Reimbursement by Medical Insurance Carriers for Patient Care Services Provided by Pharmacists
Compiled by Jenny Arnold, PharmD, BCPS
May 27th, 2011

Needs Assessment

The Affordable Care Act is beginning to impact and change the healthcare industry, which provides community pharmacists the opportunity to change the type of care they provide to patients. Pharmacists in the community are poised to be physician extenders, helping to manage chronic illness and provide preventative care in the communities where patients live. Pharmacists are in nearly every community in the country with 93% of the US population living within 5 miles of a pharmacy. Also, pharmacists tend to see their patients more frequently than the patient sees their physician. In addition to this high level of accessibility, the education a pharmacist earns has prepared them to be the medication experts in the health care team. Pharmacists can utilize their extensive medication knowledge and patient counseling skills to assist the health care team in helping patients reach treatment and clinical goals through appropriate medication selection, dosing and patient education. Multiple studies have shown that for many chronic disease states, achieving therapeutic goals outlined in treatment guidelines improves long term patient outcomes and saves the health care system money. Studies have also shown that pharmacists excel in helping patients reach these treatment goals.

As our healthcare system’s focus is shifted to prevention and better treatment of chronic conditions by the Affordable Care Act, the practice of pharmacy will evolve to meet the challenges that arise. The health care system anticipates a shortage of primary care for patients in the United States when the Affordable Care Act is fully implemented. Pharmacists can be utilized as physician extenders by providing care of patients with chronic illness through Collaborative Drug Therapy Agreements (CDTA) and preventative care including vaccinations. It is important that pharmacists find a way to meet this need at this time of great change in the system. Pharmacists are already an integral part of medical home models and community pharmacies may need to find a role in newly formed Accountable Care Organizations (ACOs). Pharmacists can provide care and services for patients to improve therapeutic outcomes for patients and help them achieve therapeutic goals. In order for pharmacists to provide these services through existing and future medical delivery systems a key change needs to occur. This change is a shift in the way pharmacists are reimbursed for providing patient care services. Pharmacists must be recognized as providers of patient care by medical insurance carriers, and be reimbursed by these insurance carriers for the patient care services they provide.

The goal of this grant is to document and model the steps that community pharmacists and the profession need to take to achieve recognition by medical insurance carriers and reimbursement as patient care providers. Recognition and reimbursement of pharmacists as patient care providers will improve patient access to pharmacy care by enabling pharmacist inclusion in ACOs, fee for service billing that may be included in medical home models, and billing for care provided to patients through existing medical models in the community. Patients having to pay out of pocket for pharmacy care and preventative care including vaccinations are a barrier to patient access that must be addressed. Currently, pharmacists in the community provide excellent patient care, and it is important to review this wide variety of care and how it is currently reimbursed. Some of the patient care services provided in Washington State and
across the county will be reviewed as examples of care and the need to reform the reimbursement model for the care.

Community pharmacists in Washington routinely provide vaccinations to patients. Most of the vaccinations are provided to adults and adolescents, but the number of pharmacists that provide immunizations to children is increasing. Patients can get routine vaccinations, the influenza vaccine, and vaccinations for safe travel from their pharmacist. For these services, there are a few reimbursement strategies. Often patients pay out of pocket for vaccines in the pharmacy, and then may or may not seek reimbursement for their expenses. Some prescription drug benefit plans will reimburse pharmacists for vaccinations through the point of care system, and most often this is seen with influenza vaccine. In addition to insurance prescription benefit plans covering vaccines, some medical insurance plans have supported pharmacist administration of vaccines by utilizing the point of sale billing system for reimbursement. Medicare Part B reimburses pharmacists for administration of many vaccines, most commonly influenza and pneumococcal vaccine. The shingles vaccine is the first Medicare Part D vaccine which allows pharmacists to bill the Part D plan for the vaccine and administration fee. There is one chain pharmacy in Washington State, Walgreens, which has signed contracts with many medical insurance carriers for reimbursement for administer of influenza vaccines to their patients. Currently, the Washington State Department of Health Vaccine Program has identified pharmacist reimbursement for vaccine administration by medical insurance carriers as a top priority to facilitate improved vaccine delivery to adults in Washington State. Vaccines are the cornerstone to preventative healthcare supported by the Affordable Care Act, and pharmacies are a key provider of adult and adolescent vaccine in communities across the country. Pharmacies must be able to be reimbursed by medical insurance plans as providers to best facilitate preventative care to patients. There is one example of this happening nationally, in Tennessee. The Tennessee pharmacists have formed a partnership with Blue Cross/Blue Shield that allows pharmacists to be credentialed as medical care providers, and bill the medical plan for vaccine and the administration fee. According to Micah Cost, Director of Professional Affairs with the Tennessee Pharmacists Association, the system is working very well, and both Blue Cross/Blue Shield and the Tennessee Pharmacists Association are looking to expand covered services to diabetes care. This will serve as the closest model in the country for the Washington Pharmacists to follow.

