August 8, 2011

Ms. Cheryl D. Allen
Contracting Officer
U.S. Office of Personnel Management
1900 E Street, NW
Washington, DC 20415-0001

*Re: Multi-State Plans—Nationwide Insurance Plans Offered Through Exchanges; Request for Information Number OPM35-11-R-0001*

Dear Ms. Allen:

On behalf of the National Community Pharmacists Association (NCPA), I am writing to highlight several issues that the United States Office of Personnel Management (OPM) may wish to consider as it moves forward with the implementation of the multi-state exchange plans as required under the Affordable Care Act (ACA). NCPA represents America’s community pharmacists, including the owners of more than 23,000 community pharmacies, pharmacy franchises and chains. Together these employ over 300,000 full-time employees and dispense nearly half of the nation’s retail prescription medicines.

NCPA has a number of suggestions or topics that we would recommend OPM consider in the areas of pharmacy quality as well as network adequacy and access as it moves forward with implementation of the multi-state plans offered through the exchanges as required under enacted Federal health care reform.

**OPM Should Include PBM Transparency Requirements in Any Forthcoming Proposed Requirements That are Consistent With Proposed HHS Regulations on Health Insurance Exchanges**

Included in federal health care reform legislation are transparency provisions that will be required of the Pharmacy Benefit Managers (PBMs) that manage prescription drug coverage under an Exchange health plan. Under Title VI Section 6005 of the Affordable Care Act, PBMs that serve health plans in an exchange will be required to confidentially disclose to the Secretary and the plans information on:

- The percent of all prescriptions provided through retail pharmacies compared to mail order and the generic dispensing rate and substitution rates of each;
• The aggregate amount and types of rebates, discounts and price concessions that the PBM negotiates on behalf of the plan and the aggregate amount of these passed on to the plan sponsor;
• The average aggregate difference between the amount the plan pays the PBM and the amount that the PBM pays the retail and mail order pharmacy

On July 11, 2011, the U.S. Department of Health and Human Services released for publication in the July 15 Federal Register a NPRM designed to implement Sections 1301-1321 of the Affordable Care Act and related provisions of law. This proposed rule seeks to establish, among other things, federal requirements that States must meet if they elect to establish and operate an Exchange as well as standards related to selection and oversight of qualified health plans (QHPs).

In recognition of the importance of fostering a new culture of transparency and accountability in all of the Exchange health plans, HHS included the PBM transparency requirements detailed in the Affordable Care Act in the recently-released NPRM in the required standards for QHPs. Section 156.295 of the HHS NPRM is entitled Prescription drug distribution and cost reporting and would require all QHP issuers (in a form and manner specified by HHS) to provide to HHS all of the requisite PBM information as required under the Affordable Care Act. In order to create consistency between the individual state exchange plans and the multi-state plans administered by OPM, NCPA recommends that OPM mirror the PBM transparency provisions of Section 156.295 of the recently released HHS NPRM on Health Insurance Exchanges.

NCPA Recommends that OPM Also Implement the PBM Transparency Provisions that the Agency Recently Instituted for the Federal Employees Health Benefit Plan (FEHBP) in the Multi-State Exchange Plans

In advance of the 2011 plan year, OPM implemented a number of PBM transparency provisions for FEHBP in recognition of the fact that the PBM contracting process needed a greater level of transparency and that OPM needed certain information in order to be able to better manage the drug benefit portion of the FEHBP. A recent estimate indicated that the current cost of the FEHBP drug benefit is responsible for a third of the total cost of the program. In recognition of the gravity of this statistic, which is greater than double the cost of the drug benefit for commercial plans, and to attempt to reverse this unfortunate trend, OPM responded by requiring necessary disclosures of certain information from PBMs that serve the FEHBP. NCPA encourages OPM to continue its newfound scrutiny of the PBMs and apply these “lessons learned” to the multi-state exchanges.

In addition, without a certain baseline of meaningful transparency in relationships between PBMs and health plans, it may be inherently difficult to accurately apportion PBM fees into medical/quality expenses versus administrative expenses for the purposes of compliance with the required medical loss ratio (MLR) calculation. It is only by having PBMs provide data to plan sponsors that these sponsors will be assured of their compliance with the MLR requirements of the Affordable Care Act.

