UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

MAR 4 2013

The Honorable Carl Levin
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The enclosed report is submitted pursuant to language of Senate Report 112-173, page 134, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year 2013, which requests the Secretary of Defense to conduct a comprehensive review of its Medication Therapy Management (MTM) services, to include a discussion of MTM implementation to date, cost savings realized from utilization of MTM thus far, plans for future expansion, and an assessment of the feasibility and advisability of including this evolving standard of care into the broader TRICARE pharmacy program.

The use of pharmacists in MTM is continuing to grow and evolve in the Department of Defense's (DoD) Military Treatment Facilities. DoD pharmacists play a critical role in DoD's transition to a Patient Centered Medical Home model and have clearly shown the relationship between pharmacist involvement and positive patient outcomes. This transition continues and is supported by the Office of the Assistant Secretary of Defense for Health Affairs as outlined in the enclosed report. A similar letter has been sent to the Chairpersons of the other congressional defense committees.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families.

Sincerely,

Jessica L. Wright
Acting

Enclosure:
As stated

cc:
The Honorable James M. Inhofe
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

MAR 4 2013

The Honorable Kirsten E. Gillibrand
Chairwoman
Subcommittee on Personnel
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Madame Chairwoman:

The enclosed report is submitted pursuant to language of Senate Report 112-173, page 134, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year 2013, which requests the Secretary of Defense to conduct a comprehensive review of its Medication Therapy Management (MTM) services, to include a discussion of MTM implementation to date, cost savings realized from utilization of MTM thus far, plans for future expansion, and an assessment of the feasibility and advisability of including this evolving standard of care into the broader TRICARE pharmacy program.

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Sincerely,

Jessica L. Wright
Acting

Enclosure:
As stated

cc:
The Honorable Lindsey Graham
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

MAR 4 2013

The Honorable Howard P. "Buck" McKeon
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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Sincerely,

Jessica L. Wright
Acting

Enclosure:
As stated

cc:
The Honorable Adam Smith
Ranking Member

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

MAR 4 2013

The Honorable Joe Wilson
Chairman
Subcommittee on Military Personnel
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

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Thank you for your interest in the health and well-being of our Service members, veterans, and their families.

Sincerely,

Jessica D. Wright
Acting

Enclosure:
As stated

cc:
Ranking Member
Susan A. Davis

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

PERSONNEL AND
READINESS

MAR 4 2013

The Honorable Barbara A. Mikulski
Chairwoman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Madam Chairwoman:

The enclosed report is submitted pursuant to language of Senate Report 112-173, page 134, accompanying S. 3254, the National Defense Authorization Act for Fiscal Year 2013, which requests the Secretary of Defense to conduct a comprehensive review of its Medication Therapy Management (MTM) services, to include a discussion of MTM implementation to date, cost savings realized from utilization of MTM thus far, plans for future expansion, and an assessment of the feasibility and advisability of including this evolving standard of care into the broader TRICARE pharmacy program.

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Thank you for your interest in the health and well-being of our Service members, veterans, and their families.

Sincerely,

Jessica L. Wright
Acting

Enclosure:
As stated

cc:
The Honorable Richard C. Shelby
Vice Chairman

Report to the Congressional Defense Committee

on

The Department of Defense Review of Medication Therapy Management Services

In

Fiscal Year 2013

The estimated cost of the report or study for the Department of Defense is approximately $4,100 for the 2013 Fiscal Year. This included $100 in expenses and $4,100 in DoD labor.

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REPORT TO THE CONGRESSIONAL DEFENSE COMMITTEE

Department of Defense
Review of Medication Therapy Management Services

EXECUTIVE SUMMARY: Medication Therapy Management (MTM) is defined as a broad range of professional activities independent of, but that can occur in conjunction with, the provision of a medication product to optimize therapeutic outcomes for individual patients. An example is targeted patient counseling or prescriber intervention as part of a medication action plan designed to optimize therapy or the adherence to therapy.

