

# Highlights

A summary of the 2010 7th Annual MHA Business Summit



The 2010 7th Annual MHA Business Summit took place March 4 and 5 at The Mandalay Bay Convention Center in Las Vegas, Nevada. Over 900 healthcare providers and people from industries servicing long-term care pharmacy participated in this year's meeting!

The two-day Business Summit addressed key areas of importance to long-term care pharmacies and highlighted the challenges with which they are confronted. A focus of the 2010 meeting was on healthcare reform and its implications to long-term care (LTC) and LTC pharmacies. One of the most important topics discussed was the changing face of healthcare under Medicare Part D and its impact on the future of LTC pharmacies. There were also presentations on the "evolution" of Medicare Part D and its challenges and opportunities, key regulatory issues affecting LTC pharmacies, a panel discussion on the changing face of LTC, and a session highlighting the MHA LTC Member Survey.

Michael O. Leavitt, Former Secretary of Health and Human Services and Leslie V. Norwalk, Former Acting Administrator of the Centers for Medicare and Medicaid Services were the keynote speakers at this year's meeting, discussing the state of healthcare reform and the impact of healthcare reform on LTC pharmacy.

Overall, there was great interaction among the speakers and program participants.

## Long-Term Care Pharmacy State of the Industry *Douglas A. Present*

Doug Present, Chief Executive Officer, MHA, commenced the 2010 Business Summit with an overview of the current state of LTC Pharmacy, noting the tremendous rise in the number of older Americans and the simultaneous increase in nursing home spending. He also pointed out the shift from care taking place in nursing homes to other long term care settings such as assisted living, home care, and hospice. Mr. Present noted that this trend points to increased growth in these other living settings compared to the traditional nursing home.

Mr. Present stated that the Centers for Medicare and Medicaid Services (CMS) continues to take an active role in LTC pharmacy, with an emphasis on the current monitoring by the Drug Enforcement Agency (DEA) of the dispensing of controlled substances to skilled nursing facilities. He stressed the importance of pharmacies familiarizing themselves with their state rules and regulations and following them, warning that the DEA is focused on LTC and is more active than ever.

Regarding PDPs and the Medicare Part D program, Mr. Present noted that PDPs continue to struggle with a lack of understanding and focus on LTC pharmacy.

Mr. Present closed by mentioning that in order to be successful in the future, MHA members should maximize the pharmaceutical and PDP opportunities that exist within MHA contracts; become engaged in grass roots efforts; think longer term and make decisions accordingly.



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## The State of Healthcare Reform

### *Michael O. Leavitt*

Michael Leavitt, former Governor of Utah and Secretary of Health and Human Services, began his keynote address to the Business Summit audience with a brief history lesson, noting that history will compel us as a nation to begin to manage our deficit and balance our expenditures. He explained that healthcare reform is driven by the economic imperative to find ways to be competitive in a global market.

Mr. Leavitt then discussed five major shifts that will likely occur as a result of healthcare reform, including:

1. deficit-driven downward reimbursement pressure at all levels in the healthcare system;
2. intensified insurer regulation;
3. expansion of public insurance market and contraction of private markets;
4. bundling of prices on procedures and bundling of populations; and
5. providers changing the place where risk is born.

Lastly, Mr. Leavitt talked about “value network” as a method of survival and creating efficiency. He said that in the future, the success of LTC pharmacy will be determined not by what pharmacies can accomplish alone, but by the networks they form or join.

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## The Impact of Healthcare Reform on Long-Term Care Pharmacy

### *Leslie V. Norwalk*

In her keynote lecture, Leslie Norwalk, Strategic Counsel, Epstein Becker & Green, P.C., addressed the three factors of healthcare reform—access, cost, and quality. She stated that there are five categories of uninsured, including the young invincible; poor; uninsurable; those that qualify for assistance; and undocumented aliens. She also pointed out that at 17.3% of its GDP, the U.S. spends the greatest amount on healthcare relative to other countries.



Ms. Norwalk then discussed potential outcomes related to healthcare reform that may have an effect on long-term care, focusing especially on the shorter fill time proposal, which will require Part D sponsors to renegotiate contractual terms with long-term care pharmacies to reduce waste associated with unused medications. The implementation of this proposal will affect pharmacy cost and pharmacy reimbursement. Likely scenarios that may be associated with this proposal include:

- a greater probability of errors due to an increased volume of prescriptions;
- a significant rise in packaging and dispensing costs caused by increases in dispensing frequency;
- more frequent billing cycles with an increase in associated administrative costs; and
- the need for additional nursing staff at LTC facilities to manage the receipt, verification, documentation, and distribution of hundreds of millions of additional transactions.

The three factors of healthcare reform—access, cost, and quality.

Ms. Norwalk recommended that because of these potential effects, many details need to be worked through prior to this proposal moving forward.

