



WELCOME

GINA GAMBARO

Director, Marketing &
Business Development

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➤ About the topic being presented —

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- ❖ Type your question & hit Enter
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➤ About technical issues or CE credit —

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Housekeeping notes

- ▶ This webinar is being recorded for on-demand access later, after the series' conclusion
- ▶ To earn CE, you must attend the entire session
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 - Each participant must complete an evaluation to obtain CE credit
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***Senior Care Pharmacy
Coalition – What’s on the
Agenda Related to Long-
Term Care***

Introduction

FACILITATOR:

BRIAN H. KRAMER

BS, BA, RPh, MBA

President & CIO

Forum Extended Care Services

INSTRUCTOR:

ALAN G. ROSENBLOOM

JD, BA

President & CEO

Senior Care Pharmacy Coalition

Learning objectives

01

Get an overview of what's on the federal agenda for the next 2 years related to SNFs & ALFs

02

Understand the effect on long-term care and how providers can prepare for proposed changes

03

Gain insight into how to influence the legislative agenda

Part D Benefit Restructuring

▶ Impact on beneficiaries

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▶ Impact on supply chain

- Manufacturers: % subsidy for catastrophic layer declines
- Federal government: % subsidy for catastrophic layer declines
- Part D Plans: % subsidy for catastrophic layer increases

▶ Impact on pharmacies

- Reduction in collections/bad debt for co-pays
- Plan/PBM payment pressure → financial pressure on pharmacies

▶ Impact on facilities

Inflation Reduction Act: Drug Pricing Reforms

▶ Price negotiation

- Some higher-cost drugs under Medicare

▶ Manufacturer rebates

- Manufacturer rebates to Medicare if prices increase faster than inflation

Drug Price Negotiations

▶ Application

- Part D & Part B drugs: highest program expenditures
- Brand name drugs without generic or biosimilar equivalents
- Elapsed time from FDA approval

▶ Process

- Negotiations begin in 2023 for 2026
- 2026: 10 Part D drugs
- 2027: 15 additional Part D drugs
- 2028: 15 additional Part B & Part D drugs
- 2029+: 20 additional Part B & Part D drugs/year

Drug Name	Part B or Part D	Treats	Total Spending (Billions)	Number of Users	Average Beneficiary Liability	Approval date	LTC ?
Xarelto	Part D	Blood clots	\$4.03	1,122,200	\$500	7/01/2011	Y
Januvia	Part D	Type 2 diabetes	\$3.49	923,900	\$400	10/16/2006	Y
Symbicort	Part D	Asthma/COPD	\$1.99	1,083,300	\$300	7/21/2006	Y
Spiriva	Part D	Asthma/COPD	\$1.92	731,000	\$300	1/30/2004	Y
Victoza	Part D	Type 2 diabetes	\$1.89	312,500	\$600	1/25/2010	N
Myrbetriq	Part D	Overactive bladder	\$1.45	565,300	\$300	6/28/2021	Y
Restasis	Part D	Chronic dry eye	\$1.41	575,800	\$200	12/23/2002	N
Jakafi	Part D	Cancer	\$1.14	10,700	\$4,400	11/16/2011	N
Janumet	Part D	Type 2 diabetes	\$1.01	275,300	\$400	3/30/2007	Y
Linzess	Part D	Irritable bowel syndrome/constipation	\$0.98	410,900	\$200	8/30/2021	Y
Orencia	Part B	Rheumatoid arthritis	\$0.93	29,700	\$6,400	12/23/2005	N
Xifaxan	Part D	Irritable bowel syndrome/diarrhea	\$0.76	88,800	\$500	5/25/2004	Y
Acthar Gel	Part D	Autoimmune diseases	\$0.66	2,100	\$13,700	1/01/1982	N
Vimpat	Part D	Seizures	\$0.63	75,500	\$900	10/28/2008	Y
Oxycontin	Part D	Pain	\$0.62	123,900	\$300	4/05/2010	N
Avonex	Part D	Multiple sclerosis	\$0.60	8,200	\$3,800	5/28/2003	N
Lumigan	Part D	Glaucoma	\$0.58	384,500	\$300	8/31/2010	N
Forteo	Part D	Osteoporosis	\$0.56	25,100	\$1,300	6/25/2008	N
Soliris	Part B	Immunosuppressive	\$0.53	1,600	\$41,800	3/16/2007	N
Combivent Respimat	Part D	COPD	\$0.51	231,700	\$300	10/07/2011	Y

2022 Simulation: Part D Drugs

<https://www.kff.org/report-section/simulating-the-impact-of-the-drug-price-negotiation-proposal-in-the-build-back-better-act-tables/>

Drug Price Negotiations: Consumer Impact

▶ Impact on beneficiaries

- Out-of-pocket impact varies depending on which drugs subject to negotiation, number of beneficiaries using those drugs, price reductions negotiated, interaction with restructuring provisions
- Premium impact limited until 2030, uncertain thereafter

▶ Impact on other consumers

- Can manufacturers increase prices for commercial insureds?