Implementation of MTM is growing across commercial and government plans including the Department of Defense (DoD) and Centers for Medicare and Medicaid Services (CMS). DoD provides a broad range of MTM services at military treatment facilities (MTFs) and is developing additional services as this concept evolves in both commercial plans and within DoD.

The Military Health System (MHS) is transitioning to a Patient Centered Medical Home (PCMH) model, in which medication management plays a central role in improving patient outcomes and lowering costs. Although still in the transitional stage, there is both anecdotal and observational data indicating very positive results of pharmacist involvement and MTM. It is fully anticipated that these positive results will continue as the PCMH standard of care matures.

Progress in the purchased care arena is slower, primarily because of the lack of reimbursement for pharmacists who perform MTM roles. Until MTM becomes a recognized, required service with appropriate reimbursement for the professional's time, it is unlikely that MTM will become an integral part of civilian health care.

BACKGROUND: In Senate Report 112-173, page 134, accompanying S.3254, the National Defense Authorization Act for Fiscal Year 2013, the Senate Armed Services Committee requests the Secretary of Defense to conduct a comprehensive review of its MTM services, to include a discussion of MTM implementation to date, cost savings realized from utilization of MTM thus far, plans for future expansion, and an assessment of the feasibility and advisability of including this evolving standard of care into the broader TRICARE pharmacy program. The committee expects the Department to submit its report to the Committees on Armed Services of the Senate and the House of Representatives no later than February 1, 2013.

DISCUSSION: In 2008, MHS leadership identified the PCMH model for primary care as a key enabler of the Quadruple Aim. The MHS Quadruple Aim is a strategic plan intended to describe the optimal health care system for military families balancing the four priorities of Readiness, Population Health, Experience of Care, and Responsibly Managing the Total Health Care Costs. Pharmacy and medication therapy management is a key component of the medical home concept. The PCMH model enables pharmacists to contribute to the healthcare team through services focused on comprehensive medication management in improving patient clinical outcomes while lowering total healthcare costs. By redesigning health care delivery around the

patient, starting with a multi-disciplinary team that includes the pharmacist, primary care truly becomes the foundation of health and readiness.
This transformation is complex and far-reaching with fundamental changes in how Primary Care work is designed and implemented, how care teams are organized and trained, and how Primary Care is integrated with the broader health care system to ensure delivery of safe, effective, comprehensive, and coordinated care. The pharmaceutical care component is embedded in this transformation.

Across the three Services, evolving PCMHs have shown significant improvements in patient satisfaction, primary care manager (PCM) continuity, and access to care. Practice managers are teaming with clinical staff and hospital administrators to expand the definition of access from the traditional face-to-face PCM visit to include group visits, virtual care through Tri-Service adoption of secure messaging, and direct links to clinical pharmacists, dieticians, and other members of the expanded Primary Care delivery team. Each of the three Services is well along in the process of transforming its Primary Care clinics (430+ sites) to PCMHs. In September 2012, the Navy Bureau of Medicine and Surgery Center for Naval Analyses published a study which reviewed utilization patterns and the impact on per capita costs at four early Patient Centered Medical Homes (PCMH)/Medical Home Ports. The study showed a 12% to 25% decrease in in-patient admissions. There was also a decrease between 13% and 23% in emergency department and urgent care utilization. The end result of the study showed decreased costs ranging from 5% to 17% per member/per month. Given that MTM is one of the many components contributing to the success of the Medical Home, it is difficult to single out the cost saving directly attributed to having MTM embedded within the integrated health delivery model of the PCMH. Anecdotal reports comparing PCMH teams that included a clinical pharmacist providing MTM with teams lacking MTM services have shown improved Healthcare Effectiveness Data and Information Set (HEDIS) measures and overall reductions in per member per month costs for the teams with MTM provided by the pharmacist. HEDIS is a tool used by more than 90% of America's health plans to measure performance on important dimensions of care and service.

