Innovations in Reimbursement

LAST APRIL, THE PHARMACY DIRECTOR of a large, multi-hospital health system in the Midwest phoned Gloria Sachdev, Pharm.D., clinical assistant professor of primary care at the Purdue University School of Pharmacy, West Lafayette, Ind.

Several administrators had bombarded the director with requests for additional clinical pharmacists. Faced with juggling the competing demands while securing adequate resources to support the costs—and with his organization in the midst of becoming an accountable care organization (ACO)—he turned to Dr. Sachdev, an authority on establishing sustainable clinical pharmacy models.

"No one had a firm idea of what services they needed, yet they all felt pressure to meet shifting quality-of-care measures," said Dr. Sachdev. These included reducing 30-day readmission rates or boosting subpar performance measures which would be tied to how much money they could share from savings created by its ACO. And all of the petitioners knew that medication-related measures were intertwined with many of the health outcomes they wanted to influence.

"The question was wide open: Can pharmacists make an impact on some of these measures? The answer is yes," said Dr. Sachdev.

Creating a Financially Sustainable Plan

After multiple meetings with the administrators and the pharmacy director, Dr. Sachdev helped the group identify what services each had in mind, which diseases and conditions needed the most attention, and the role pharmacists could play within the organization's nascent accountable care model. Then, they hammered out a financially sustainable plan to expand pharmacist services.

Ultimately, two ambulatory care pharmacist positions were approved to focus on chronic disease management, transitions of care, and quality improvement. Both positions were designed to be billed "incident to" a physician's care.

"Reimbursement for the pharmacists will cover a bit more than the cost of their services," said to Dr. Sachdev. "It's essentially a cost-neutral proposition." Getting the billing department involved and educating employees regarding billing opportunities for pharmacists early on was key to the group's success.

When direct billing for pharmacist services isn't available—which is usually the case in today's health care environment—Dr. Sachdev noted that "in a pay-for-quality environment, if pharmacists can show that they can help a health system achieve quality measures of high priority, when the organization gets a large payment for attaining these measures, some of that money can be designated to pay the pharmacists' salaries."

Helping Patients Manage Their Medications

Elsewhere, pharmacists have put their own distinct imprint on direct patient care. The P3 (Patients, Pharmacists, Partnerships) program at the University of Maryland School of Pharmacy began as a diabetes management initiative, then broadened its scope considerably.

The P3 Program is a dynamic partnership that begins with the University of Maryland School of Pharmacy, and includes the Maryland Pharmacists Association, the American Pharmacists Association Foundation, the Maryland General Assembly, and the Maryland Department of Health and Mental Hygiene, Office of Chronic Disease Prevention.

The program contracts with six companies, including ASHP, to conduct medication management and preventive care for employees with chronic diseases such as diabetes, high blood pressure, and high cholesterol. Any employee covered under the employer's health plan is eligible, and more than 400 are currently enrolled.

P3 pharmacists consult patients four to seven times annually. They assess each patient's understanding of his or her illness and medication regime, emphasize the importance of medication adherence, and provide education about adverse effects and drug interactions. Pharmacists may also help patients set personal goals, coordinate referrals for lab tests and specialist visits, and administer pneumococcal and influenza vaccinations.

Consults occur at wellness clinics, at community pharmacies, or at an employer's premises. All P3 pharmacists receive training in medication therapy management, chronic disease management, and self-management coaching and must have completed an Accredited Council for Pharmacy Education-level Diabetes Certificate program, be a certified diabetes educator, or be a Board-certified Pharmacotherapy Specialist.

"We bill the employer every month based on the number of visits and pay the pharmacists who saw the patient," said Dawn Shojai, Pharm.D., assistant director of P3.

The results are telling: Since January 2009, P3 participants have experienced statistically significant improvements in outcomes for all clinical endpoints, including hemoglobin A1c levels, blood pressure, and LDL cholesterol levels. The numbers also compare favorably to national and statewide indicators, according to Dr. Shojai. For example, 83 percent of P3 participants had HbA1c levels under 8 percent, compared with 62.3 percent and 64 percent of patients enrolled in national and Maryland commercial plans, respectively, according to data from the 2011 HEDIS (Healthcare Effectiveness Data and Information Set). On average, employers saved about $1,500 to $2,500 per employee annually.

Dr. Shojai continues to push hard for recognition of P3 by Maryland's Medicaid program, which she expects to occur eventually. "Most of the battles have been to convince people that paying for pharmacists, while expensive, will save money and lives," she said.
Annual Wellness Visits: A New Kind of Patient Care

Farther south, pharmacists in North Carolina are mining a section of the Affordable Care Act (ACA) and hauling out a steady new revenue source. The ACA established Medicare coverage for annual wellness visits (AWVs), but Medicare doesn’t stipulate who must conduct the visit except to say that the clinician must be a licensed health professional.