Drug Price Negotiations: Pharmacy Impact

► Impact on pharmacies: *Potentially significant*

- Lower prices for manufacturers → lower discounts for wholesalers & GPOs → lower discounts & rebates for pharmacies
- Lower prices for manufacturers → lower rebates for plans/PBMs → higher DIR fees & lower reimbursement for pharmacies
- 2026-27: focus on Part D

► Implications for facilities → higher pharmacy costs?

Inflation Rebates

▶ 2019-20

- Prices for half of all drugs covered by Medicare increased at rates greater than inflation (1% inflation rate)
- Prices for one-third of the drugs in this group had price increases > 7.5% (inflation rate in Q1 2022)

▶ 2023: inflation rebate implemented

- Uses 2021 as base year to determine price changes relative to inflation
- Rebate based only on Medicare revenues

Inflation Rebates

▶ Impact on beneficiaries

- Out-of-pocket costs will depend on how many beneficiaries use drugs whose prices would increase more slowly due to the cap
- Part D premiums could increase

▶ Impact on other consumers

- Can manufacturers price differently for commercial insureds?

▶ Impact on pharmacies

LTC Pharmacy Definition Act of 2021

▶ Purposes

- Minimize agency conflicts
- Avoid legislative collateral damage
- Table setting for better payments across settings
- Payment for services across setting

▶ Prospects for passage

LTC at Home

▶ Demand for LTC

- 4 million Medicare beneficiaries need: 75% live at home
- 2025-2040: need will increase

▶ LTC at home: Growing policy focus

- Consumer preference
- Pandemic response
- Advocate pressure

▶ LTC pharmacy opportunities

- Policy component
- Market component

Part A Manufacturer Rebates

▶ Anti-Kickback statute

- Prohibits transaction that induce/reward referrals reimbursed by federal programs
- Rebates from drug manufacturers protected exception *if structured consistent with safe harbor rules*

▶ Rebates: Manufacturer access tool

- Incentivize patient access to drugs through clinically appropriate formulary management
- Formulary placement
- Clinically appropriate managed utilization
- Claims may only be submitted once

Role of LTCPs: Crucial to Compliance

▶ **Formulary management**

- Formulary interchange protocols
- Physician interactions

▶ **Efficient drug spend**

- Pricing validation
- Quantity limitations to meet facility needs/avoid waste
- Day supply guidelines
- High-cost threshold limitations
- NDC exclusions

LTCP Value to LTC Facilities

- ▶ **LTC pharmacies have data and tools to comply with rebate programs**
- ▶ **LTCPs share benefits of rebates with facilities through more competitive pricing, services**
- ▶ **LTCPs provide other services essential to resident access to drugs**
- ▶ **Pharmacy audit companies pose risk of unintended consequences**
 - **Claw backs**
 - **Misuse of pharmacy information**
 - **Non-compliance with safe harbor provisions**

TRICARE/ExpressScripts: Issue

- ▶ **July 2022: ESI notifies network pharmacies of new rates effective January 1, 2023**
 - Slashes reimbursement for drugs; all but eliminates dispensing fees
- ▶ **Questionable practices**
 - Notice faxed to individual pharmacies
 - 15-day deadline
- ▶ **September 2022**
 - Pharmacies ousted from network
 - Beneficiaries told to find other pharmacies
- ▶ **Implications**
 - LTC Pharmacies
 - LTC Facilities

Inflation Reduction Act: Part D Benefit Restructuring

▶ Cap Part D out-of-pocket spending

- 2024: eliminate co-insurance above catastrophic threshold
- 2025: cap out-of-pocket at \$2,000
- 2024-2030: cap premium increases

▶ 2023:

- Limit cost sharing for insulin to \$35 month for Medicare beneficiaries

▶ 2024:

- Eliminate cost-sharing for adult vaccines covered under Medicare Part D
- Expand eligibility for full low-income subsidies (LIS)

▶ Restructure Part D subsidy

Q & A

About CE credit

Administrator credit

This program has been approved for one clock hour of continuing education credit by the National Continuing Education Review Services (NCERS) of the National Association of Long-Term Care Administrator Boards (NAB).

Approval ##20230924-1-A87218-DL

Nursing credit

This program has been approved for one clock hour of continuing education credit by The Illinois Board of Nursing, an approved sponsor of continuing education by the Illinois Department of Professional Regulation.

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- ▶ Certificates should be **emailed in the next 30 days**

Want more CE after this?

Look for our upcoming webinars:

Oct: *Recruitment, Retention & More in the New Normal*

Nov: *Long-Term Care @ Home*

Dec: *Cyber-Security & HIPAA Compliance*

THANK YOU!