Financial Models for Clinical Pharmacy Integration

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Salud Family Health Centers

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Background

- Many providers agree on the value of a clinical pharmacist in a PCMH in regard to provider education and overall improvement of patient care
- Pharmacists generally earn ~$110K/year, which may make hiring a FT position difficult
- Medical practices and clinics are often challenged with how to bill or financially justify clinical pharmacy services
How to pay for a pharmacist?

- Value-based outcomes
  - Metrics/Data
  - RCCO Models of Support
- Fee-for-service billing
- Cost avoidance
- SB 165
Clinical Pharmacist Salary

- Pharmacists are well compensated
  - 2015 median annual wage = $121,500 + benefits

- Reimbursement historically tied to drug product
Reimbursement Definitions

- **Fee-for-service**
  - Service is provided, and a fee is charged
  - Payment received whether the service provided benefit or not

- **Value-based**
  - Reimbursement attached to quality of care
  - Pay-for-performance: payed more if care provided is of high quality
  - Penalty: payment withheld if care is of low quality (usually compared to peers)
Reimbursement Outline

- **Fee-for-service**
  - Private pay
  - Contracts through third-party payers, employer groups
  - Incident-to-billing
  - MTM-reimbursement through Part D
  - Medicare Wellness Visits
  - Extended provider visits

- **Value-based**
  - Pay-for-performance due to improved quality
  - Penalties for poor care delivery

- **Hybrid**
  - Transitional Care Management
  - Chronic Care Management
Fee-for-service

- **Private Pay**
  - Services can be paid for “out-of-pocket” by individual patients or family members
  - Challenging strategy
    - Most people do not pay “out-of-pocket” for healthcare costs, especially if they have multiple medications
    - Most patients are not aware of the potential benefit as this is not a societal expectation for pharmacists
  - Reasonable fee is $75 to $150 per hour
Fee-for-service

- **Incident-to-billing**
  - Allows physicians to bill for services provided by non-physicians in physician clinics
  - For “non-physician practitioners” (CMS rules)
  - Charges go out with the physician’s NPI as well as the service provider’s NPI
  - Reimbursed at 85% of the Physician Fee Schedule rate

- Pharmacists are eligible to bill “incident-to”

- Rules are different for “Hospital-Based Outpatient Clinic” versus “Physician-Based Outpatient Clinic”
“Hospital-Based Outpatient Clinic”

- Clinic that is financially tied to the hospital and appears on the hospital’s cost report
- Can bill for both a professional fee and a facility fee separately, but the pharmacist can only bill for the facility fee
- Healthcare Common Procedure Coding System code G0463 which covers all levels of services provided by the pharmacist
“Physician-Based Outpatient Clinic”

- Owned by a physician, or a physician group
- Submits one bill which covers both the facility fee and the professional fee
- CPT codes: 99211 – 99215
- Controversy exists regarding whether pharmacists can bill at levels higher than 99211
- The 99211 billing is something, but not enough to support the salary of a pharmacist ($20 to $40)
Incident-to requirements

- Integral part of a patient’s normal course of treatment
- Physician personally performed an initial service and stays actively involved
- Commonly rendered in a physician’s office
- Direct supervision by the physician
  » Present in the office suite, but does not need to be physically in the patient’s room
- Patient record should reflect proper documentation
## Evaluation and Management (E/M) Codes

<table>
<thead>
<tr>
<th>Level</th>
<th>History</th>
<th>Physical Exam</th>
<th>Medical Decision Making</th>
<th>Time (minutes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>99211 Minimal</td>
<td>Minimal</td>
<td>Minimal</td>
<td>None</td>
<td>5</td>
</tr>
<tr>
<td>99212 Problem focused</td>
<td>CC, HPI</td>
<td>1-5 elements</td>
<td>Straightforward</td>
<td>10</td>
</tr>
<tr>
<td>99213 Expanded problem focused</td>
<td>CC, HPI, ROS</td>
<td>6 or more elements</td>
<td>Low complexity</td>
<td>15</td>
</tr>
<tr>
<td>99214 Detailed</td>
<td>CC, HPI, ROS, PFSH</td>
<td>12 elements</td>
<td>Moderate complexity</td>
<td>25</td>
</tr>
<tr>
<td>99215 Comprehensive</td>
<td>CC, HPI, ROS, PFSH</td>
<td>All elements</td>
<td>High complexity</td>
<td>40</td>
</tr>
</tbody>
</table>

