and experience from payors, pharmacists and physicians. As thought leaders, members of the Board address both the short- and long-term positioning of MTM services within the larger healthcare picture. OutcomesMTM provides administrative support for the Board.

Advocacy in 2015

Part D MTM Program Reporting
The Board highlighted the importance of meaningful data collection for MTM program reporting and urged CMS to consider adopting a stanard definition of a drug therapy problem to use when reporting Element X topics discussed with the beneficiary during the CMR. This data, if reported to CMS in a manner that allows comparison across plan sponsors, may begin to provide insight into the value of the CMR service and can serve as a starting block for performance measure development in the future.

Landscape in early 2016:
In the CY2017 Call Letter, CMS suspended the requirement for plan sponsors to report Element X for the 2016 reporting period. But, they encouraged plans to begin developing the capacity to collect and report drug therapy problems using a standard framework and common terminology. CMS plans to propose new data elements for Part D Reporting/Requirements as early as 2017 to capture drug therapy problems using standard categories and definitions.

Part D MTM Measure Concepts
Passionate about retaining the quality improvement intent of the Comprehensive Medication Review (CMR) the Board has been advocating for a companion quality-focused measure to the new 2016 5-star measure, Medication Therapy Management Program Completion Rate for CMR, since 2012.

In 2015, the Board made development of CMR value concepts a top priority and presented three concepts to the Pharmacy Quality Alliance (PQA) and CMS for consideration as additional quality measures for future years:

- Average number of prescriber recommendations per CMR
- Average number of drug therapy changes per CMR
- Percentage of prescriber recommendations made during a CMR that resulted in a drug therapy change.

Landscape in early 2016:
The 2017 Enhanced MTM Model test for PDP plans sponsors includes proposed monitoring measures:

- Percentage of Targeted Beneficiaries with at least One Medication Therapy Issue
- Percentage of MTM Recommendations that were Implemented
Approximately 56% of MTM programs target beneficiaries who have filled at least eight covered Part D drugs. 17.1% of programs allow any Part D drug to qualify for this requirement. The remaining programs require Part D drugs for chronic conditions (72.1%) or specific Part D drug classes (10.8%).

Almost 24% of MTM programs use expanded eligibility requirements, up from 19% in 2014.

73% utilize an MTM vendor.

Over 60% of Medicare MTM programs use their MTM vendor’s in-house pharmacists to deliver the CMR, 28% use their MTM vendor’s local pharmacists.

Because MTM services help optimize medication use, they impact several Medicare Star Ratings. Each year, CMS releases a Call Letter outlining measure changes. The CY17 letter included several updates related to MTM.

MAJOR CHANGES TO STAR RATINGS
MTM Program Completion Rate for CMR will be included in the Drug Plan Quality Improvement measure for the 2017 Star Ratings, asserting the importance of year-over-year improvement.

The High Risk Medication (HRM) measure remains a Star measure for 2017 Star Ratings but will move to a display measure for 2018.

MEASURES TO WATCH
Several up-and-coming measures can be impacted by MTM services.

New Star measure for 2018 Star Ratings:
> Medication Reconciliation Post Discharge (Part C)

Measures that will remain on the display page for 2017 but may become future Star measures:
> Statin Therapy for Patients with Cardiovascular Disease (Part C) (Likely to be a 2019 Star measure)
> Statin Use in Persons with Diabetes (SUPD) (Part D) (Likely to be a 2019 Star measure)
> Medication Management for People with Asthma (Part C)
> Asthma Medication Ratio (Part C)

Medicare Part D Medication Therapy Management (MTM) Programs Facts from the Centers for Medicare and Medicaid Services (CMS)

CMS Star Ratings

About CMS Medicare Star Ratings
The Centers for Medicare and Medicaid Services (CMS) established Star Ratings to monitor the quality of Medicare Part D plans. Based on their annual ratings, health plans earn rewards, such as quality bonus payments or marketing advantages, or face consequences, such as potential loss of patients. Star Ratings serve as a grading system on a 1-5 star scale. Each plan is rated on a variety of measures that examine all parts of a Part D plan.

