

# Tennessee Pharmacists Association – Position Statement

**Position:** The Tennessee Pharmacists Association strongly supports this legislative initiative and respectfully urges members of the Tennessee General Assembly to SUPPORT the creation and implementation of a Medication Therapy Management program for TennCare. TPA believes that this legislation will allow TennCare's members to participate in a Medication Therapy Management (MTM) program that dramatically improves outcomes while decreasing total healthcare expenditures.

**The Problem:** Proper medication adherence is when patients take their medications according to the prescribed timing, dosage, frequency, and directions. Any situation when the patient does not take their medication according to one of the factors listed above is referred to as "medication non-adherence." Medication non-adherence is highest among patients with chronic illnesses and results in an increased risk of side effects, adverse events, hospitalizations, disease state complications, drug-related problems, or even death. The Institute of Medicine's 2004 report on health literacy says 90 million people have difficulty understanding, using, and acting on health information, which leads to medication non-adherence. To emphasize the gravity of this problem, studies have shown that approximately 50% of patients do not take their medications as prescribed and more than 1 in 5 new prescriptions go unfilled. Direct costs of medication non-adherence to our health care system is estimated at up to \$290 billion annually and is considered the largest fixable problem in health care today. Often referred to as the medication experts, pharmacists have unique skills and training to address this problem, and are among the most accessible health care providers in our communities.

**MTM Explained:** According to the National Conference of State Legislatures, at least 17 other states have already implemented some form of Medication Therapy Management (MTM) program into their Medicaid program, and several additional states have introduced legislation to establish an MTM program. MTM is a service or group of services that optimize therapeutic outcomes for individual patients. MTM services include medication therapy reviews, pharmacotherapy consults, health and wellness programs and many other clinical services in collaboration with patients, physicians, prescribers, and other essential health care providers. Pharmacists provide MTM in all care settings to help patients get the best benefits from their medications by actively managing drug therapy and by identifying, preventing and resolving medication-related problems. Anyone who uses prescription medications, non-prescription medications, herbals, or other dietary supplements may potentially benefit from MTM services. Persons who may benefit the most include those who use several medications, have several health conditions, are taking medications that require close monitoring, have been hospitalized, and obtain their medications from more than one pharmacy.

**MTM Successes in Medicaid:** MTM programs have generated cost savings in drug spending and overall costs of care, and most importantly, have improved health outcomes for patients. These savings are realized by pharmacist visits which improve medication adherence, ensure that patients take medications properly, prevent adverse drug events, eliminate duplicative therapies, and also identify opportunities to switch to similar, lower-cost, and more appropriate medications. According to a United States Public Health Service report released in 2011, pharmacist-provided services such as MTM have demonstrated an average return on investment (ROI) of \$3 to \$5 in savings for every \$1 spent.

## Minnesota:

- Minnesota Medicaid reported that their MTM program has resulted in a 31% reduction in total health expenditures per patient, from \$11,965 to \$8,197, and a 14% increase in reaching patient's goals. A 10-year evaluation of MTM for integrated health system patients in Minnesota estimated a return on investment of \$1.29 per \$1.00 in MTM administrative costs.
- For Fiscal Year 2016-2017, the Minnesota Department of Human Services expanded their Medicaid MTM program to include individuals with one prescription for a complicated disease. This increase resulted in a \$41,000 *reduction* in overall budget costs. Per the Minnesota DHS, "allowing more patients to access MTMS would make it easier for pharmacies to identify eligible patients and will allow more patients to receive this beneficial service."

## Ohio:

- Caresource, the largest Managed Care Organization in Ohio, began offering face-to-face MTM services in 2012. In just one year, this program demonstrated an ROI of \$1.35 in drug cost savings alone for every \$1 spent. Overall, this program has yielded an ROI of \$4.40 in total healthcare savings for every \$1 spent in avoided hospitalizations, decreased emergency department visits, and reduction in other unnecessary health care consumption.

**In Summary:** Medicaid programs that have implemented MTM have demonstrated significant improvements in overall patient outcomes of care, significant cost savings, and a positive return on investment for both Medicaid programs and patients. Enacting legislation authorizing Medication Therapy Management in Medicaid would improve patient outcomes for high-risk and low income individuals, while not increasing (and potentially decreasing) overall TennCare costs.

**Key Provisions of this Legislation:**

- Authorizes TennCare to incorporate a medication therapy management (MTM) program provided by pharmacists into all of its healthcare delivery systems in order to improve patient outcomes and control costs.
- Allows TennCare to set MTM program standards and eligibility criteria.
- Requires Managed Care Organizations, or Pharmacy Benefit Managers as appropriate, that participate in the TennCare program to establish an MTM program that meets or exceeds TennCare’s standards.
- Ensures that a pharmacist, or pharmacy intern, is the provider of Medication Therapy Management services provided to TennCare’s members.
- Establishes a payment mechanism for compensation and contracting standards for pharmacists providing MTM services.