Pharmacists that provide medication therapy management are also an example of the need for reimbursement of pharmacists for patient care services. Community pharmacists in Washington State provide Medication Therapy Management Services and medication reviews for patients. These services receive reimbursement for Medicare Part D beneficiaries by the Medicare Modernization Act of 2003 that first defined MTM. A few pharmacies in Washington and other states have successfully partnered with self-insured employers to help companies keep health care costs down by helping with formulary management, adherence initiatives and patient education. The self insured employers reimburse pharmacists for patient care services, and some disease state management care. The City of Asheville, and the University of Minnesota are two entities that have engaged in such partnerships. These services are useful models for patient care, but are only able to reach a limited patient population. In Washington State, a small number of community pharmacists will visit patients in their homes to provide comprehensive medication reviews independent from a dispensing pharmacy. Often these home visits and comprehensive services are paid for by the patient, their loved ones, or by social work. Despite the work of the grant, poor reimbursement of MTM services may continue because MTM is not a covered service by most medical insurance plans. Therefore, even if pharmacists have the opportunity to be
recognized as providers and reimbursed for services, MTM may continue to not be a reimbursable service. Having said this, many of the conditions and issues addressed by a medication review may be reimbursable services individually. Through collaboration with physicians, pharmacists could address and make recommendations for a variety of chronic diseases identified during medication reviews such as incontinence, pain management, lipid management, diabetes and blood glucose control, blood pressure control, fall risk evaluation, patient specific dosing of medications, and may eventually be able to bill and be reimbursed for their patient care services.

1st Avenue Pharmacy in Spokane serves as an example of the specialty disease states that pharmacists serve through community settings, and also demonstrates a need for reimbursement within the urban environment. This independent community pharmacy in Spokane, Washington provides support to mentally ill patients in their community. They perform drug monitoring and will administer injectable long-acting psychotropic medications in the pharmacy. While this pharmacy has been reimbursed for the blood draws they complete on-site, they have not had any success being reimbursed by Medicaid, Medicare, or medical insurance carriers for the administration of the medications, or for their medication monitoring services. Their medication management and monitoring services are performed through a CDTA, similar to other mid-level practitioners. This service has helped to stabilize many patients in the community, and relieved the work load at the Community Psychiatric Clinic in the community. For this service to continue and to grow to support more patients within their community the pharmacist will need to be reimbursed for their patient care services.

In rural Western Washington, a community pharmacy has formed a partnership with the family practice clinic in their rural town to manage the chronic medications for blood pressure, diabetes, and other disease states of shared patients. The physician in the clinic supports the partnership as a way to help more patients reach treatment goals, and to be able to see more complicated patients themselves. The pharmacists are looking forward to using their clinical skills to better help their patients. The challenge that this care model poses was that the pharmacist would not be able to bill the medical insurance carriers for the care they provided to patients. Even if the patients would pay out of pocket for the visit, and file for reimbursement with their insurance carrier, the pharmacy is not in the carrier’s network so the patient’s co-pay often would be higher. This billing challenge has delayed the implementation of the project at this time. This partnership between providers demonstrates how a community pharmacist can expand primary care in a rural setting to improve the therapeutic outcomes of patients.

Above are just a few examples of innovative pharmacies providing unreimbursed patient care services, or potential for extending the care of physicians into the community. The care that pharmacists can provide to patients in the community setting is most likely beyond the scope that has currently been seen. A few disease states that can be managed in the community through a CDTA and appropriate training and screening tools for the pharmacist include diabetes, asthma, seasonal allergies, reproductive health, hypertension, etc. With creative partnerships with a lab as seen at 1st Avenue Pharmacy, or acquisition of laboratory equipment, the list of diseases that may be managed by a specialized pharmacist or pharmacy is unlimited. Some of the disease states may include dyslipidemia, psychiatric medication administration and monitoring, anticoagulation, etc. There are numerous studies showing the benefit of pharmacist involvement in chronic disease state management.
Within ambulatory and clinic settings, pharmacists often provide patient care for anticoagulation, dyslipidemia, pain management, hypertension, etc. In these settings pharmacist providers bill a level 1 or incident-to billing code for a low level visit, generally associated with the patient being in a room. Pharmacists have not had access to the credentialing and billing contracts that other mid-level providers, such as ARNPs, have been included in. While the pharmacist is billing for their care there still remains an opportunity for pharmacists to achieve equal reimbursement and recognition for patient care as mid-level providers.