Ms. Norwalk closed with a discussion on ways in which the current Medicare drug benefit does not address the needs of the long-term care population, stating that 60-80% of the 1.6 million duals residing in nursing facilities are mentally impaired and often lack family support. Without this support, many residents are placed into plans that do not meet their healthcare needs. CMS needs to offer a system that can provide support for these residents so that the programs and services provided by the PDP best match those of the resident.

## The Strategic Focus of the American Society of Consultant Pharmacists (ASCP)

### *John Feather*

John Feather, Executive Director and CEO, ASCP, addressed the audience about legislative/regulatory issues that long-term care pharmacies are facing. He began with an overview of ASCP, stating that ASCP works closely with the Long Term Care Pharmacy Alliance strategizing how to move forward in the care of older adults. He mentioned that ASCP is particularly focused on the emerging waste reduction issue. Mr. Feather further maintained that ASCP takes the lead on the DEA’s role in medication regulation compliance relating to controlled substances. He also pointed out ASCP’s development of the Quality Care Coalition for Patients in Pain.



## Evolving Clinical Paradigms: A Focus on Risk Evaluation and Mitigation Strategy (REMS) and Comparative Effectiveness Research (CER)

**Kimberly Binaso-Stwalley, PharmD, RPh, CCP, FASCP, CGP, FASHP**

Kimberly Binaso-Stwalley, Director of Clinical Services, MHA, began her address to the audience with a discussion about the FDA Amendment Act of 2007 and the inclusion of REMS, stating that REMS requirements are continuing to emerge as part of post-marketing safety concerns.



Dr. Binaso-Stwalley then reviewed the components of a REMS program and their impact on senior care, noting that collaboration among healthcare professionals regarding REMS requirements is essential to minimize the burden while improving patient safety.

Another issue she discussed was the American Recovery and Reinvestment Act of 2009 and its focus on CER. She explained that CER is designed to look at outcomes associated with the real world effectiveness of a product or intervention.

Dr. Binaso-Stwalley ended her presentation with a discussion about the different types of CER, noting the key stakeholders involved and the priority areas of research, including atrial fibrillation, fall prevention methods, upper endoscopy utilization and frequency in GERD patients, inflammatory diseases, management strategies for prostate cancer, and pharmacological vs. non-pharmacological interventions for AD and other dementias.



## The Changing Face of Long-Term Care: A Panel Discussion

**Steven M. Berry, Phil Fogg, Jr., Robert Warnock, DPh, CGP, FASCP**

The panelists answered various questions about the long-term care services their organizations offer, how they interact with long-term care pharmacies, and which alternate sites of care have the greatest business potential for LTC pharmacies. Robert Warnock, Vice President of Pharmacy Services, Golden Living, explained that if you bundle product and information and the ability to keep patients at home in a way that reduces costs and improves care, a model is created in which pharmacists can play a role. Steven Berry, Partner, HTC Consulting, felt that the industry should move beyond just the delivery of pharmaceuticals to involvement in medication management. Phil Fogg, President and CEO,

**Pharmacy operators should consider cost and consumer preference when engaging in strategic planning and also suggested that they look at the home care, assisted living, and foster care markets for future growth.**

Marquis Companies, remarked on the migration from skilled nursing to community-based care programs such as assisted living, foster care and home care. Mr. Fogg advised that pharmacy operators consider cost and

consumer preference when engaging in strategic planning and also suggested that they look at the home care, assisted living, and foster care markets for future growth.

The panelists then discussed strategies on how to successfully expand into these alternate site market segments. Mr. Fogg noted that the first step is to evaluate the market you are in, including the policies of local and state governmental agencies in which you are doing business, to determine if your organization has the resources to offer potential services. Mr. Warnock suggested finding ways to be entrepreneurial and to be prepared to take risks, while Mr. Berry recommended that before jumping into any of these markets, pharmacy operators should become familiar with the industry and regulations and get involved with national and local associations.



## Filling the Glass: Real World Tactics and Motivation for Increasing Employee Motivation, Productivity AND Job Satisfaction

**Barry Maher**

Barry Maher, speaker and consultant, energized the crowd on Thursday late afternoon with his

humorous exercises and motivational techniques. He opened with a discussion on methods that can be used to motivate pharmacy staff and long-term care customers, beginning with the line “Never underestimate the power of a little incentive.” He also stressed the importance of focusing on the other person when trying to build a relationship—this includes making them feel important and building them up sincerely, honestly, and specifically, noting something of importance that they do.

Mr. Maher also discussed methods that can be used by long-term care pharmacy owners and operators to improve their work/life balance, including changing the scale (putting problems into perspective) and making the journey toward your goals enjoyable, rather than putting off having fun until old age.

