



# pharmacy & 2011 technology conference

August 27 - 30, 2011 ■ Boston Convention & Exhibition Center ■ Boston, MA

**Date:** Sunday, August 28, 2011

**Time:** 9:45 a.m. – 10:45 a.m.

**Location:** Boston Convention & Exhibition Center, Meeting Level 2, Room 258 AB

**Title:** **Medicare Part D Star Ratings: Opportunities for Community Pharmacy**  
ACPE # 0206-0000-11-509-L04-P (0.1 CEU)

**Moderator:** Chris Dimos, RPh, SUPERVALU Inc.

**Speakers:** William Lambert, Prime Therapeutics  
David Nau, Pharmacy Quality Alliance, Inc.

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## Learning Objectives:

At the conclusion of this knowledge-based program, participants will be better able to:

- Explain the implications of the Medicare Star Ratings system
- Identify financial incentives for improving medication safety and adherence
- Explain CMS' Quality Bonus Payment system

Don't forget to obtain continuing education credit for your participation in this session. Instructions for processing your statement of credit online are included in your registration bag.

## Medicare Star Ratings

*Opportunities for Community Pharmacy*



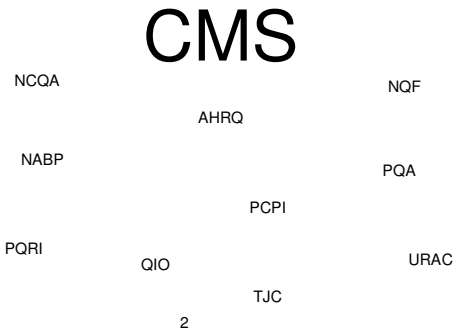
**David Nau**  
*PQA*

**Will Lambert**  
*Prime Therapeutics*

**Chris Dimos**  
*SUPERVALU*

1

## Alphabet Soup of Quality



NCQA

AHRQ

NQF

NABP

PCPI

PQRI

QIO

TJC

URAC

2

## The Growing Demand for Quality

CMS is expanding its “value-based” purchasing strategy to Medicare Parts C/D

Part C = Medicare Advantage  
Part D = Prescription Drug Plans

Medicare Advantage Plans that provide drug coverage (MAPD) are subject to Parts C & D regs

Medicare plans receive plan ratings on safety and quality (stars); this info is provided to the public and will affect Medicare Advantage payments in future

3

## Medicare Part C Plan Ratings

CMS contracts with NCQA to collect plan performance data using HEDIS measures for Medicare Advantage

CMS utilizes a subset of HEDIS for the Part C plan ratings, including several medication-related measures:

[http://www.cms.gov/PrescriptionDrugCovGenIn/06\\_PerformanceData.asp#TopOfPage](http://www.cms.gov/PrescriptionDrugCovGenIn/06_PerformanceData.asp#TopOfPage)

MAPDs are subject to Part C and Part D measures, and the overall rating for MAPDs is based on a synthesis across Part C and D measures.

4

## Medicare Part D Plan Ratings

Plans receive an overall rating on quality as well as four domain scores (17 individual measures in total)

Drug Pricing & Patient Safety are combined within 1 domain (*separate domains someday?*)

Patient Safety measures (from PQA):

- High-risk medications in the elderly
- Appropriate blood pressure treatment in persons with diabetes (*ACEI/ARBs used in patients with diabetes*)