CC = chief complaint; HPI = history of present illness; ROS = review of systems; PFSH = past medical, family, or social history
Fee-for-service

- **Extended provider visits**
  - The physician/provider and clinical pharmacist work collaboratively to provide a higher level of care
    - Higher complexity of care for longer duration
  - The physician directs the care, and the clinical pharmacist serve as provider extender
  - Patient receives comprehensive visit, long duration of interaction
  - Potential for higher quality of care, and higher level of reimbursement
  - Example: UCH Endocrinology
## Descriptions of Pharmacist-Specific CPT Codes for MTM Services

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>99605</td>
<td>Medication therapy management service(s) (MTM) provided by a pharmacist, individual, face to face with patient, with assessment and intervention if provided; initial 15 minutes, <strong>new patient</strong></td>
</tr>
<tr>
<td>99606</td>
<td>Medication therapy management service(s) (MTM) provided by a pharmacist, individual, face to face with patient, with assessment and intervention if provided; initial 15 minutes, <strong>established patient</strong></td>
</tr>
<tr>
<td>99607</td>
<td>Medication therapy management service(s) (MTM) provided by a pharmacist, individual, face to face with patient, with assessment and intervention if provided; each additional 15 minutes (<strong>List separately plus code for primary service</strong>)</td>
</tr>
</tbody>
</table>
## Initial visit

<table>
<thead>
<tr>
<th>CPT codes</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
</table>
| 99605 (1), 99607 (4) | $225   | • 8 or more medications  
• High complexity  
• 59+ minutes face-to-face, 1-2 hours research and follow-up |
| 99605 (1), 99607 (2) | $150   | • 0 to 7 medications  
• Low-medium complexity  
• 30-59 minutes face-to-face, limited research and follow-up |

## Follow-up visits

<table>
<thead>
<tr>
<th>CPT codes</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
</table>
| 99606 (4), 99607 (4) | $210   | • 8 or more medications  
• High complexity  
• 59+ minutes visit/follow-up |
| 99606 (1); 99607 (2) | $135   | • 0 to 7 medications  
• Low-medium complexity  
• 30-59 minutes face-to-face, limited hours research/follow-up |
| 99606 (1)          | $60    | • At least 1 medication/problem  
• 15 minutes visit/follow-up |
Fee-for-service

Medicare Annual Wellness Visit (AWV)

– 1 yearly visit focused on wellness which can be provided by a clinical pharmacist under supervision of physician
– Initial “Welcome to Medicare” must be provided by the physician
– Patient does not have a co-pay

• Payment
  – Initial AWV (CPT: G0438) = $172
  – Subsequent AWV (CPT: G0439) = $111
Medicare AWV

• Eligibility
  – All beneficiaries no longer within 12 months of their first Medicare Part B coverage period
  – Not had IPPE or an AWV within the past 12 months