It is imperative for the advancement of the profession that pharmacists are recognized as providers of patient care services. Currently, there is only one model of pharmacists being reimbursed as providers for vaccine administration by a single medical insurance carrier. The aim of this grant is to establish this model in Washington State for community pharmacists. As described in the Capacity, Readiness and Operations Section below, Washington State is an ideal location to begin a project like this. Washington State was the first to have CDTAs, and Prescriptive Protocols when the Practice Act was re-written in 1979. Also in this revision was the ability to administer medications. The ability to prescribe and administer medications later opened the door to Washington State pharmacists being the first in the country to administer vaccines. When Washington State achieved these landmarks they were far ahead of pharmacy practice in the rest of the country. Model projects and practitioners leading the way for others has been an important hallmark of important changes in our profession. Facilitating pharmacist billing medical insurance companies for patient care services will financially support the pharmacist inclusion in the health care system, and a model for this is needed. Once the Washington State pharmacists are recognized as providers of patient care services they will begin the credentialing and contracting process with major insurance companies. The second aim of our grant is to support Washington Pharmacists in completing the credentialing and contracting processes necessary for patient care providers. Throughout this process the WSPA will be documenting and outlining the steps for pharmacists. This knowledge will help prepare pharmacists in other states for the process ahead. Also, it will change the conversation with medical insurance carriers across the country. Currently, the carriers are able to state across the board, “we do not credential pharmacists.” Once Washington pharmacists are able to be credentialed, the tone of the discussion may change, and there will be broader awareness and acceptance by medical insurance carriers that pharmacists can be effective practitioners and reduce health care costs.

The Profession of Pharmacy, and our patients, needs medical insurance carriers to recognize pharmacists as providers of patient care and reimburse them for these services. The inclusion of pharmacists into the healthcare team as physician extenders to care for patients with chronic illness is essential to meet the demands that will be placed on the health care system by the Healthcare Affordability Act. Beyond small model projects, there is not broad reimbursement for patient care services provided by a pharmacist anywhere in the country. It is essential that we develop a model system of pharmacy patient care and reimbursement for these services.

**Capacity, Readiness & Operations**

Washington State is the ideal location to establish a model for Reimbursement for pharmacists for patient care services for two reasons. First, Washington State has the Every Category of Health Care Provider Law, WAC 284-43-205. This law states that “health carriers shall not exclude any category of providers
licensed by the state of Washington who provide health care services or care within the scope of their practice for conditions covered by basic health plan.” And, Washington State law does list pharmacists as licensed health care providers. In other words, Washington State health plans cannot exclude pharmacists from their provider networks when the pharmacist is providing care within their scope of practice and there service is covered by the basic health plan. WSPA has received clarification by the lawyers in the Washington State Insurance Commissioner’s office that reaffirm this position. It is through this law that other mid-level and alternative medicine providers filed lawsuits to be included as providers by medical insurance carriers.

It is the hope of the WSPA that through increased communication with the Insurance Commissioner’s office, the clarification received from the Insurance Commissioner’s Lawyers, and partnership with insurance carriers, we can pursue pharmacist inclusion into medical insurance carrier provider networks without a lawsuit. While other states have laws to facilitate mid-level practitioner inclusion into medical insurance carrier provider networks, this is the only law of this scope in the country according to the National Alliance of State Pharmacy Associations. Other states may need to pass similar legislation for pharmacists before they will be successful in seeking reimbursement for patient care services. There is not a law of this kind, however, in Tennessee, which has the only model for credentialing and contracting of pharmacists by medical insurance carriers.

The second benefit of supporting a model project for reimbursement of patient care services by pharmacists in Washington State is that it was the first state to allow pharmacists to prescribe medications through prescriptive protocols and CDTA in 1979. The Washington State Pharmacist Practice Act remains one of the least restrictive practice acts in the country. The practice act in Washington does not limit participation to a certain group of pharmacists; it does not limit the medications, patient population or scope of the prescribing allowed through a CDTA. This allows for the broadest definition of the scope of pharmacy practice for interpretation of the Every Category of Health Care Provider Law. This broad definition would be the easiest to apply to other states with equally permissible practice acts, and can be trimmed to fit states with more limited CDTA laws. The impact of this work will be most greatly felt by pharmacists that practice in states where they can participate in CDTA and a broader scope of pharmacy practice. The work of this grant does have the opportunity to impact every state, since pharmacists can provide vaccines in every state.