Observational data from one PCMH site showed significant improvement in the LDL cholesterol HEDIS measure for one of their three Family Medicine Teams with an embedded clinical pharmacist compared to the other two teams without a pharmacist delivering MTM. All three teams had comparable demographics and mix of patients with diabetes and similar baseline LDL HEDIS measures. At the end of a six month period, the team with the clinical pharmacist had an 83% compliance with LDL screening for their diabetic patients and achieved an LDL reduction <100 (the benchmark for lowering bad cholesterol levels) in 63% of these patients. These results were double the rate of screening by the other two teams with a 50% improvement in meeting LDL reduction when compared to the two teams without a pharmacist. In seeking additional resources to staff the other teams with clinical pharmacists, a physician overseeing these teams commented: "Our medical home embedded pharmacists are the people most responsible for achieving milestones in LDL HEDIS measures as well as other measures and services…the medical home pharmacists have proven such a special asset in providing patient care."

Currently, however, not all PCMH teams are supported by a Clinical Pharmacist delivering MTM services. TRICARE is working with the Military Services to obtain the necessary resources to expand coverage necessary to provide MTM services across all PCMH teams.

DoD continues to develop and provide a broad range of MTM services, including targeted patient counseling or prescriber intervention as part of a medication action plan designed to optimize therapy or the adherence to therapy. A small number of stand-alone MTM programs have recently been implemented by MTFs, which fill a large number of prescriptions from purchased care providers for patients not eligible to enroll in the MTF's PCMH. This beneficiary population includes many older, retired service members and their family members who are not eligible to enroll at MTFs but who have complex medication requirements and can benefit from MTM services, including better coordination of pharmaceutical care among their various providers. Measurement of the contribution of these programs will be gathered once sufficient longitudinal data points are achieved as these programs mature. Clinical pharmacists at many MTFs also provide focused care through programs such as Coumadin clinics, diabetes management, asthma clinics, and other programs that may require more specific management or specialty care.

Implementing MTM in the purchased care components of the Pharmacy program is challenging and is being explored. This is an area of opportunity for dialogue among DoD, the TRICARE pharmacy contractor, TRICARE managed care contractors and other professional organizations. Unfortunately, the expansion of MTM services in the purchased care sector of the TRICARE Pharmacy Program has been hindered by the "non-provider" status of pharmacists for MTM under Medicare Part B of the Social Security Act, which TRICARE follows to determine provider status. While Medicare Part D plans must include MTM in their benefit structure, the MTM program is considered an administrative cost by CMS. Arrangements for billing mechanisms and established fees for pharmacists and other qualified providers associated with providing MTM are between Plan D sponsors and the providers of MTM services. Unlike Medicare Part D, pharmacist provider status under TRICARE is essential for the reimbursement of clinical services delivered through MTM. Until pharmacists are designated as providers and can be compensated for services provided, expansion of MTM services in the purchased care sector will be limited.

In a 2012 report to the U.S. Surgeon General, the Office of the Chief Pharmacist in the Public Health Service wrote, "Those in decision-making positions (in the face of decades of proven performance, inter-professional support and evidence-based outcomes) should consider expanded implementation of the full spectrum of pharmacist-delivered patient care services with appropriate compensatory mechanisms." Until resources are provided and a compensation determination is made, the benefits of MTM services in the private sector will not be fully realized.

CONCLUSION: The use of pharmacists in MTM is continuing to grow and expand in DoD's MTFs. DoD pharmacists play a critical role in DoD's transition to a PCMH model and have clearly shown the relationship between pharmacist involvement and positive patient outcomes. This transition continues and is supported by the TRICARE Pharmacy Operations Directorate. To help promote and expand the concept of MTM, the Clinical Pharmacy Services Advisory

Committee has recently been formed to recommend standardized clinical pharmacy practices across the Services. This group will also develop metrics to better quantify the value of the clinical pharmacists and MTM in the future.

Challenges will continue in the managed care/purchased care arena in developing effective MTM services until pharmacists are designated as authorized TRICARE providers. This designation would allow delivery of clinical/MTM services with appropriate reimbursement. Since pharmacists are not recognized as "providers" under the Social Security Act and federal regulations, their time to provide these services cannot be reimbursed. TRICARE is actively monitoring MTM advancement in the purchased care sector and if warranted, will explore ways to provide reimbursement to pharmacists for this service in the future.