

Medication Therapy Management Services: A Critical Review

The Lewin Group

ABSTRACT

Objective: To identify and examine medication therapy management (MTM) practice and compensation models currently being used by public and private sector programs, develop a model for payers to consider in compensating pharmacists for the provision of MTM services, and review how a relative value-based payment system based upon Current Procedural Terminology (CPT) codes might apply to MTM services.

Data Sources: Peer-reviewed literature; study of existing MTM practice and compensation models; interviews with pharmacists, pharmacy benefit providers, health plans, and policy makers; structured discussions with industry experts.

Summary: Implementation of MTM represents an opportunity for pharmacists to provide public and private payers with examples of service packages and business models that improve patient therapeutic outcomes. MTM services can lead to overall cost reductions and improved health outcomes. Recommendations for pharmacists, health plans, and Medicare Part D prescription drug plan sponsors are provided. Pharmacists should standardize and package MTM services at varying levels of intensity; determine work values for MTM CPT codes, use standards for billing and service delivery, build supply capacity to meet demand for MTM services, and cultivate patient and provider support for pharmacist-provided MTM services. Plans and sponsors should develop mechanisms for measuring MTM impact on overall health care costs and develop payment systems to cover costs as well as sustain and provide for growth in the number of providers.

Conclusion: The essential components of MTM business and payment models, as outlined in this article, can be effectively mapped to relative value-based CPT codes for pharmacist-provided MTM services. Pharmacy providers, after considering various factors and conditions in their own environment, can develop an optimal MTM service package and business model based on this information.

Keywords: Medicare prescription drug benefit, medication therapy management, business models, payment systems, community and ambulatory pharmacy, reimbursement.

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Pharmacists' value to the health care delivery team is evidenced throughout the literature by the wide variety of innovative medication therapy management (MTM) services currently being delivered at both local and regional levels. It has been demonstrated that MTM services, appropriately employed, can lead to a reduction in overall health care expenditures through optimizing therapeutic outcomes, especially in elderly patients. Better health outcomes result in a reduction of adverse medication events along with their attendant emergency room visits and hospital stays. The current state of pharmacy practice is characterized by diverse MTM services offerings of varying levels of complexity and intensity. The American Pharmacists Association (APhA) commissioned The Lewin Group to develop a report presenting the range of current MTM programs and practices and how they are paid. In addition, The Lewin Group was charged with developing a methodology for evaluating payments that could provide a sound economic base for the continued development of MTM services.

The purpose of this report is to identify existing MTM standards of practice and compensation models and to develop from them a

model for payers to use in compensating pharmacists for MTM services. This report is intended to serve as a resource for individuals charged with designing and implementing a Medicare MTM program under the Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) as well as for those interested in expanding MTM services in both the public and private sectors.

In recognition of the potential value of MTM services for Medicare beneficiaries, the MMA opened the door for Medicare Advantage–Prescription Drug Plans (MA-PD) and Prescription Drug Plans (PDP) to work with existing prototypes and move MTM services to the next stage of their development. In the final rule implementing the MMA, the Centers for Medicare and Medicaid Services (CMS) said that MTM services must “evolve and become a cornerstone of the Medicare Prescription Drug Benefit.” It is hoped that this report can serve as a starting point for identifying the best practices that might evolve into industry standards for both delivering MTM services and paying for them.

Methods

We used a three-part research approach to collect, analyze, and synthesize a wide range of qualitative information. First, we reviewed the published literature on MTM services provided through public- and private-sector programs. Our review included systematic evaluations and peer reviewed journal articles describing the results programs were able to achieve. Concurrent with the literature review, we conducted a series of key opinion leader interviews to discuss additional programs for which few published studies exist, such as those currently being provided by independent, chain, and supermarket pharmacies. A broad cross section of stakeholder groups was interviewed. Potential respondents were selected from a list of contacts provided by APhA. A total of 32 interviews lasting 45 minutes each were conducted among representatives of six major groups. In addition, during January 2005—after the release of the final rule implementing Medicare Part D—we held informal discussions with potential PDP sponsors and health plans as well as with CMS officials regarding the content and intent of the MMA legislation.

Defining MTM Services

The way in which PDPs implement MTM is of paramount importance for Medicare beneficiaries. Neither the legislation nor the final rule provide MA-PDs or PDPs with guidance in designing or reimbursing MTM services except to say that programs will be “patient focused services aimed at improving therapeutic outcomes” that are developed in conjunction with practicing pharmacists and paid out of the plan’s administrative fee.

The MMA fails to explicitly define the services comprising MTM, but it specifies that services are for Medicare beneficiaries with multiple chronic diseases, who are taking multiple medications, and who

AT A GLANCE

Synopsis: As the Medicare Part D benefit takes effect in January 2006, prescription drug plans will be required to provide medication therapy management (MTM) for patients at higher risk of medication misadventures because of multiple diseases requiring several drugs whose total annual costs are expected to exceed \$4,000. Exactly how these programs will be developed, organized, and reimbursed is one of the great unknowns about the Medicare Prescription Drug Improvement and Modernization Act of 2003. Presented in this article is a detailed financial accounting of current MTM services and programs and possible reimbursement strategies for use under this new benefit for Medicare beneficiaries.

Analysis: *Development of a viable payment strategy for MTM programs and services is essential if the Medicare Part D benefit is to succeed in its mission of improving the lives of the nation’s elderly and disabled citizens. Past research clearly shows that the cost of medication-related morbidity and mortality at least equals the cost of the medications themselves, and for frail elderly patients, this cost reaches \$3 for morbidity and mortality for every \$1 spent on drugs. Without a drug therapy expert on the health care team to avert medication-related problems when possible and minimize their impact when they occur, not only will money be wasted on medications, the Medicare system will be strained by the costs of unnecessary hospitalizations, physician visits, and other interventions, and patients and their families will suffer needlessly.*

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