Part D plans’ 2016 CMR completion rates will receive a 2018 Star Rating for measure, D15 - MTM Program Completion Rate for CMR. In preparation for the move from display to official Star measure, CMS released the following cut points in September of 2015. The thresholds set a high standard, affirming the importance of the CMR service.

<table>
<thead>
<tr>
<th>2016 CMR CUT POINTS</th>
<th>MAPD</th>
<th>PDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Star:</td>
<td>&lt;13.6%</td>
<td>&lt;8.5%</td>
</tr>
<tr>
<td>2 Star:</td>
<td>≥13.6% to &lt;36.2%</td>
<td>≥8.5% to &lt;16.6%</td>
</tr>
<tr>
<td>3 Star:</td>
<td>≥36.2% to &lt;48.6%</td>
<td>≥16.6% to &lt;27.2%</td>
</tr>
<tr>
<td>4 Star:</td>
<td>≥48.6% to &lt;76.0%</td>
<td>≥27.2% to &lt;36.7%</td>
</tr>
<tr>
<td>5 Star:</td>
<td>≥76.0%</td>
<td>≥36.7%</td>
</tr>
</tbody>
</table>

2016 National Average MAPD
30.9%

2016 National Average PDP
15.4%

After the cut points were announced, completing CMRs shifted from one of several MTM goals to the top priority for many Medicare plans. With only a few months left in the year, plans working with OutcomesMTM targeted a wide range of CMR completion rates for 2015. With CMRs at the forefront, OutcomesMTM began offering a CMR Completion Rate Guarantee to help plan sponsors achieve their specific goals. As plans finalize their 2016 programs, CMR completion rate goals remain diverse:

1. Not every plan sponsor will seek the highest CMR completion rate possible. Each plan must evaluate ROI to determine how it will invest in CMR completion rate versus other quality initiatives.

2. To perform at the highest levels, plan sponsors will likely need multiple delivery channels: face-to-face, telephonic and even telehealth. They will also find ways to reach members not accessible through traditional channels, such as those in long term care facilities.

3. The need for quality-based companion measures to the CMR completion rate measure is acute. In a race to high volumes of CMRs, the addition of quality metrics will help ensure the CMR remains valuable to beneficiaries and achieves CMS’ goals of better outcomes and reduced healthcare spending.

As MTM stakeholders continue to observe the effects of the cut points, three themes stand out:

1. In a race to high volumes of CMRs, the addition of quality metrics will help ensure the CMR remains valuable to beneficiaries and achieves CMS’ goals of better outcomes and reduced healthcare spending.

2. To perform at the highest levels, plan sponsors will likely need multiple delivery channels: face-to-face, telephonic and even telehealth. They will also find ways to reach members not accessible through traditional channels, such as those in long term care facilities.

3. The need for quality-based companion measures to the CMR completion rate measure is acute. In a race to high volumes of CMRs, the addition of quality metrics will help ensure the CMR remains valuable to beneficiaries and achieves CMS’ goals of better outcomes and reduced healthcare spending.
Member Satisfaction
Blue Shield of California Medicare

PROGRAM START | 2013

PROGRAM OVERVIEW
To understand how members experience Comprehensive Medication Reviews (CMRs) and to identify ways to improve effectiveness of this member touch point, Blue Shield of California (BSC) deployed a survey in 2015 to Medicare members who received a CMR. Overall, members reported high satisfaction and value in reviewing their entire medication regimen with their pharmacists.

SURVEY OBJECTIVES
> Evaluate the usefulness and acceptance of CMRs delivered to BSC members
> Learn how members assess their CMR experience
> Determine whether BSC members who received a CMR also received the required Patient Takeaway

83% of members who completed the survey rated the CMR at a 4/5 or a 5/5, with 61% of all members rating the service as a 5/5

78% of members found the CMR service to be helpful

68% of members planned to share the results of the CMR with their doctor

86% of members who reported receiving a recommendation from their pharmacist intend to follow it

SURVEY RESPONDENTS
2,636

HIGH MARKS
SEVERAL PHARMACISTS RECEIVED AT LEAST FIVE PERFECT RATINGS FOR MEMBER EXPERIENCE. WE THANK THEM FOR THEIR EXCELLENT WORK.