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In Order to Ensure Adequate Access to Pharmacy Services in Hard-To-Serve Regions, NCPA Recommends that OPM Allow Participation of “Any Willing Pharmacies” in Multi-State Exchange Plans

One of the specific questions identified by OPM in this RFI (Question #16) is the issue of ensuring access in “states or regions of the country that are difficult to serve.” Independent community pharmacies in particular are frequently located in very rural or urban areas—communities that many times are not served by traditional chain pharmacies. For this reason, it is important that multi-state exchange plans allow the participation of these critical health care providers in these historically underserved communities. Perhaps the best way to ensure access in these and all areas is to allow the participation of all “willing pharmacies”, or those pharmacies that have not been excluded from any state or federal program that agree to accept the terms of the contract. In recognition of this fact, a number of individual states include similar “any willing provider” provisions in their state insurance laws and regulations.

In Terms of Pharmacy Network Adequacy, NCPA Cautions OPM Not to Equate Access to Mail Order Pharmacy with Access to Face-to Face Interaction with a Pharmacist

The OPM RFI Question # 17 poses the question to health plan issuers as to what their approach would be to handling “limited network capacity in hard-to-serve regions.” NCPA is concerned that some plan issuers may try to assert that mail order pharmacy is a cost saving technique that can provide adequate access to pharmacy services. NCPA does not oppose the offering of mail order pharmacy as one option that may be available to consumers if a level playing field with community pharmacy is established. However, there are a number of critical factors that distinguish access to retail pharmacy from access to mail order pharmacy.

Community pharmacies represent the most accessible point in patient-centered health care where typically consumers do not need an appointment to talk with a pharmacist about prescription medication, over-the-counter products or any other health-related concern. This access and related counseling typically results in more effective medication use and optimized health care outcomes, which may ultimately save money on averted downstream medical care. Studies have shown that Medicare Part D patients who had face-to-face counseling sessions with a community pharmacist experienced twice the decline in mean monthly drug costs compared to patients receiving counseling services from pharmacists working at mail order pharmacy call centers. There have been no peer-reviewed studies that indicate that prescriptions purchased through mail order pharmacies are less expensive than those purchased at retail pharmacies and, when given a choice, most patients (83%) prefer to fill their prescriptions at a community pharmacy rather than a mail order pharmacy. Finally, mail order pharmacy may not be suitable for certain patient populations like the elderly or those with multiple chronic conditions that typically benefit the most from personalized attention from their pharmacist.

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NCPA Recommends that OPM require QHPs in Multi-State Exchanges to include an Annual Pharmacist-Provided Comprehensive Medication Review as a Quality Improvement Strategy

The Affordable Care Act stipulates that “qualified health plans” in an Exchange must implement a quality improvement strategy that provides increased reimbursement or other incentives for a number of activities including: (1) improvement of health outcomes through medication and care compliance initiatives; (2) activities to prevent hospital readmissions; and (3) implementation of wellness and health promotion activities.

To this end, NCPA recommends that qualified health plans under multi-state exchanges include as a covered service, an annual Comprehensive Medication Review administered by a pharmacist in their area. The pharmacist shall review the patient’s complete medication profile to detect any potential conflicts or duplications and work with the patient’s doctor(s) to optimize each patient’s medication regimen. This type of medication therapy management (MTM) has been recognized by both the Medicaid and Medicare programs as an effective tool, particularly with respect to those patients with multiple chronic conditions. In addition, there are pharmacy quality metrics that are currently being utilized by CMS for purposes of the Medicare Part D program that could be utilized by qualified health plans in order to measure pharmacy performance. NCPA urges OPM to consider the value of pharmacist provided MTM services as well as the utilization of pharmacy quality metrics when providing qualified health plans with more information surrounding their quality improvement strategy.

Conclusion

As you gather information from all interested stakeholders in response to this Request for Information, NCPA respectfully urges you to consider these issues. We appreciate the opportunity to share our thoughts and recommendations with you.

Sincerely,

John M. Coster, Ph.D., R.Ph.
Senior Vice President, Government Affairs
and Director, NCPA Advocacy Center