



Innovatix Opposes a Blanket Pharmacy Lock-In Policy; Supports Final Energy & Commerce Legislation

Background

Policymakers have considered a number of approaches to address prescription medication abuse. Specific attention has been given to polypharmacy—the simultaneous use of several medications to treat a single medical condition. As a possible method for limiting polypharmacy and prescription medication abuse, the U.S. House of Representatives Energy & Commerce (E&C) Committee included a pharmacy lock-in provision for Medicare Part D beneficiaries in the 21st Century Cures Act that passed out of committee on May 21.

Issue

The pharmacy lock-in provision that was *initially* included in the 21st Century Cures House proposal would have allowed a Medicare Part D drug benefit sponsor to limit certain at-risk Medicare enrollees to a sponsor-selected pharmacy and a single prescriber for frequently abused drugs.¹ While the provision was intended to identify high-risk beneficiaries and reduce opportunities for medication abuse or misuse, the policy overreached in its application to long-term care facilities (LTCFs). Pharmacy lock-in language should not include Medicare Part D beneficiaries who reside in LTCFs for several reasons.

The Part D program is predicated on free-market contracting between drug plans and pharmacies and is designed to meet the needs of a specific population. The population being served by LTCFs is not considered at high risk of drug abuse, which the pharmacy lock-in provision is attempting to curb. Compared to other Medicare beneficiaries, most beneficiaries in LTCFs are older, frailer, and use a significantly greater number of medications to manage multiple chronic conditions (the average resident is on 8–10 prescriptions). Additionally,

given the frail condition and cognitive limitations of most LTCF residents, they are not able to employ the common prescription drug abuse practices of “physician shopping” or “pharmacy shopping.” Furthermore, having the LTCF receive medication from multiple pharmacies at various times may create new opportunities for medication diversion, which the safe pharmacy network policy is trying to prevent.

With regard to access issues, it’s important to note that, typically, an LTCF selects a single LTC pharmacy to maintain uniform dispensing, ordering, and medication management for all of its residents. This relationship allows the LTCF to maintain one point of accountability for all medication-related issues and reduces potential medication abuse and misuse through an integrated, coordinated care model. Under a pharmacy lock-in provision, a Medicare Part D drug benefit sponsor could mandate that a specific pharmacy be used by certain residents (and not others), which directly interferes with an LTCF’s ability to appropriately manage the medication needs of all of its residents. Specifically, the fragmentation would not only be burdensome and inefficient, it would create differential barriers to access, with some beneficiaries receiving prescription medications without delay and others confronting impediments or limitations in accessing needed therapies, which the LTCF would be forced to reconcile. The proposed multi-pharmacy policy could create a problematic caste system in which some beneficiaries would have unimpeded access to drugs while others would not, leaving the LTCFs in the middle to resolve patient and family complaints.

The unique needs of LTCF beneficiaries are already recognized by the Centers for Medicare & Medicaid Services (CMS) under existing Medicare Part D policy, which requires pharmacies



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serving LTCF beneficiaries to meet specific service standards.² These enhanced services—such as specialized packaging, 24/7 delivery, and drug utilization review—also help reduce medication abuse and misuse by LTCF beneficiaries, and, notably, are in effect much more stringent than the original 21st Century Cures draft. The CMS requires its participating LTC pharmacies to provide oversight and management of all medications used by beneficiaries in LTCFs. Additionally, LTCFs must follow strict requirements and regulations for handling and administering narcotics, which are highly vulnerable to abuse.

Energy & Commerce Legislation

Innovatix is pleased that in the final manager's amendment released on May 20, the E&C Committee acknowledged concerns raised by Innovatix and other stakeholders urging the explicit exemption of Part D beneficiaries who reside in LTCFs, including skilled nursing facilities and intermediate care facilities for individuals with intellectual disabilities or other facilities that contract with a single pharmacy in the pharmacy lock-in provision. The House legislation also gives the United States Department of Health and Human Services Secretary discretion to exempt other beneficiaries, which would allow the exemption to apply to assisted living and correctional facilities. As the 21st Century Cures Act advances through Congress, Innovatix urges the retention of the E&C policy, and in doing so, the recognition of the specific, unique needs of LTCFs and other institutions contracting with a single pharmacy.

Innovatix Position

Innovatix strongly supports efforts to curb medication abuse and misuse; however, we strongly oppose a blanket pharmacy lock-in policy when applied to LTCFs as well as institutions that contract with a single pharmacy. As the 21st Century Cures legislation moves forward, Innovatix urges Congress to retain the language passed by the E&C Committee, which exempts from the pharmacy lock-in provision those Part D beneficiaries who are receiving care in LTCFs or other facilities in which frequently abused drugs are dispensed for residents through a contract with a single pharmacy.

Endnotes

1. The 'Protecting the Integrity of Medicare Act' (PIMA), Section 12, Programs to Prevent Prescription Drug Abuse Under Medicare Part D, as approved in the House Ways and Means Committee, February 2, 2015.
2. Medicare Prescription Drug Benefit Manual, Chapter 5: Benefits and Beneficiary Protections. Section 50.5 Long-Term Care (LTC) Pharmacy Access. Centers for Medicare & Medicaid Services.