Christine Sedky, Prescriptions Plus, Inc.
Stephen C. Lee, Rite Aid Pharmacy 05890
James Michael Winton, Vito’s Pharmacy & Winton’s Pharmacy
William Cowley, Rite Aid Pharmacy 06266
Andrew Cloutier, Bel Air Pharmacy 522

Reducing High Risk Medication Use
Personal Pharmacist® Marie Phan
Pavilions Pharmacy 2716 – Anaheim Hills, CA

While conducting a CMR, Marie noted that her patient was using a high-risk, over-the-counter sleep aid to help with insomnia. She determined the patient’s insomnia was most likely a side effect of a prescription medication she was taking at night. Marie advised her to take the medication in the morning to promote good sleep practices and to avoid an unnecessary sleep medication. Her intervention helped the patient avoid an unnecessary visit to the doctor to address insomnia or issues related to the high risk medication.

Closing a Gap in Therapy
Personal Pharmacist® Inhae Leavitt
Walmart 1881 – Antelope, CA

During a CMR, Inhae discovered that a patient with a history of heart attacks did not have a prescription for a quick-acting medication for chest pain. She recognized the patient would benefit from having this medication on hand should she experience symptoms of a heart attack in the future. Inhae contacted the physician to recommend initiating the chest pain medication. The physician agreed with her recommendation and sent a prescription for the medication.

MTM SPOTLIGHT
ADHERENCE

Health plans, particularly Medicare plan sponsors, are turning to MTM as a way to improve members’ adherence to critical therapies. The need for better ways to influence adherence behaviors drives development of new MTM services, including the Adherence Monitoring Program. Leveraging the pharmacies where members fill their medications helps healthcare payors impact quality measures and reduce avoidable use of medical services.

ADHERENCE IN MEDICARE

For Medicare Part D plans, CMS Star Ratings include three adherence-focused Patient Safety measures, each triple-weighted. The table includes the average of the numeric and star values for each measure reported in the 2016 Star Ratings, which are based on data from 1.1.2014 - 12.31.2014.

<table>
<thead>
<tr>
<th>Measure Name</th>
<th>MAPD Avg</th>
<th>MAPD Star Avg</th>
<th>PDP Avg</th>
<th>PDP Star Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>D12 - Medication Adherence for Diabetes Medications</td>
<td>77%</td>
<td>3.9</td>
<td>80%</td>
<td>2.7</td>
</tr>
<tr>
<td>D13 - Medication Adherence for Hypertension (RAS antagonists)</td>
<td>79%</td>
<td>4.1</td>
<td>82%</td>
<td>3.6</td>
</tr>
<tr>
<td>D14 - Medication Adherence for Cholesterol (Statins)</td>
<td>75%</td>
<td>4.0</td>
<td>78%</td>
<td>3.5</td>
</tr>
</tbody>
</table>

ADHERENCE MONITORING PROGRAM

Designed for members at risk of non-adherence who may benefit from extra attention, the Adherence Monitoring Program (AMP) includes multiple pharmacist-patient interactions throughout the year. Upon successful completion of an enrollment TIP, the pharmacy is prompted with quarterly checkpoints to provide ongoing support to help the patient maintain adherence to the target medication. For members who successfully complete each checkpoint and reach at least 80% proportion of days covered (PDC), the pharmacy receives a year-end performance bonus.

In 2015, the first full year of AMP, services focused on these three Star Patient Safety measures.

82% OF MEMBERS WHO COMPLETED ALL AMP SERVICES WERE ADHERENT AT YEAR-END

For participating Medicare plan sponsors, an average of 38% of members enrolled into AMP completed all services and reached ≥80% PDC.
As we look forward to the remainder of 2016 and the years beyond, intriguing changes are in store for MTM, pharmacy and the healthcare industry.

> POP plans selected for the Enhanced MTM Model test will define their interpretations of an innovative MTM program that achieves both clinical and cost benefits for a January 2017 launch.

> MTM will continue to appear in new care models, and more healthcare payors outside Medicare will adopt pharmacist-delivered MTM to help their members take the right medications in the right way at the right time.

> Pharmacist-delivered MTM services will expand into new arenas, working to solve some of healthcare’s biggest concerns, such as helping patients stay adherent to vital therapies and preventing hospital readmissions.

