Prescriptions for a Healthy America

"A Partnership for Advancing Medication Adherence"

December 6, 2013

The Honorable Dave Camp
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Max Baucus
Chairman
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
1106 Longworth House Office Building
Washington, DC 20515

The Honorable Orrin Hatch
Ranking Member
Committee on Finance
219 Dirksen House Office Building
Washington, DC 20510

Dear Representatives Camp and Levin and Senators Baucus and Hatch:

Prescriptions for a Healthy America Coalition appreciates the opportunity to submit our comments on the Committees' ongoing work on SGR and physician payment. We endorse the Committees' initiative to change the current flawed formula for reimbursing physicians, replace it with a stable update, and create opportunities to earn additional incentive payments based on quality, efficiency, and performance.

Prescriptions for a Healthy America is a multi-stakeholder alliance representing patients, providers, pharmacies, pharmaceutical manufacturers, and employers. Information about our membership can be found at www.adhereforhealth.org/who-we-are/. We came together to raise awareness about the growing challenges posed by medication non-adherence, as well as to advance public policy solutions that will help reduce health care costs and improve the lives of patients across the nation by improving medication adherence.

Medication non-adherence is a significant health and cost issue. Half of all patients do not take their medications as prescribed, and more than 1 in 5 new prescriptions go unfilled. This is an issue that impacts seniors and those with chronic illnesses and lower incomes disproportionately. For example, poor medication adherence results in 33% to 69% of medication-related hospital admissions in the United States, at a cost of roughly $100 billion per year.

Conversely, policies designed to improve adherence will help improve outcomes and lower costs. For example, treating all patients with high blood pressure to guideline could prevent up to 89,000 deaths and 420,000 hospital admissions annually at a cost savings of $15.6 billion per year. Increased adherence to hypertension and cholesterol medicines would reduce health care spending by $4 to $5 for every new dollar spent on medicines[1]. For its part, CBO has

[1] PhRMA; "Medicines in Development: Heart Disease and Stroke, 2013 Report". Accessed at http://phrma.org/sites/default/files/pdf/Heart_Overview_2013.pdf

changed its methodology such that a 1 percent increase in utilization of prescription medicines will result in a 0.2 percent decrease in medical services spending.[2]

Based on this evidence, we offer the following comments on the discussion draft:

The discussion draft would adjust Medicare payments to professionals based on performance on a single, budget-neutral incentive payment beginning in 2017 as part of a new Value Based Payment Program (VBP). To achieve this, current law payment penalties related to the Meaningful Use and Physician Quality Reporting System programs and adjustments made by the Value-Based Payment Modifier, would sunset at the end of 2016. The penalties that would have been assessed in these programs would finance new bonuses based on performance on measures of quality, resource use, clinical practice improvement activities and EHR Meaningful Use.

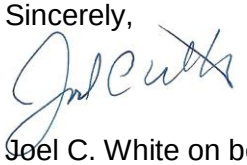
In addition, the discussion draft creates incentives to provide care through advanced Alternative Payment Models (APMs) where providers would share both upside and downside risk and meet certain quality requirements.

We believe that, if appropriately structured, the VBP and APM programs can encourage improved medication adherence, which is essential to helping achieve the goals of higher-quality, more efficient health care. Given the opportunity of improved medication adherence in achieving these goals, we suggest that as you continue your progress on physician payment reform you also provide incentives for policies that would improve adherence. These could include:

- Encouraging health care professionals to provide comprehensive medication management as part of the VBP and APM programs
- For treatment areas relevant to APM spending and outcomes, measuring APM performance on medication adherence as one of the quality measures for these programs
- Strengthening the EHR Meaningful Use program to better support medication adherence. (See Prescription for a Healthy America's comment letter here.)
- Including research about how to improve medication adherence as one of the expanded uses of Medicare data allowed for Qualified Entities.

Thank you for the opportunity to comment on the discussion draft. We are encouraged the proposal includes many promising reforms and we look forward to working with you to promote medication adherence policies within clinical practices to improve care and lower costs for Medicare beneficiaries and all consumers.

Sincerely,



Joel C. White on behalf of
Prescriptions for a Healthy America

[2] Congressional Budget Office; "Offsetting Effects of Prescription Drug Use on Medicare's Spending for Medical Services"; November 29, 2012.