“This is a completely new avenue for pharmacists to generate revenue by seeing Medicare patients and earning direct reimbursement at a higher service level,” said Betsy Bryant Shilliday, Pharm.D., CDE, CPP, associate clinical professor at the University of North Carolina at Chapel Hill School of Medicine and Eshelman School of Pharmacy.

“Across the board, this is a different type of visit than pharmacists are used to providing. It’s a big deal,” she said. Patients seem to think so, too. Appointment slots fill up weeks in advance. “It’s a service patients want, and that means I am generating income, too,” Dr. Shilliday added.

Reimbursement varies by region, but rates are uniformly higher than for nurse visits, and the service isn’t subject to the usual 20 percent copayment, said Dr. Shilliday, who details the visit requirements on the Section of Ambulatory Care Practitioners portion of the ASHP website.

The practice of pharmacists conducting AWVs is not yet widespread, but Dr. Shilliday predicts steady growth as health systems realize that this represents a practical and profitable way to mitigate the shortage of primary care providers. Ultimately, it is up to pharmacists to identify these kinds of opportunities, according to Dr. Shilliday. “We need to step outside our comfort zone of practice to embrace innovative opportunities, expand our scope of practice, and assume new responsibilities,” she said.

Bearing the Burden of Proof

Mary Ann Kliethermes, Pharm.D., vice chair of ambulatory and associate professor at the Chicago College of Pharmacy, Midwestern University, in Downers Grove, Ill., agrees that in the current health care landscape, pharmacists bear the burden to prove their worth. Her own experience is a case in point. Dr. Kliethermes works part-time in an internal medicine office of a large, multi-site physician group in the Chicago suburbs. Until recently, her main responsibility had been counseling patients who were on anticoagulation therapy. She and the one other pharmacist in the office, however, envisioned much more.

Over six months, they assembled a detailed business plan to broaden medication management services and projected the potential clinical and financial gains. They supported their case with data that showed, among other things, how pharmacist-directed medication management greatly reduced drug-related hospital readmission rates. By fortunate coincidence, the physician group had decided to adopt a patient-centered medical home model, necessitating a closer look at clinical outcomes. The result: Two pharmacists were added to their staff and a third is under consideration.

Their approach embraced the reality of the newer models to which health organizations must hew, and which tie reimbursement to quality and cost reduction, said Dr. Kliethermes, who co-edited, Building a Successful Ambulatory Care Practice, recently published by ASHP.

“We offered a total business package, justified our skills, and showed how we could help the practice meet its goals,” she said. “It is up to the health organization to decide how to allocate its resources, but it is up to pharmacists to show how they can improve outcomes.”

Interested in New Models of Care? ASHP Can Help

As health care reform and new quality measures take effect, pharmacists in hospitals and health systems are finding innovative ways to bill for their medication-management and patient care services. ASHP is working hard to provide the tools, information, and resources that members need to find their niche in this evolving landscape.

ASHP convened a task force on Accountable Care Organizations (ACOs) June 29 to help pharmacy programs integrate into this new model of care. A final report of the task force—which made recommendations about how pharmacy involvement can help ACOs improve quality of patient care across care settings—will be published in the American Journal of Health-System Pharmacy.

In addition, ASHP is offering educational sessions focused on ambulatory care at the 2012 Midyear Clinical Meeting in Las Vegas. Networking sessions at the meeting will focus on current issues for ambulatory care pharmacists, including provider status, collaborative practice, health care homes, and billing for services. Sessions will also be offered on pharmacist reimbursement opportunities for ambulatory care pharmacists based in hospitals, physician’s offices, or in retail settings.

ASHP has a series of helpful webinars on the issue of reimbursement, including:

- "Designing Sustainable Ambulatory Pharmacist Patient Care Services,"
- "Ambulatory Clinical Pharmacy Services: Strategies for Developing a Service Proposal," and
- "The Accountable Care Act and ACOs: What You Need to Know About Health Care Reform."

The ASHP website is a great resource for more information on the issue of billing for Medicare patients and pharmacist-managed anticoagulation clinics as well as case studies about how fellow ASHP members are successfully navigating the world of health care reimbursement.

Finally, a new ASHP book called Building a Successful Ambulatory Care Practice provides comprehensive, practical guidance in an easy-to-use guide that covers ambulatory care practice from the ground up.

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