> The role of pharmacists in healthcare will evolve as more states grant provider status. Pharmacists will fill in healthcare gaps as our nation faces a shortage of primary care physicians created by rapidly increasing demand for healthcare services.

> Now that the quantitative CMR measure has arrived, discussion will heat up around defining and measuring the quality of CMRs and other MTM services, along with how to best determine the return on resources invested in MTM.

Through it all, more people will benefit from a pharmacist’s intervention. A young man will breathe a little easier when his pharmacist helps him improve his inhaler technique. Someone’s mother will avoid a dangerous fall when her pharmacist talks to the physician about discontinuing a high risk medication. A woman’s husband will rejoin her in their favorite pastimes when a pharmacist identifies a medication side effect as the cause of debilitating symptoms.
The Future of Healthcare

We are living longer than ever, and with long life comes extended years of care for chronic conditions. As new medications come to market, they bring more opportunities for medication misuse, making accessible, high quality MTM services a critical part of our healthcare future. The growing demand for healthcare services will also shift how these services are delivered. As we face a potential shortage of physicians, other providers—including pharmacists—will step in to provide basic healthcare as well as new MTM services.

THE NEED FOR MTM IS GROWING

Since 2002 there has been a 15% increase in the number of 55-64-year-olds taking five or more medications.¹

50% of patients walk out of appointments not understanding what they were told by their physician.¹

Patients actively participate in their own clinical decision-making <10% of the time.¹

90% of adults over the age of 65 years take at least one prescription drug.²

THE COST BURDEN OF CHRONIC ILLNESS—CURRENTLY 78% OF TOTAL HEALTH SPENDING—WILL INCREASE MARKEDLY BY 2023 TO AN ESTIMATED $4.2 TRILLION.³

In 2014, more than 25% of hospitals and other patient care settings had collaborative practice agreements in place, thus allowing pharmacists to expand their role as an integral member of the patient’s healthcare team.⁴

Over the past decade there has been a dramatic increase in the percentage of pharmacists who are performing healthcare-related services. 60% of pharmacists provided MTM and 53% performed immunizations in 2014, compared with only 13% and 15%, respectively, in 2004.⁵

- Pharmacy Workforce Center, Inc.*

Within the next 10 years, there is estimated to be a 27% shortage of primary care physicians (PCPs) in the U.S., about 90,000 fewer PCPs than the U.S. healthcare system requires.⁶

Other healthcare practitioners may fill gaps in care:

Nurse Practitioners: Growth from 2003 to 2014: 1,800
Number of graduates in 2014: 18,464

Physician Assistants: Growth from 2003 to 2014: 74.7%
Number of newly certified PA in 2014: 7,578

Pharmacists: Growth from 2003 to 2014: 84.8%
Number of pharmacy graduates in 2014: 13,183⁷


In 2012: With Special Feature on Emergency Care


In 2014: Pharmacy Workforce Center, Inc. Independent pharmacist practice owners is declining over extended or at full capacity. 96% of respondents think focus on population health will increase in coming years, which may increase the presence of pharmacists in these care organizations.
PROGRAM OVERVIEW
In September 2015, the Center for Medicare and Medicaid Innovations (CMMI) announced a test of new payment models for MTM. Beginning in January, the Enhanced MTM Model will run from 2017-2021 for stand-alone prescription drug plans (PDPs) under the Medicare Part D program. In five Part D regions, selected plan sponsors will offer innovative MTM programs, aimed at improving the quality of care while also reducing costs.

OBJECTIVE
Test whether providing Part D sponsors with additional payment incentives and regulatory flexibilities will engender enhancements in the MTM program, leading to improved therapeutic outcomes, while reducing net Medicare expenditures.