**N**ever underestimate the power of a little incentive.

## An Update on the MHA Long-Term Care Member Study

**Michelle L. Templin**

Michelle Templin, Vice President, Long Term Care, MHA, provided an overview on the MHA Independent Long Term Care Member Study. She began with a brief history of the study, followed by its goals, which include pharmacy operation benchmarking; strategic and financial planning; growth and market forecasting; and overall performance improvement evaluations.

Ms. Templin then discussed the findings of the study, which demonstrated that a common MHA independent LTC pharmacy serviced less than 1,000 patients; operated 9-10 hours per day, 6 days a week; serviced residents within one state; spent an average \$5.5 million on pharmaceuticals per year; and maintained separate medical/surgical and capital equipment budgets.

Ms. Templin noted that this study is ongoing and will continue to be published in future years.

For more information and to obtain a copy of this report, contact your MHA representative.



## “Best Practices” in Reimbursement

**Maria Giamanco, Chad Hammerstrom, John Lengauer, Daniel J. Staniec**

This second panel discussion provided perspectives and recommendations from different healthcare professionals involved with reimbursement. The focus was on current reimbursement challenges, with additional discussions on strategies for long-term care pharmacies to obtain the appropriate reimbursement for medications and services provided within these settings.

In response to a question regarding key reimbursement issues that may affect revenue within long-term care pharmacies, Marie Giamanco, Third Party Manager, Partners Pharmacy, stated that there is a significant amount of eligibility issues, which may create rejection of a claim. Marie also emphasized that this needs to be worked out before reimbursement can proceed. In addition, it is important for the pharmacy to determine formulary status of a medication—those not on formulary will not be reimbursed. Daniel Staniec, Director of Industry Relations and Government Programs, CVS Caremark, noted that prior authorizations (PAs) were a key tool that PDPs use to manage costs. John Lengauer, Financial Project Manager, Pharmacy Management Group of Ohio, remarked that formularies are getting tighter, which increases the chance of a PDP declining reimbursement or slow reimbursement for a dispensed medication. Chad Hammerstrom, Vice President, Net-Rx, observed that there has been more complexity in the adjudication process to try to get claims paid properly.

When asked to comment on processes that have been offered or put in place for incorrect or inaccurate low-income subsidy (LIS) levels, Ms. Giamanco commented that with LIS challenges, pharmacy owners need to understand the patient status and the reimbursement process. When asked what trends can be observed in regards to the use of formulary management tools by PDPs in 2010, Mr. Lengauer responded that he anticipates an increase in PAs and the need for resources for a pharmacy to manage this process.

On potential long-term care reimbursement challenges that may occur under future state and federal legislation, Mr. Hammerstrom stated that the system will continue to evolve as rules change. Additionally, pharmacies need to be given the proper tools to solve various issues. Mr. Staniec foresees longer negotiations and contracts, as well as a stretch in resources and time.



From left, Chad Hammerstrom, John Lengauer, Daniel Staniec, Maria Giamanco

## MHA Update: New Tools and Services to Help Your Pharmacy

*Michael J. Sicilian, Lou Livolsi*

Lou Livolsi, Senior Vice President, MHA, addressed the audience on the on-going changes at MHA. He began by discussing member tools and programs that have been developed, such as PDP tools and Clinical Spotlights and Clinical Practice Updates. He also talked about MHA's strategic development of services such as MHAPDS, a pharmaceutical data service, and the company's recent acquisition of Net-Rx in 2010. Finally, Mr. Livolsi discussed the future direction of MHA, as it evolves from an Alternate Site GPO to a Health Care Services Company.

Michael Sicilian, President, MHA, closed the 2010 Business Summit with a discussion on what MHA has been doing to educate and inform its members on recent healthcare and legislative updates. He stressed the importance of pharmacies remaining flexible in this changing environment, with key suggestions including limiting prior authorizations, implementing step therapy and network pharmacy standards, requiring Part D plans to provide Notice of Coverage Determinations, and protecting LTC duals and beneficiaries from improper cost sharing. Mr. Sicilian then provided the audience with a background on past, present and future legislation, PDP activities, and pharmaceutical contracting activities that MHA is focused on, including updates on LTCPA activities, new pharmaceutical manufacturer contracting models, and PDP contract negotiations.



## *MHA Blackjack Tournament Raises \$7,000 to Support the Mark Baldinger Student Leadership Award!*

At the Business Summit, MHA hosted a blackjack tournament on Thursday, March 4th to benefit the Mark Baldinger Student Leadership Award. There were 61 total participants with a total of \$7,000 raised!



# Save the Date!

2011 Eighth Annual

**MHA**<sup>TM</sup>

**Business Summit**

**Thursday, March 17—Friday, March 18, 2011**

ARIA at CityCenter • Las Vegas, Nevada



**More Details at: [mhabizsummit.com](http://mhabizsummit.com)**

