

3M Health Information Systems

Teaming with pharmacy to advance value-based care

A guide to help health plan executives reduce costs
and improve quality by aligning pharmacists, primary
care providers and prescribers

The rising cost and misuse of prescription drugs is pulling our nation's healthcare industry away from achieving the Institute for Healthcare Improvement's (IHI) Triple Aim (improve the patient experience, improve outcomes and reduce costs).

The pharmaceutical impact on value-based care (VBC):

Higher costs



\$323 billion
in annual prescription costs.¹

In 2015, the United States spent \$3.2 trillion on health care. Ten percent of this total was attributed to pharmaceutical costs. Comparatively, in 1995, only five percent of total healthcare costs were attributed to pharmaceuticals.²

Worse outcomes

Overuse and non-adherence contributes to

125,000 deaths

— and —



at least
10%
of hospitalizations
annually.³

Decreased patient experience



60% of American
adults
have taken a prescription drug
in the past month.⁴

Rising costs are just one challenge patients face in navigating the current health care system. They don't understand the safety, efficacy and appropriate use of drugs they take.

Improving pharmacy (Rx) outcomes is often a missing piece in creating a complete, end-to-end value-based program. But prescription drugs can support IHI's Triple Aim when the right drugs are taken at the right time in the right way.

How can health plans help control Rx costs?

Activate the Rx Triad

The Rx Triad consists of the *pharmacist*, the *primary care provider (PCP)* and the *prescriber*.

The
Pharmacist



The
PCP



The
Prescriber



These are the healthcare professionals who are the most likely to engage the patient in medication decisions. Including these professionals in your VBC efforts is your best bet to ensure that prescriptions are necessary, cost effective, taken properly, produce positive outcomes and minimize harm.

The bottom line

Including the Rx Triad within your VBC program will help you to achieve the IHI's Triple Aim and deliver the type of value that the U.S. healthcare system currently demands.

Strategies your organization can use to engage the Rx Triad:



Develop value-based models of care and reimbursement to engage prescribers, PCPs and pharmacists.



Identify the optimal patient groups, health conditions, drug classes, interventions and targeted outcomes in your VBC arrangements.



Educate the Rx Triad on different cost-saving options for prescriptions.



Focus on changing patient and prescriber behavior.



Leverage technologies to improve care coordination.



Now, let's get into detail on how to engage the individual Rx Triad members.



The Pharmacist


The pharmacist is often underutilized or neglected in an organization's VBC strategy.

Pharmacists are highly trained professionals who take on an increasingly important role in managing patient care. Their comprehensive understanding of the plethora of drug treatment choices means they can promote adherence while advising on drug-disease and drug-drug interactions.

They understand the opportunities that exist for substituting generic equivalents and alternatives. Often, they see the patient more frequently than the PCP and can thus help improve patient engagement.

Studies show the positive effects of pharmacist interventions on clinical outcomes related to improved blood pressure control, improved diabetes, self-care activities and reductions in medication-related adverse events.⁵

Total cost of care reductions have also occurred for patients with Type 2 diabetes.⁶ In addition, targeted pharmacist medication review interventions that focus on resolving particular medication-related problems have saved an estimated \$5,377 for every adverse-drug-event prevented.⁵



“Pharmacists are remarkably underutilized in the U.S. health care delivery system given their level of education, training, and access to the community. Maximizing the roles and scope of pharmacists to deliver a variety of patient-centered primary care and public health, in collaboration with physicians, is a proven and existing paradigm of care that can be efficiently implemented.”

—Report to the U.S. Surgeon General, 2011⁷

How can you engage the pharmacist?



- Engage pharmacists by **bringing them into a pay-for-performance or VBC program**. Payers and pharmacists can work together to identify a core set of metrics, preferably composite metrics, that measure quality and establish a value-based pharmacy arrangement.
- **Embed the pharmacist in a group practice or in an Accountable Care Organization (ACO)**.
- **Coordinate care between the pharmacist and the PCP**. Ensure that consultations between the patient and pharmacist are in sync with those that occur between the patient and his or her PCP.

The bottom line

You must include the pharmacist as a member of the care delivery team in order to unify your organization's VBC strategy.



The Primary Care Provider

The PCP is ultimately responsible for reducing the total cost of care.

PCPs play a critical role in helping patients use prescription drugs appropriately. They also help patients understand that prescriptions drugs aren't a substitute for necessary lifestyle changes. They provide medication management to help patients avoid dangerous interactions and overuse. A PCP's efforts can improve population health and lead to a total lower cost of care.