MEASURE
Evaluate the proportion of beneficiaries affected and MTM programs’ impact on:
- Patient outcomes and satisfaction
- Plan expenditures, including plan bids, and other Medicare spending
- Overall marketplace

Q: What are the biggest trends to watch as plan sponsors implement under the model?
As plan sponsors test innovations in MTM models, they’ll learn and gain insight to inform their models in future years. Given the tight window for application submissions, I don’t anticipate significant innovation within the first year. However, as plans acquire experience with various approaches, I believe we’ll see great progress in three key areas:
1) Fine-tuning risk stratification methods to vary intensity of MTM services based on beneficiary-specific needs
2) Further leveraging providers in their networks, both physicians and pharmacists, to drive optimal medication use
3) Standardizing the codification of MTM encounter data across the industry, which should provide opportunities to benchmark models, drive best practices and improve outcomes tightly linked to medical spend

Q: What can plan sponsors do to support the success of community pharmacies in Enhanced Model programs?
Of course, they should include pharmacies in their program! Community pharmacists offer scale and accessibility unlike any other healthcare professional.

Beyond that, access to additional information, such as diagnosis codes, labs and hospital discharge summaries, can aid pharmacists in providing optimal MTM services. Right now, available health information for a beneficiary is typically limited to prescription medication records at the pharmacy level. This may mean plan sponsors taking a greater role in facilitating communication between pharmacies, physicians and health systems, particularly by supporting health information exchanges.

Q: What kinds of MTM services do you foresee aligning best with the goal of reducing Medicare expenditures?
MTM services that are designed to manage and even reduce medical utilization will align best. These services may include medication reconciliation post transitions of care, intense monitoring of patients taking medications commonly linked to adverse events and services focused on optimizing medication adherence. Of course, resolution of identified drug therapy problems through consultation with members and their prescribers will be key, just as it is in MTM programs today.

For more information on the Enhanced MTM Model, visit https://innovation.cms.gov/initiatives/enhancedmtm.

Jessica Frank, VP of Quality OutcomesMTM
MTM SPOTLIGHT

New MTM Models

As regulations and expectations for healthcare systems change, healthcare payors are seeking new ways to improve care and outcomes for their members. Their MTM programs are evolving as well, with integration into new care models and multi-channel diversification.

Blue Cross & Blue Shield of Rhode Island
Medicare + Commercial

PROGRAM OVERVIEW

Gaps in care, use of high risk medications, improper adherence, inappropriate dosing and other medication-related issues all lead to poor outcomes, which, in turn, lead to higher healthcare costs. To improve medication-related outcomes, BCBSTRI integrated MTM into the holistic care process with pharmacist interventions aimed at preventing, mitigating and correcting drug therapy problems. Launched in 2014, the BCBSTRI MTM program utilizes both clinical pharmacists embedded in Patient Centered Medical Homes (PCMHs) and a network of community pharmacists. All MTM services are documented through the OutcomesMTM Connect™ Platform for unified reporting.

When Kenny first arrived, I was not really sure how he was going to help us at all. Now I am going to struggle to remember the innumerable ways he is helping us. He has had a huge positive impact on our diabetic population. He provides diabetic teaching, suggests dosage adjustments based on sugar readings, gets patients to call in their sugar readings and sees them in office to check on their progress. He comes up with strategies to help our diabetics who cannot afford all their medicines, which is a MAJOR issue in our practice. The control of our diabetic population has definitely improved due to his efforts. He is a wealth of information when questions come up on drug interactions, side effects and less costly alternatives...He reminds us of potential gaps in care for patients: diabetics who are not on statins, proteinuria without an ACE inhibitor, etc. I have received numerous positive comments of appreciation from patients about the ways our pharmacist has helped them.

I definitely think you are getting “bang for your buck” with the in-office pharmacist.

Robert Mathieu, MD
Internal Medicine
Providence Office of Anchor Medical
regarding his experience with Kenny Correia, a pharmacist serving three PCMH sites.
MTM DEVELOPMENTS

Expanding the View of MTM

As healthcare stakeholders achieve success with pharmacist-delivered MTM and increase focus on quality of care and reducing hospital admissions, MTM as we know it today is evolving into a broader concept. Medicaid plans, commercial insurers, employer groups and even health systems are joining Medicare plan sponsors in looking at MTM services in new, strategic ways.

MedSync
Medication Synchronization

The MedSync service aligns a patient’s chronic medications to a common refill date for a convenient monthly pick-up.

PATIENT BENEFITS:
Simplifying the refill process can make managing multiple medications easier for both patients and caregivers, with fewer refill dates to manage and reduced need for transportation to the pharmacy. MedSync also complements other pharmacy services to improve adherence, such as bubble packs or automatic refills.