• Supporting literature:
# IPPE vs. AWV

| **Table 1. Elements of Medicare Wellness Visits (MWVs)** | **Initial Annual Medicare Wellness Visit**  
(billing code G0438) | **Subsequent Annual Medical Wellness Visit**  
(billing code G0439) |
|--------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| **Welcome to Medicare Initial Preventive Physical Examination (IPPE)**  
(not billable by a pharmacist) | Gather a history:  
Medical, surgical, and family history  
Medications, supplements, and allergies  
Lifestyle assessment (smoking status, physical activity, diet history)  
Review of potential risk for depression  
Review of functional ability, level of safety | Gather a history:  
Medical, surgical, and family history  
Medications, supplements, and allergies  
Lifestyle assessment (smoking status, physical activity, diet history)  
Review of potential risk for depression  
Review of functional ability, level of safety | Update history:  
Medical, surgical, and family history  
Medications, supplements, and allergies |
| **History** | **Examination** | **Counseling** |
| Physical examination, as appropriate, for patient  
Height, weight, BMI, blood pressure  
Visual acuity screening  
List of other providers, suppliers  
Assessment of cognitive function | Height, weight, BMI, blood pressure  
List of other providers, suppliers  
Assessment of cognitive function | Written screening schedule and recommended preventive services  
List of risks and recommendations  
Referrals to programs, as appropriate |
| **Written screening schedule and recommended preventive services**  
List of risks and recommendations  
Referrals to programs, as appropriate | | Written screening schedule and recommended preventive services  
List of risks and recommendations  
Referrals to programs, as appropriate |
| **End-of-life planning (advance directives)**  
Written screening schedule and recommended preventive services  
List of risks and recommendations  
Referrals to programs, as appropriate | | |

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*J Am Pharm Assoc. 2014; 54:427–434*
HEALTH RISK ASSESSMENT

Name: 

Birthdate: ___________________________ Date: ___________________________

This health risk assessment form helps us review your current health and needs. Please answer all questions on the form. During your annual wellness visit we will discuss your current health and illness prevention. This is a WELL visit. Please let us know in advance if you need to discuss new illnesses or symptoms, as *this is not automatically included in the wellness visit*.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you had a <em>colonoscopy</em> in the past 10 years?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Females:</strong> Have you had a <em>mammogram</em> this year?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have you had a <em>pelvic exam</em> in the past 2 years?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Males:</strong> Have you had a <em>prostate</em> screening this year?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recently have you felt down, depressed, or hopeless?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recently, have you felt little interest or pleasure in doing things?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Because of health problems, do you need the help of another person with your personal care needs? (such as eating, bathing, dressing, or getting around the house)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have you fallen two or more times in the past year?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How would you rate your <em>diet</em> choices recently?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ very healthy □ mostly healthy □ usually not healthy □ do not know if it is healthy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In the past year, has your <em>weight</em> changed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ gained weight □ lost weight □ stayed the same</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In the past year, about <em>how many pounds</em> have you lost or gained?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>______________________________________ pounds ____________________________</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have you had a <em>flu</em> vaccine this year?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have you ever had a <em>Zoster</em> vaccine?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have you had a <em>pneumonia</em> vaccine since you turned 65?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How many times do you <em>exercise</em> during most WEEKS?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ never □ occasionally (1 or 2) □ 3 times □ 5 times (or more)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>When you exercise, what <em>level</em> do you work at?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ slow □ moderate □ vigorous</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are you a <em>smoker</em>?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ yes, NOT ready to quit □ yes, want to quit □ No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In the past four weeks did you drink <em>alcohol</em>?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ none □ occasionally □ weekly □ daily</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you have WORKING <em>smoke detectors</em> in your home?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Yes □ No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do you always fasten your <em>seat belt</em> when you are in a car?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ always □ usually □ sometimes □ never</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How often do you have trouble <em>taking medicines</em> the way you have been told to take them (as prescribed)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ most always □ sometimes □ rarely □ do not take medicine</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Screening and Action

