



## **Position Statement**

### **A Medicare Outpatient Pharmacy Benefit**

ACCP supports the inclusion of a comprehensive pharmacy benefit within all health programs. Because Medicare does not currently provide such a program for outpatients, many of the nation's elderly are unable to obtain maximum benefit from the broad array of medications that can be vital to their health and well being. ACCP thus strongly supports reform efforts that would result in the addition of an outpatient pharmacy benefit to the Medicare program.

ACCP believes that an outpatient pharmacy benefit for Medicare enrollees must be designed to assure that both the beneficiary and the Medicare program receive maximum possible value from the products and professional services that constitute an effective benefit. Consequently, major attention in program design must be given to the following components:

- **Accessibility – All Medicare beneficiaries** should have access to an outpatient pharmacy benefit that includes all medically necessary and appropriate prescription medications **and the professional and clinical services of pharmacists that promote safe and effective use of those medications.** In this regard, a pharmacy benefit is as essential to the health and welfare of Medicare beneficiaries as are the hospitalization, physician services, and related components of the current Medicare program.
- **Adequate Financing & Affordability** – A Medicare pharmacy benefit should be sufficiently and firmly financed to support the current and future expenditures of the program without unnecessarily impacting the financing of and payment for other covered services.

To assure maximum benefit for the largest number of beneficiaries, appropriate strategies to promote program affordability should be utilized. Such measures might include (but not be limited to) the use of appropriate deductibles, co-payments, and expenditure caps based on beneficiary income or other relevant criteria, the use of effective formulary systems, and the application of effective systems and procedures for prospective and retrospective drug use review (DUR).

- **Availability of Clinical Pharmacy Services** – It is imperative that the Medicare program be reformed to include clinical pharmacy services as an integral part of a comprehensive pharmacy benefit. Providing the elderly with increased access to medications without also supporting an effective system for their rational and safe use is not wise policy. Thus, ACCP will support legislation to create an outpatient Medicare pharmacy benefit **only if** it also includes or otherwise provides for qualified pharmacists to be recognized as providers within the Medicare program, thus enabling them to work more effectively with elderly patients to achieve desirable outcomes from their use of medicines.

Studies conducted over the last two decades have repeatedly documented the effectiveness of pharmacists' clinical services in helping to assure the safe, effective, and cost-conscious use of medications. A summary of these studies suggests that for every \$1 invested in clinical pharmacy services, nearly \$17 is returned to the health care system in the form of reduced medication expenditures and savings associated with a reduction in drug-related morbidity. Recent data suggest that clinical pharmacy services are also associated with a significant decline in patient mortality. The current exclusion of pharmacists as Medicare providers significantly hampers their ability to help the elderly achieve the most effective results from their use of medications.

- **Benefit uniformity** – A Medicare pharmacy benefit should be structured to provide the maximum possible uniformity of administration and procedures across the entire beneficiary population. Either a single program administrator or a small number of regional program administrators would promote greater consistency of program administration for both beneficiaries and providers. Such an approach is particularly important given the substantial “residential mobility” of many Medicare beneficiaries during the year.
- **Improvement and Innovation** – A Medicare pharmacy benefit should foster and enable appropriate data collection and analysis concerning the clinical and pharmaco-economic effectiveness of the benefit in order to enhance its future success and support. In addition, the design of the benefit should not inhibit continued innovation in pharmaceutical product research and development.
- **Payment** – A Medicare pharmacy benefit must provide appropriate payment for both the pharmaceutical product **and the professional and clinical services of pharmacists that enhance the safe, efficacious, and cost-effective use of medications by the beneficiaries.**

### **Additional Considerations**

#### **Medication Safety:**

- The number, clinical complexity, and cost of medications have all increased several fold since Medicare was first established more than 30 years ago. That trend will undoubtedly continue into the future.
- While the substantial benefits of effective drug therapy are well known, recent studies have also highlighted the societal costs of medication-related morbidity and mortality—estimated to exceed \$100 billion per year in the U.S.
- It has also been estimated that as many as 7,000 patients die annually in the U.S. from medication errors.
- An effective Medicare outpatient pharmacy benefit must be designed to **help resolve, not further exacerbate**, these substantial public health problems.

#### **Demographic & Economic Reality:**

- The use of medications is a key and integral part of health care for the nation’s elderly. Currently, individuals over 65 years of age consume approximately one-third of the more than 3 billion outpatient prescriptions dispensed in the U.S.
- The elderly use about four times as many prescription products as their younger counterparts.
- Although many elderly citizens have some type of outpatient prescription drug coverage through their retirement or "Medigap" insurance programs, it has been estimated that 10-15% are completely without such coverage. In these cases, prescription drugs often account for the largest "out-of-pocket" health care expenditure. All too often, it is these patients, frequently with fixed, low income, who can least afford this expense.
- It is well known that the elderly will constitute a growing proportion of the U.S. population as life expectancy is extended and the large “Baby Boom” generation moves toward Medicare eligibility. Failure to add an effective outpatient pharmacy benefit to the Medicare program now can only result in substantially greater expenditures for more expensive and complex health services for this population in future years.