PHARMACY BENEFITS:
Offering this beneficial service strengthens patient-pharmacist relationships as well as customer satisfaction and loyalty. Talking with the patient at each monthly pick-up may also present opportunities to complete additional MTM services. Establishing regularly scheduled fills can improve operational efficiencies, including staffing, inventory, workflow and delivery service.

HEALTH PLAN BENEFITS:
Synchronized fill dates improve adherence for chronic medications that impact important quality ratings. When members take medications on time, they avoid healthcare costs related to poor adherence, such as unnecessary doctor visits or even hospitalizations.

5 NCCHC. Adherence rates maintained by MedSync patients in a 12-month study.
6 Adherence rates are approximately 30% higher for patients with synchronized medications versus non-synchronized medications.

Missed medication doses cause

<table>
<thead>
<tr>
<th>% of Americans with at least one chronic disease by age group (70 million individuals)</th>
<th>50–64</th>
<th>65–74</th>
<th>75–84</th>
<th>85+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missed medication doses cause for patients with at least one chronic disease</td>
<td>72.5%</td>
<td>87.9%</td>
<td>92.3%</td>
<td>92.9%</td>
</tr>
</tbody>
</table>

$300B annual cost of medication non-adherence

125,000 DEATHS EVERY YEAR and account for 10-25% of hospital and nursing home admissions.

DEATHS EVERY YEAR for patients with synchronized medications versus non-synchronized medications.

57% of non-adherent patients enrolled at baseline became adherent in a pilot for an appointment-based model.
MTM DEVELOPMENTS

Expanding the View of MTM

The transfer from hospital to home or another care facility creates opportunities for care breakdowns and miscommunication that may have serious repercussions. Therefore, facilitating a successful transition of care has become a particular focus area for quality ratings and healthcare organizations.

The Centers for Medicare and Medicaid Services (CMS) have targeted medication reconciliation and prevention of readmissions as key strategic areas. To that end, a new Star measure was introduced for 2018 (based on 2016 performance) which holds Medicare Advantage (MAPD) plan sponsors accountable for medication reconciliation for members experiencing transitions in care. Specifically, the Medication Reconciliation Post Discharge measure assesses the percentage of discharges from acute or non-acute inpatient facilities for members 18 years of age and older for whom medications were reconciled within 30 days of discharge.

MedReconciliation

Medication Reconciliation

While a number of medication reconciliation programs have been tested, few scalable models exist today. Even fewer programs historically have looked to community pharmacists as a resource for delivery of this critical service. Now with nearly 20 million Medicare beneficiaries enrolled in MAPD plans that are held accountable for medication reconciliation, the need for MedRec at scale is a reality. This is just the beginning as healthcare payors across the spectrum look to new approaches to manage member morbidity, mortality and costs associated with repeated readmissions.

To address this need, OutcomesMTM will launch a medication reconciliation offering, inclusive of community pharmacists, remote telephonic pharmacists, new workflow processes and member and prescriber communication standards.

In a study on the effect of health literacy in trauma discharge summary understanding, only 24% had the reading skills to adequately comprehend their dismissal summary. Of patients in the study who were rehospitalized within 30 days, 60% had inadequate literacy for dismissal summary comprehension.

~1/5 of hospitalized Medicare beneficiaries are rehospitalized within 30 days. These rehospitalizations have been estimated to account for $44 billion per year in hospital costs.

~25% of readmissions are potentially preventable.

High priority areas for improvement efforts include:

- Improved communication among healthcare teams and between healthcare professionals and patients
- Greater attention to patients’ readiness for discharge
- Enhanced disease monitoring
- Better support for patient self-management


Benefits of MedRec

The Patient:

- Better understands the new regimen
- Avoids potentially dangerous medication mistakes by receiving assistance with disposal of old medications,
drug prescriptions for discontinued medications and review of the regimen for potential drug therapy problems
- Receives counseling on correct use of new medications
- Accesses adherence support through a variety of tools and services found at the local pharmacy

The Pharmacy:

- Ensures of pharmacy records are updated appropriately
- Gains additional insight into the patient’s health to provide high quality care
- Builds a strong customer relationship
- Matches the patient with appropriate services, such as MedSync, delivery, bubble packaging, disease state counseling, etc.
- Earns MTM revenue