50% of patients
do not adhere to chronic
condition medications⁸



"There is an out-of-control epidemic in the United States that costs more and affects more people than any disease Americans currently worry about. It's called nonadherence to prescribed medications, and it is — potentially, at least — 100 percent preventable by the very individuals it afflicts."⁹

How can you engage the PCP?



- **Incentives that leverage pay-for-performance, patient-centered medical homes and accountable care arrangements** between payers and providers offer an opportunity to engage the PCP.
- **Help the PCP improve patient adherence by helping him or her identify patients who don't adhere to medication regimens.** Focus on drug adherence for high-risk populations (i.e., patients who are prescribed anti-hypertensives, anti-hyperlipidemics and antidepressants). Improving patient adherence can reduce the total cost of care by preventing emergency room visits, inpatient hospitalizations or longer hospitalizations.
- **Inform PCPs about all of the medications their patients take, including those that are prescribed by other providers.** PCPs should monitor the use of all drugs, including nutritional supplements and over-the-counter drugs. **This type of questioning and data collection must become a routine part** of the patient-provider encounter.
- **Help PCPs understand how their prescribing and practice patterns differ from those of their peers.** A little information goes a long way to help PCPs provide better care at a lower cost while improving the patient's experience.

The bottom line

The PCP must be engaged with the patient and incentivized to improve patient adherence to medication.

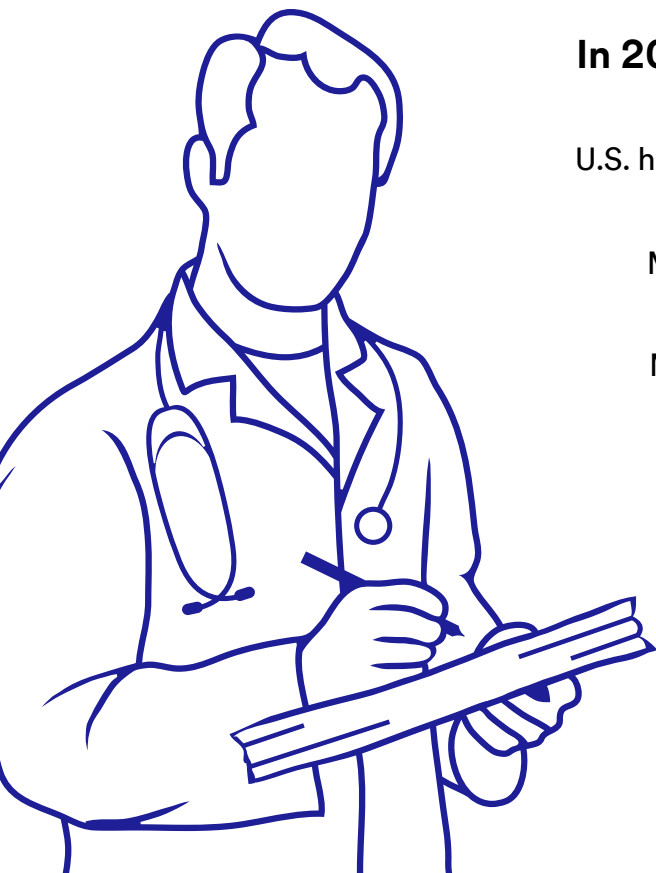


The Prescriber

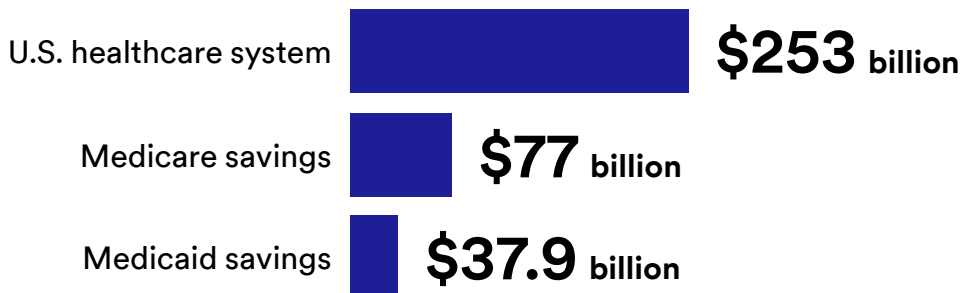
The prescriber, who is often the PCP, is in a position to prescribe alternative and generic drugs that can directly reduce the cost of care with no adverse impact on quality.

Incentives that leverage pay-for-performance, patient-centered medical homes and accountable care arrangements offer an opportunity to engage both the prescriber and PCP.

When a brand-name drug doesn't have a generic equivalent, there may be generic alternatives that a provider can prescribe. Unlike a generic equivalent, a generic alternative doesn't have the same active ingredients; however, it is still approved by the FDA to be used in the same indications as the brand-name drug.