<table>
<thead>
<tr>
<th>AWV&lt;sup&gt;a&lt;/sup&gt; Required Element</th>
<th>Screening tool</th>
<th>Abbreviated action plan</th>
<th>Provider comments:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depression screening</td>
<td>HRA form, interview, Geriatric Depression Scale&lt;sup&gt;8&lt;/sup&gt; when indicated</td>
<td>✗ Refer to provider if mild, moderate, previously treated &lt;br&gt; ✗ If severe or warning signs, evaluate need for immediate intervention with available provider</td>
<td></td>
</tr>
<tr>
<td>Functional ability screening</td>
<td>HRA form, UpNGo test&lt;sup&gt;8&lt;/sup&gt;, observation</td>
<td>✗ Fall risk prevention information &lt;br&gt; ✗ Referral to home health as indicated &lt;br&gt; ✗ Referral to physical therapy as indicated</td>
<td></td>
</tr>
<tr>
<td>Lifestyle assessment</td>
<td>HRA form, Interview</td>
<td>✗ Obesity referral &lt;br&gt; ✗ Smoking cessation counseling, referral to local program &lt;br&gt; ✗ Alcohol support group list</td>
<td></td>
</tr>
<tr>
<td>Cognitive function</td>
<td>MiniCog&lt;sup&gt;9&lt;/sup&gt;</td>
<td>✗ Internal provider notification &lt;br&gt; ✗ Assess family member involvement &amp; need for additional referrals</td>
<td></td>
</tr>
<tr>
<td>Immunizations</td>
<td>EMR immunization history</td>
<td>✗ Provide vaccinations onsite if available &lt;br&gt; ✗ Written Rx for Zostavax, instructions to patient</td>
<td></td>
</tr>
</tbody>
</table>
Value-Based Reimbursement

- **Group Practice Reporting Option (GPRO)**
  - Reporting option for the Physician Quality Reporting System (PQRS)
    - *PQRS*: quality reporting program encouraging providers and practices to report healthcare outcomes to Medicare
    - *In 2015, negative payment adjustment will occur for those not satisfactorily reporting data on quality measures for Medicare Part B covered professional services in 2013. Those who report satisfactorily for the 2015 program year will avoid the 2017 PQRS negative payment adjustment.*
  - Reporting outcomes and providing good care will result in higher reimbursement
  - This payment model will be mandatory for all Medicare payments in the near future
GPRO Medication Management Metrics

• GPRO measures clinical pharmacy should target
  – Coronary Artery Disease AND Diabetes or Left Ventricular Systolic Dysfunction (LVEF < 40%): ACEi or ARB
  – Hgb A1c Poor Control (> 9%)
  – Beta-Blocker Therapy for LVSD
  – Controlling High Blood Pressure (< 140/90)
  – Ischemic Vascular Disease (IVD): Use of Aspirin or Another Antithrombotic
  – Depression Remission at Twelve Months
  – Preventive Care and Screening: Influenza Immunization
  – Pneumonia Vaccination Status for Older Adults

• 17 total measures, at least 8 related to medication management
Value-Based Reimbursement

Accountable Care Organization (ACO)

- **Example**: Colorado Medicaid Regional Care Collaborative Organizations (RCCOs)
- State divided into 7 regions. All Medicaid patients in designated region are part of that ACO
- Third party insurers contract with a region; then are accountable for the health outcomes of those patients
- Overall Key Performance Indicators
  - ER visits, 30-day readmission, high cost imaging, well child care, post-partum care
- 2 RCCOs have hired clinical pharmacists at the School of Pharmacy to target medication metrics
Value-Based Reimbursement

• CMS Star Ratings
  – Annual rating of MA-PD, MA, and PDP plans
  – Ratings displayed as 1-5 stars
    ★ = poor performance
    ★★ = below average performance
    ★★★ = average performance
    ★★★★ = above average performance
    ★★★★★ = excellent performance
  – Star Ratings measures span five broad categories:
    • Outcomes
    • Intermediate Outcomes
    • Patient Experience
    • Access
    • Process
CMS Star Ratings

- Incentives to achieve higher rating
  - **5-Star Rating Plans** can enroll beneficiaries at any time during the year, rather than only during the annual open enrollment period
  - **4-Star** or higher plans receive a 5% boost to their monthly per-member payments from Medicare, while those with lower scores receive nothing extra
  - Rebates of varying amounts to be returned to the beneficiary in the form of reduced co-pays or cost-sharing
    - *Example:* 50% for 3.5 stars, 70% for 4.5 stars
  - Plans with **less than 3 stars** are marked as “low performing plans” on the Medicare Plan Finder
  - Those that achieve **less than 3 stars** for 3 consecutive years will receive a notice of non-renewal
Penalties