5

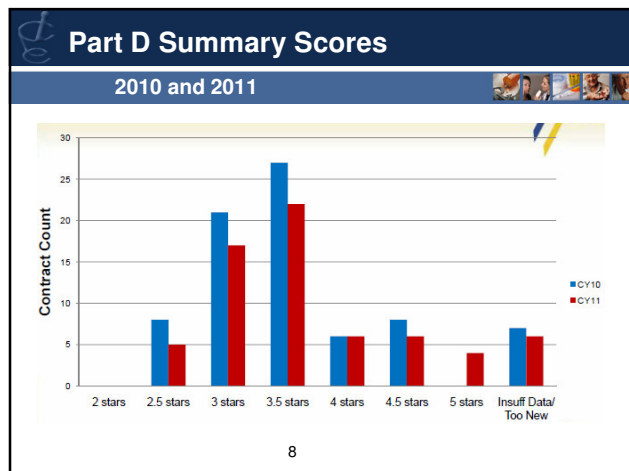
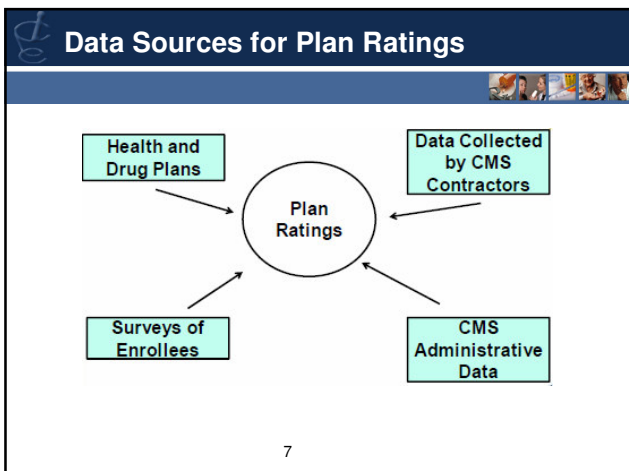
## CMS – Part D Display Measures

CMS provides feedback to drug plans on a monthly basis using star measures plus “Display Measures”

Display measures are **not** in Star Ratings but may be useful for quality improvement by plans

Display measures related to medication quality:

- Drug-Drug Interactions
- Excessive doses of oral diabetes medications
- Proportion of Days Covered (PDC) – *moving to Stars for 2012*



## 5 Star Contracts for 2011

**MAPD Contracts**

- Kaiser Foundation Health Plan of Colorado
- Security Health Plan of Wisconsin
- Capital Health Plan

**PDP Contracts**

- Simply Prescriptions
- Medicare BlueRx
- EmblemHealth Medicare PDP
- Medco Medicare PDP

9

## Timeline for 2012 Plan Ratings

- 2012 plan ratings will be released to public on October 6, 2011 (2012 enrollment begins on Oct 15)
- 2012 plan ratings have been calculated using data from 2010-11 (depending on measure)
- 2012 plan ratings have been shared with plans for their review and comment

10

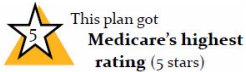
## Changes for 2012 Plan Ratings

- High Performing icon for 5-star contracts
- 4-star thresholds
- Changes in Part C measures
- Addition of measures to Part D
  - Medication Adherence (PDC)
  - Enrollment timeliness
  - Members choosing to leave plan


11

## High Performing Icon

- CMS will highlight contracts receiving an overall or summary rating of 5 stars with this icon:
 



This plan got  
Medicare's highest  
rating (5 stars)
- Medicare.gov will highlight that beneficiaries can enroll in 5-star plans at any time during the year.
- Last year, CMS added a low-performer icon for plans that score below 3 stars for prior 3 years:
 



12

## 4-star thresholds

- Minimum thresholds for 4-star rating on each measure were created for 2010
- Thresholds are adjusted for 2012
- High-risk medication (HRM) measure adjusted due to removal of propoxyphene from market
  - Threshold adjusted by 2 percentage points

13

## Changes to Part C measures

- Medication-related measures being retired:
  - Monitoring for patients taking long-term medications
- Measures to be added:
  - Plan all-cause readmissions
  - Smoking cessation
  - Adult BMI assessment
  - Care for Older Adults (SNP Measure)
    - Medication Review
    - Functional Status Assessment
    - Pain Screening

14

## Additions to Part D measures

- Enrollment timeliness
- Members choosing to leave the plan
- Proportion of Days Covered (PDC):
  - High-blood pressure (ACEI/ARB)
  - Cholesterol (statins)
  - Oral Diabetes Medications (rollup across 4 classes)
    - Biguanides
    - Sulfonylureas
    - Thiazolidinediones
    - DPP-IV inhibitors

15

Where do these performance measures for medication safety and adherence come from?