In 2016, generic medicines generated savings of:¹⁰



"The best way to reduce prescription drug costs is to expedite approval of brand and generic drug competitors."

– Mark Merritt, PCMA President and CEO

How can you engage the prescriber?



- Ensure that prescribers understand appropriate medication options. **Educate them on generic *equivalent* and generic *alternative* drug options.**
- **Inform prescribers how their prescribing patterns compare to those of their peers.** As with PCPs, a little information goes a long way in helping prescribers provide better care, lower costs and improve the patient experience.
- **Evaluate the cost/benefit ratio of prescriptions.** It's often appropriate to prescribe new medication sparingly and discontinue medications for which potential harm may outweigh potential benefit. Make sure prescribers understand when and how to identify and discontinue unnecessary prescriptions.

The bottom line

Engaging the prescriber in your VBC strategy can make a direct impact on cost reduction.

Achieving IHI's Triple Aim with help from 3M

What are we doing to help connect payers, providers and pharmacies to the IHI's Triple Aim?

3M Health Information Systems strives to help organizations achieve IHI's Triple Aim by improving collaboration between payers, providers and pharmacies. That's why we began work on an innovative pharmacy engagement model—the Value-Based Pharmacy Model (VBPM).

The VBPM is being piloted with a large health insurer and 68 participating pharmacies that receive direct access to actionable information for more than 40,000 attributed members using 3M analytics. The aim of the pilot is to improve care quality and achieve sustainability goals through the partnership of the insurer, primary care provider and pharmacy teams.

The model provides financial incentives to pharmacies participating in the VBPM that achieve positive health outcomes while managing the total cost of care.

We anticipate that the VBPM will foster new relationships and referral patterns among high-performing pharmacies, PCPs and prescribers.

Let's work together to help your organization improve its pharmacy efforts to achieve IHI's Triple Aim.

Call **800-367-2447**. Or, dig into some more information at **3M.com/his/vbc**.

As the cost and volume of prescription drugs increase, payers must look for ways to improve outcomes and contain costs while managing population health.

Our solutions help payers reduce pharmacy costs, improve adherence and promote the IHI's Triple Aim by:

- Tracking medication adherence
- Producing risk-adjusted pharmacy cost comparisons across provider groups
- Identifying high-cost drug therapy and alternatives
- Attributing members to pharmacies

Footnotes

- ¹ Medicines Use and Spending in the U.S.: A review of 2016 and outlook to 2021, published by QuintilesIMS™, May 4, 2017, found at <https://www.quintilesims.com/press-releases/quintilesims-institute-study-us-drug-spending-growth-of-48-percent-in-2016>.
- ² National Health Expenditure Data provided by Centers for Medicare & Medicaid Services. Available 7/17/17 at: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html>.
- ³ A.M. Peterson, L. Takiya, R. Finley. "Meta-analysis of trials of interventions to improve medication adherence," *American Journal of Health-System Pharmacy*, 2003, vol. 60, 657-665.
- ⁴ E.D. Kantor, C.D. Rehm, J.S. Haas, A.T. Chan, E.L. Giovannucci. "Trends in Prescription Drug Use Among Adults in the United States From 1999-2012," *Journal of the American Medical Association*, 2015, vol. 314(17), 1818-1830.
- ⁵ Chanadda Chinthammit, Edward P. Armstrong, Kevin Boesen, Rose Martin, Ann M. Taylor, Terri Warholak, *Cost-Effectiveness of Comprehensive Medication Reviews Versus Noncomprehensive Medication Review Interventions and Subsequent Successful Medication Changes in a Medicare Part D Population*, Volume 21 (5).
- ⁶ M. Hussein, *Cost-Effectiveness Analysis of Medication Therapy Management in Patients with Type 2 Diabetes in Community Pharmacy/ Ambulatory Care Settings: Results From a Decision-Analytic Markov Model*, Value in Health, Volume 15, Issue 4, A181
- ⁷ Giberson S, Yoder S, Lee MP. Improving Patient and Health System Outcomes through Advanced Pharmacy Practice. A Report to the U.S. Surgeon General. Office of the Chief Pharmacist. U.S. Public Health Service. Dec 2011.
- ⁸ Excerpted from: "Medisafe Platform, App Increase Medication Adherence," *Population Health News*, Volume 4 Number 7, July 2017.
- ⁹ Jane E. Brody, "The Cost of Not Taking Your Medicine," *The New York Times*, April 17, 2017.
- ¹⁰ *Generic Drug Access & Savings in the U.S. Report*, published by the Association for Accessible Medicines, 2017.



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