The Physician/Hospital:

- Benefits from the patient receiving support in the correct use of medications, which reduces readmission for preventable medication-related events
- Gains an open line of communication between members of the patient’s care team if any medication-related concerns are identified
- May experience efficiencies by working with the patient’s community pharmacy for correction medication lists and support in achieving the best medication-related outcomes

The Health Plan:

- Satisfaction requirements for related quality measures
- Supports adherence to critical medications that impact other quality ratings and patient outcomes
- Creates an additional contact point with a healthcare professional for one more opportunity to identify medication-related problems
MTM SPOTLIGHT

The ROI of MTM

MTM continues to expand beyond Medicare. An increasing number of Medicaid programs are finding value in MTM services delivered by local pharmacists.

Passport Health Plan Medicaid Pilot  PROGRAM START | 2014

PROGRAM OVERVIEW
Passport Health Plan is a local, nonprofit community-based health plan that administers Kentucky Medicaid benefits. The plan enrolled a select group of 1,000 members to test the impact of local pharmacists delivering MTM services. In addition to resolving drug therapy problems, focus was placed on reducing drug product costs. Following the first year of the program, Passport Health Plan conducted its own ROI analysis. Results were nearly equal to the ROI calculated from the OutcomesMTM Actuarial Investment Model (AIM™), which estimates avoided healthcare costs from mitigating drug therapy problems.

Return on Investment (ROI):
Calculated using the OutcomesMTM Actuarial Investment Model (AIM™)

11.01.14 - 10.31.15

Y1 RESULTS
145 PARTICIPATING PHARMACIES
550 MEMBERS SERVED

OVERALL ROI
$9.82 : $1
Based on OutcomesMTM AIM™ estimates.

OVERALL ROI
$9.43 : $1
Based on Passport Health Plan analysis.

The MTM pilot falls right in line with our mission to improve health and quality of life for our members, and it resulted in really positive outcomes for patients with complex conditions. It’s so encouraging to us as pharmacists and healthcare professionals to see Medicaid members getting the appropriate care and support they need.

- Carrie Armstrong, Pharmacy Program and Analytics Manager, Passport Health Plan

Based on the severity level of the intervention, AIM assigns an estimated cost avoidance (externally validated by an actuarial firm) to each MTM claim.

Service CATEGORY
- CMRs = 27.7%
- Patient Ed/Monitoring = 1.5%
- Patient Consultation = 50.8%
- Prescriber Consultation = 20%

PreScriber Consultations
- Successful = 42.7%
- Refusals = 28.9%
- Unable to Reach = 28.4%

Patient Adherence Consultations
- Successful = 40.6%
- Refusals = 27.3%
- Unable to Reach = 32.1%

Level
1
2
3
4
5
6
7

PROGRAM OVERVIEW
Passport Health Plan Medicaid Pilot

11.01.14 - 10.31.15

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Patient Adherence Consultations
- Successful = 40.6%
- Refusals = 27.3%
- Unable to Reach = 32.1%
During a CMR, the patient’s wife told Lauren that her husband was no longer able to walk on the beach with her. His uncontrolled COPD and breathing made the stairs to the beach too difficult. They had seen numerous doctors to run many expensive tests, but no one could find a cause. The patient qualified for a Suboptimal Drug TIP regarding a heart medication that sometimes exacerbates breathing problems in patients with asthma or COPD. When Lauren suggested this medication could be contributing to the patient’s poor condition, the patient’s wife confirmed his symptoms started less than a week after he switched to the current medication. Lauren faxed the patient’s doctor, and the wife said she would bring it up during an appointment that week.

The patient transitioned to another medication, and his wife reported dramatic improvement when Lauren followed up. The couple was back to their walks on the beach.
THE FACE-TO-FACE DIFFERENCE® IS
THE CORNERSTONE OF OUTCOMESMTM.

RELATIONSHIPS—BOTH WITHIN OUR ORGANIZATION AND OUTSIDE IT—ENABLE OUR EMPLOYEES, NETWORK PHARMACISTS, CLIENT HEALTH PLANS AND THEIR MEMBERS TO THRIVE.

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