16

## The Pharmacy Quality Alliance

- Established in April 2006, as a public-private partnership
- Consensus-based, non-profit, alliance with over 60 member organizations, including:
  - Health Plans & PBMs
  - Pharmacies & professional associations (AMCP, APhA, ACCP, NCPA)
  - Federal agencies (CMS, FDA)
  - Pharmaceutical mfrs
  - Consumer advocates
- Mission: Improve the quality of medication use across health care settings through a collaborative process in which key stakeholders agree on a strategy for measuring and reporting performance information related to medications.

## Key Activities of PQA

- Quality measures for pharmacy services and drug plans
  - Workgroups identify key measure concepts in areas such as safety, adherence, clinical appropriateness
  - Technical specifications are developed and tested
  - Approved measures are maintained and updated
- Demonstration projects for pharmacy quality measures
- Education for pharmacists on quality measures and performance improvement
- Connecting pharmacy to healthcare quality initiatives

18

## The Pharmacy Quality Alliance

**2006** PQA Formed

**2007** Starter Set of Measures Introduced

**2008** Phase I Demo Projects Launched

**2009** Phase I Demo Projects Completion

**2010** Phase II Demo Projects

**Phase I**

- Measure testing
- Data aggregation
- Reporting
- Feedback

**Phase II**

- Expansion
- New demo partners
- Intervention strategies
- Reimbursement models

19

## PQA Supported Measures

- ACEI/ARB in diabetics with hypertension\*
- High-Risk Medications in the Elderly\*
- Drug-Drug Interactions#
- Excessive Doses of Diabetes Medications#
- Asthma Management
  - Suboptimal Control
  - Lack of Controller Medication

\*Part D star ratings  
# Part D display

## PQA Supported Measures

- Proportion of Days Covered (PDC)
  - ACEI/ARB medications\*
  - Beta-blocker medications
  - Calcium-channel blockers
  - Antiretrovirals for HIV/AIDS
  - Lipid-modifiers (statins)\*
  - Diabetes Oral Medications\*
    - Sulfonylureas, Biguanides, TZDs

\*NQF-endorsed  
& Part D display

## New Additions to PQA Measures

- MTM measures
  - Comprehensive Medication Review (CMR) Rate
  - ACEI/ARB Intervention Effectiveness
  - HRM Intervention Effectiveness
  - Asthma Controller Intervention Effectiveness (*pending*)
    - Further testing underway with Kaiser Permanente
- In 2013, CMS will require Part D plans to report the CMR rate for its MTM program

## 2011 Medicare Part D Performance Scores

Measure	MAPD		PDP	
	Average <sup>1</sup>	5 star <sup>2</sup>	Average <sup>1</sup>	5 star <sup>2</sup>
High-risk Medications	20.6 %	9.3 %	23.6 %	18.6 %
Diabetes – Use of ACEI/ARB	84.6 %	87.9 %	82.2 %	83.4 %
PDC – Summary Rate	60 %	70 %	60 %	70 %

1. CMS calculated the weighted-average score for the “high-risk medication” and “diabetes – use of ACEI/ARB measures.” Since PDC is not yet in the star ratings, the average score was estimated using the display measure report for 2011.  
2. The 5-star thresholds reflect the minimum score necessary to obtain the 5-star rating. CMS calculated the thresholds for the “high-risk medication” and “diabetes – use of ACEI/ARB measures.” Since the PDC is not yet in the star ratings, the 5-star threshold was estimated by PQA from the 2011 display measure reports by identifying the minimum score necessary to be in the top 10% of plans.

## Significant Change in Incentives for 2012

- Starting in 2012, Medicare Advantage plans (including MAPD) will see a change in payments from CMS
- CMS is implementing a 3-year demonstration project to test Quality-Based Payments (QBPs) for these plans
- Medicare Advantage plans will have a portion of their payment determined by their star rating (up to 5%) which may equate to millions of dollars per year.