• CMS Hospital Readmissions Reduction Program
  – Requires CMS to reduce payments to Inpatient Prospective Payment System hospitals with excess readmissions
  – Goal is to improve 30-day hospital readmission for applicable conditions of MI, heart failure, COPD, TKA, THA, and pneumonia
  – Up to 3% payment reduction for 2015, which represents millions of dollars
  – Clinical pharmacists can help to coordinate care and reduce hospital readmissions due to adverse drug events
Chronic Care Management (CCM)  
Fee-for-service payment for value-based clinical activities  

• Chronic Care Management (CCM), a non-visit based payment, started January 1, 2015. Intended to encourage practices to provide care outside of a patient visit, and to receive payment for providing this care.

• Eligibility: Patients with two or more chronic conditions expected to last 12 months

• Must include at least 20 minutes of clinical staff time directed by the physician or other qualified healthcare professional

• Billing: CPT code 99490: $40.39 each patient, each month
Chronic Care Management (CCM)
Fee-for-service payment for value-based clinical activities

• Challenges
  – Requires patient enrollment with consent
  – Some patients will need to pay 20% co-pay
  – Difficult tracking 20-minute contribution for each member of the healthcare team
  – In some clinics, patients already receiving this type of service for free, often for many years

• Opportunities
  – Care delivery onsite or offsite
  – Potential to generate $75,000 to $100,000 annually
  – Target quality metrics and generate revenue
Proposing a Clinical Pharmacy Service to Improve Metrics

1. Identify who is paying, or who will benefit
   - What is their incentive? Triple AIM? Provider/patient satisfaction?

2. Define the outcomes of interest
   - Outcome should be valued by healthcare team and administration
   - Outcomes should be “SMART” (specific, measurable, achievable, realistic, time-bound)

3. Define the intervention to achieve the outcome
   - Is there literature to support the intervention?
   - Will this fit into the workflow? Will providers be supportive?

4. Identify how it will be paid for

5. Implement and regularly evaluate metrics
   - Do not be afraid to brag about your successes
   - Tell them, tell them again, and tell them again
   - Present your data at meetings, and try to publish
Transition from a grant-funded clinical pharmacy program into an innovative, sustainable, value-based model in a Federally Qualified Health Center

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One year of clinical metrics demonstrated significant reductions in A1c, blood pressure, and LDL-C for patients co-managed by pharmacists and PCP

- Significant reduction in patients with A1c ≥ 9% (56% baseline, 31% at 1 year, n= 121)
- Significant reduction in patients with BP < 140/90 (35% baseline, 60% at 1 year, n = 203)
- Significant reduction in LDL-C < 100 mg/dL (45% baseline, 72% at 1 year, n = 75)

High provider satisfaction ratings with clinical pharmacy program

- 94% of providers thought Salud should make continuing clinical pharmacy services a priority
- 88% of providers thought patients had a better understanding of their condition since seeing a clinical pharmacist

Positive metrics were extrapolated to RCCO patients receiving care at Salud and provided the justification necessary to fund this clinical pharmacy program.

RCCO agreed to fund 2 full time clinical pharmacists and 1 PGY2 resident in current locations.

Additional RCCOs were contacted and funding provided for 2-4 additional clinical pharmacists positions at the Salud clinics in Ft. Collins and Longmont.

Value and impact of clinical pharmacy services within this FQHC were proven by clinical metrics that demonstrated improvements in chronic disease control, provider satisfaction, and direct patient care activities.

New funding opportunities within ACCs exist and will continue to evolve for clinical pharmacy services that demonstrate positive outcomes.

Clinical pharmacy programs should target metrics that coincide with those by which ACCs are measured to justify reimbursement for clinical pharmacy services.

In the next year clinical pharmacists will show improved outcomes for:

- Patient satisfaction
- Provider Satisfaction
- Diabetes, Hypertension, Lipids

Pharmacists will also develop innovative programs for provider education and medication adherence

Development of mental health protocols

Development of a FQHC track in our current PGY2 Ambulatory Care Residency

References