The grant will employ two faculty members, Jennifer Robinson, PharmD, Clinical Assistant Professor, Washington State University and Skye McKennon, PharmD, BCPS, Clinical Assistant Professor, University of Washington. Both of these faculty members instruct the third year applied therapeutics courses at their respective institutions. This experience with teaching and developing educational materials make them invaluable to the educational portion of the grant. Jennifer Robinson has worked at a community pharmacy in eastern Washington, and brings these connections and experience to the pharmacy team. Dr. McKennon, in addition to her work with the third year therapeutics lab at the University of Washington, is the lead pharmacist with University of Washington (UW) Pharmacy Cares, a campus community collaboration aimed at developing, evaluating, and providing training in innovations in pharmacy practice that promote improved health and well being. UW Pharmacy Cares Pharmacy is a model pharmacy for providing community consultation services to patients for medication therapy management. Dr.
McKennon and the UW Pharmacy Cares team currently provide medication review services for a system of adult family homes and assisted living facilities as well as Medicaid Part D patients. Her experience in establishing a CDTA and dyslipidemia management clinic brings her knowledge on the process of clinical service billing. This knowledge will aid in educating community pharmacists on reimbursement for care services. Both Dr. McKennon and Dr. Robinson’s strengths and varied backgrounds will be an outstanding asset to the project. Pharmacists and other health care providers in Washington State support and are ready for pharmacists to be able to bill for patient care services. Pharmacists from a variety of practice settings, as well as the School and Colleges of Pharmacy support the aims of this grant proposal. If the grant is funded, these individuals would be change agents for pharmacy practice, as they already are. The supporters of this grant include:

Bartell Drugs and Dan Connolly RPh, Vice President of Pharmacy, Bartell Drugs
Dale B. Christensen, R.Ph., Ph.D., FAPhA, President, Washington Pharmacy Consultants
Don Downing, RPh, Clinical Professor, University of Washington School of Pharmacy (UWSOP)
Bill Fassett, PhD, RPh, Professor and Vice-Chair, Department of Pharmacotherapy, Washington State University College Of Pharmacy
Linda Garrelts-McLean, RPh, CDE, Associate Dean for Professional Education and Outreach, WSUCOP
Peggy Odegard, PharmD, Chair of the Department of Pharmacy, UWSOP
Sue Merk, RPh, Vice President of Product Management and Business Development
Skye McKennon, PharmD, BCPS, Clinical Instructor, UWSOP and UW Pharmacy Cares
Ryan Oftebro, PharmD, Owner and President, Kelley-Ross Pharmacies
QFC Pharmacies and Chuck Paulsen, RPh, Senior Director of Pharmacy, QFC Pharmacies
Jennifer Robinson, PharmD, Clinical Assistant Professor, WSUCOP
Jeff Rochon, PharmD, CEO Washington State Pharmacy Association
Brandy Singer, RPh, 1st Avenue Pharmacy
Holly Witcomb-Henry, RPh, Owner, Rxtra Care Inc Pharmacies

Also, the WSPA has received numerous letters of support from physicians and the physician associations in the state supporting reimbursement of pharmacists for patient care as physician extenders.

This project would impact community pharmacy practices all across the state, so having support from such a diverse group of practitioners is paramount. There would be opportunities for chain and independent locations to launch patient care projects appropriate to their size and patient populations. Rural and urban pharmacy locations would be able to participate as well. The ability to be reimbursed for pharmacy care services would incentivize pharmacies to include patient care services in their business and staffing plans so that they can take advantage of a new revenue stream. While community pharmacies will continue to provide safe and effective medications and counseling to patients, they may be able to develop a more complete patient provider relationship through patient care visits, immunization provision or medication therapy adjustments.