24

## Medicare Advantage Demonstration Project

### Quality-Based Payments (QBP)

Stars	QBP*
Less than 3	0
3 stars	3.0 %
3.5 stars	3.5 %
4 stars	4.0 %
4.5 stars	4.0 %
5 stars	5.0 %

\*QBP is a percentage increase in payment to the plan above the standard rate. For plans with less than 5 stars, the standard rate may be capped at pre-ACA rates. For more details, <https://www.cms.gov/MedicareAdvtgSpecRateStats/>

## Financial Implications of QBP

- The 2012 Medicare Advantage (MA) Rates were released in April 2011, and show how the star ratings will affect the CMS payments to MA plans.
- The difference in payment between 3-star and 5-star plans averages \$16 per member per month but varies by the county of residence for the Medicare beneficiary
- If a plan with 1 million MAPD members could increase its stars from 3 to 5, the plan's revenue could increase by nearly \$200 million per year.

26

## There are implications for all of us!

- As CMS and employers increase their scrutiny of quality of medication utilization, the health plans are asking PBMs to measure and improve quality
- PBMs may be looking to their retail networks to help boost adherence
- Plans and pharmacies can work together to drive improvements in medication-use quality, and should share in the rewards

27

## E-QuIPP Initiative

- PQA is launching the *E-QuIPP* Initiative to facilitate collaborative efforts of plans, PBMs and pharmacies to measure and improve quality of medication use.
- *E-QuIPP* = Electronic Quality Improvement Platform for Plans & Pharmacies
- More details coming soon!

28

## How can Pharmacies help Plans Score Higher?

29

## Current Approach

- Current clinical programs include:
  - Formulary management for HRM
  - Targeted medication reviews for HRM, diabetes and adherence
  - UM programs
  - cDUR editing
- Other programs
  - Prescriber outreach
    - Prescriber letters resulted in a 29% discontinuation rate for seniors taking HRMs

30

## High Risk Medication Utilization 2009 vs. 2010\*

- HRMs were removed from Med D Formularies beginning in 2010 based upon...
  - NCQA status
    - Always Avoid in the Elderly
    - Avoid in the Elderly
    - Rarely Appropriate in the Elderly
  - Availability of safe alternatives
  - CMS requirements
- Study validated removing HRMs from Med D Formularies reduced utilization in both change and control groups

Formulary Change Group			Formulary Control Group**		
HRM Rx's PMPM			HRM Rx's PMPM		
All Plans	↓	17%	All Plans	↓	2%
Range: 7% - 37% reduction			Range: 1% - 9% reduction		

\*Jan. through Apr. time periods \*\*Control Group contains those HRMs not removed from formularies

31

## Why Engage Retail Pharmacies?

- The difference in payment between 3-star and 5-star plans averages \$16 per member per month but varies by the county of residence for the Medicare beneficiary
- If a plan with 1 million MAPD members could increase its stars from 3 to 5, the plan's revenue could increase by nearly \$200 million per year.

32

## What Can Retail Pharmacies Do?

- Respond to cDUR messaging
- Help reduce HRM usage
  - Some HRMs removed from formularies still have utilization
  - Some HRMs could not be removed – pharmacies can help reduce usage
    - pharmacy messaging combined with prescriber outreach/member education
  - Point of sale counseling can be a powerful tool to improve adherence and reduce dispensing of inappropriate medications

33

## Why Should Retail Pharmacies Help?

34

- The difference in payment between 3-star and 5-star plans averages \$16 per member per month but varies by the county of residence for the Medicare beneficiary
- If a plan with 1 million MAPD members could increase its stars from 3 to 5, the plan's revenue could increase by nearly \$200 million per year.

35

## Why Should Retail Pharmacies Help?

- As pharmacy reimbursement continues to see negative pressure, other sources of revenue should be considered
- If plans are reimbursed when ratings improve, they will be more likely to pay for services that help them get better
- Aligning incentives creates a valuable partnership opportunity between payer and pharmacy

36