**Improves Care**

• When pharmacists are added to the patient’s health care team, the quality of care and health outcomes for patients improves and overall healthcare costs decrease. Research and published studies have shown that the **Return on Investment (ROI) for adding a pharmacist to the team averages between \$3 and \$5 for every \$1 spent on care.**

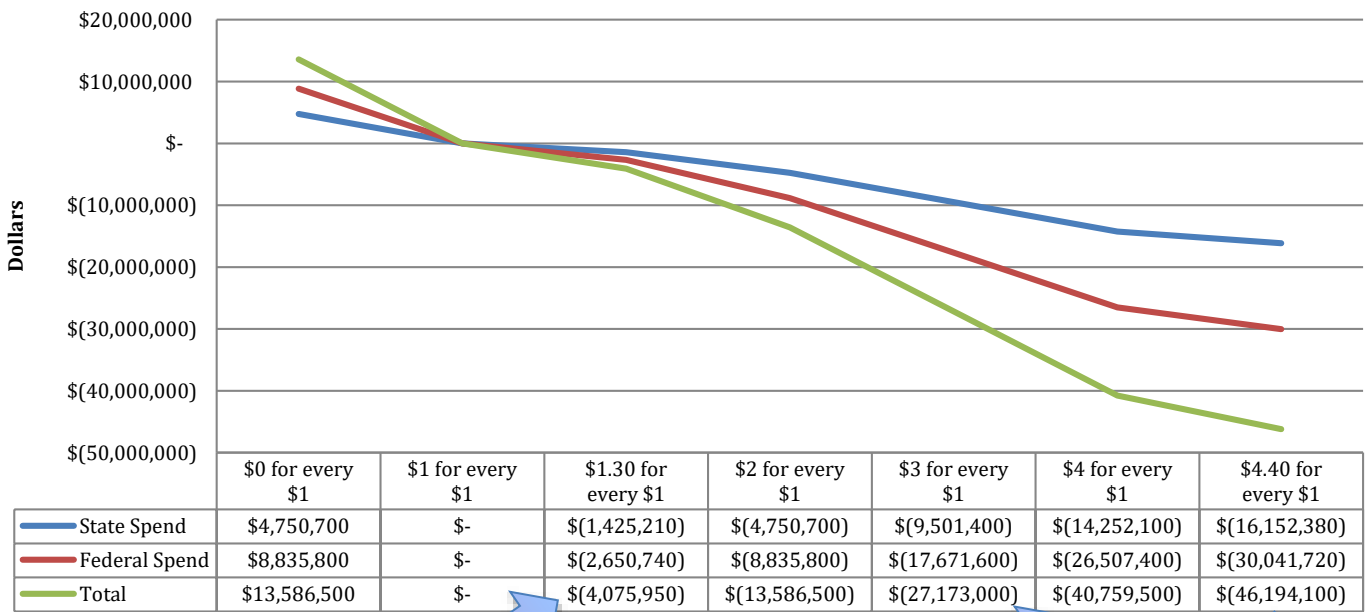
**Decreases Costs and Hospitalizations**

• If the Medicaid MTM program prevented 1 hospitalization for every 100 patients referred annually, it would pay for the state’s cost of the program (\$4,750,700) and produce a net cost savings of \$733,000 (ROI of \$1.15 for every \$1 spent on the program).

**Creates Jobs**

• This legislation will create an estimated **123 new positions** in TN pharmacies [41 full-time pharmacists and 82 full-time technicians]  
 • **9 new positions** in TennCare [3 full-time pharmacists and 6 full-time technicians]

**Return On Investment - Medication Therapy Management in Medicaid**



In a similarly situated state-based MTM program administered through CareSource, the largest Managed Care Organization in Ohio consisting of 900,000 beneficiaries, the estimated Return on Investment (ROI) for cost savings related to drug costs alone was \$1.30 in savings for every \$1 spent on the MTM program.

A 2011 Report submitted to the US Surgeon General by the Chief Pharmacy Officer for the United States Public Health Service stated that the average Return on Investment (ROI) for pharmacist-provided care, based on decades of research and published studies, is \$3 to \$5 in savings for every \$1 spent.

The estimated decrease in overall health care costs for patients related to the CareSource MTM program was \$4.40 in savings for every \$1 spent on the MTM program.