The vision of this project is to facilitate pharmacist billing for patient care services, not to erect barriers. Pharmacists will not be required to have PharmD degrees, certificates, residencies, etc as a requirement to bill for patient care services. Some independent prescribers may desire this as a term of a CDTA, but the WSPA does not anticipate these as being requirements to bill for patient care services.
To become credentialed, providers must complete the Washington Provider Application for each medical plan. In the State of Washington, OneHealthPort has developed a system that allows for electronic completion and submission of the application. The application is also very easy to update in this system, and an administrator can facilitate the entry of providers into the system. OneHealthPort’s Vice President of Product Management and Business Development, Sue Merk, is a pharmacist, and a supporter of pharmacist inclusion in reimbursement models. Therefore, OneHealthPort has been available to pharmacists to enter information into and apply for credentialing since the system launched late last year. This system has simplified as much as possible an otherwise challenging process for all providers, pharmacists included. The standard of practice in billing medical insurance carriers for patient care is paper billing systems. In Washington State all providers, including pharmacists have access to billing systems such as the billing platform Office Ally developed by OneHealthPort to bill medical insurance plan carriers. OneHealthPort is free for pharmacist to use, and also facilitates benefit look-up for patients. The WSPA envisions that pharmacists will utilize Office Ally to bill for patient services, as the pharmacies are already used to online adjudication of prescriptions.

As Pharmacists are reimbursed for patient care services, education of the public and allied health providers will be critical. To be successful, patient care services in the pharmacy need to have a strong patient base to make the shift in workload and priority, and potentially changed staffing to be worthwhile for the pharmacy. This will take support and buy-in by patients, and can only be achieved through marketing and education. The WSPA would help to develop patient education materials to facilitate each pharmacy or pharmacist in engaging their own patients as appropriate for the services they provide. The WSPA staff and pharmacists will attend allied health providers association meetings to educate other health care providers about the developing role the pharmacist can play for their patients. Developing partnerships and strong relationships, such as those already developed by the WSPA with physician associations in the state, will be important to the smooth integration of pharmacists as physician extenders and care providers.

This project would provide the resources needed to initiate this large project. The grant will support the project with an ultimate goal of breaking down barriers and creating structural elements necessary for pharmacists to receive reimbursement of pharmacy patient care services, and the development of enduring tools to aid pharmacists across the country in the credentialing and contracting process. Once this work is complete and the tools are developed, the WSPA will be able to maintain and support the tools and providers long-term, and does not anticipate needing long term funding from the Community Pharmacy Foundation.

**Business Plan**

See chart beginning on the next page
<table>
<thead>
<tr>
<th>KEY ACTION STEPS</th>
<th>GOALS/OBJECTIVES</th>
<th>SOURCE DATA</th>
<th>EVALUATION &amp; OUTCOME A</th>
<th>RESPONSIBLE PERSON</th>
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<td>PROPOSAL TITLE: Reimbursement by Medicaid Insurance Coverage for Geriatric Care Services Provided by Pharmacists</td>
<td>Washington State Pharmacy Association Grant Proposal</td>
<td>A12A</td>
<td>WSP</td>
<td>A10</td>
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Pharmacists continue to educate and inform consumers. Internet resources, telephonic and other approaches to help patients understand their medications and how pharmacists can improve their outcomes are effective methodologies to achieve this goal.

B4. Seek out interventions to improve pharmacy services.

Provider networks.

A3B Communicate and meet with providers.

Insurance companies.

B4A Identify.

Leadership.

Leadership.

Vision.

Leadership.

Leadership.

Leadership.

Vision.

Leadership.

Leadership.

Vision.

Leadership.

Leadership.

A3B Communicate and meet with providers.

Insurance companies.

B4A Identify.
Objective: The Washington State Pharmacy Association (WSPhA) will develop guidance and provide education and training to pharmacists to improve the quality of patient care and enhance the practice of pharmacy.

Methods:

1. Develop and implement a comprehensive educational program for pharmacists that includes topics such as patient counseling, medication therapy management, and pharmacy practice principles.
2. Provide ongoing support to pharmacists to ensure they are up-to-date with the latest regulatory requirements and best practices.
3. Develop a support system to offer personal and professional support to pharmacists.
4. Develop a mentorship program to support pharmacists in their professional development.

Expected Outcomes:

- Pharmacists will improve their knowledge and skills in patient care and pharmacy practice.
- Pharmacists will receive ongoing support and guidance to enhance their practice.
- The quality of patient care will improve.

Conclusion:

The Washington State Pharmacy Association is committed to supporting pharmacists and improving the quality of patient care through education and training.
## Grant Proposal Budget

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<thead>
<tr>
<th>Budget Item</th>
<th>Explanation</th>
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<td>Skye McKennon</td>
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* = Salary and Benefits included