Testimony

for

Senate Finance Committee
Subcommittee on Health

Prescription Drug Abuse: How are Medicare and Medicaid Adapting to the Challenge?

by
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I. Introduction

Chairman Rockefeller, Senator Grassley, and members of the subcommittee, I am Dr. Tim Schwab, Chief Medical Officer at SCAN Health Plan (SCAN). SCAN is the fourth largest not-for profit Medicare Advantage plan in the United States, serving approximately 130,000 members in California and Arizona. While most of SCAN's members are over the age of 65, we also provide care to some younger, disabled individuals who are dually-eligible for Medicare and Medicaid benefits.

We appreciate this opportunity to testify on the innovative programs that SCAN has in place to protect our members from the dangerous effects of prescription drug abuse. Medicare Advantage plans play an important role in preventing and detecting this type of activity. Our testimony includes the following:

- A brief background on SCAN and the population that we serve;
- Challenges relating to prescription medications that currently confront the frail elderly;
- The programs that SCAN has in place to assist our frail elderly members in accessing the appropriate pharmaceutical care; and
- The fraud and abuse prevention efforts that SCAN employs to ensure proper member adherence and safety.

II. Background on SCAN Health Plan

SCAN has a long history of serving older adults with complex health situations. SCAN was founded in 1977 by a group of Long Beach, California senior citizen activists who were frustrated by a lack of access to health and social services that addressed their specific needs. SCAN's mission today is the same as it was then: to develop innovative ways to help our members manage their health and live independently. For more than two decades, SCAN participated in Medicare's Social HMO Demonstration, incorporating a home and community-based services (HCBS) benefit together with a comprehensive program of assessment and care management. It was through our experience as a Social HMO that SCAN developed an expertise in managing the health needs of particularly sensitive populations.

Sixty percent of all SCAN members have three or more chronic conditions. Those individuals receiving case management services are usually taking eight or more medications. Because of the complex nature of our members' health conditions, SCAN has created a care management model that emphasizes prevention and early intervention, with a keen focus on medication management. Our model spans the continuum of a beneficiary's health status, providing the right care at the right time. Disease management programs focus on the patient's disease-state, including disease process and management, recognizing disease-specific symptoms and actions to take, when to call the doctor or seek urgent/emergent care, nutrition, self-management and healthy behaviors, advance care planning and, of course, medication management. Highly-trained care teams address the complex needs of the chronically ill population, and each program

is coordinated with all others to ensure absolute care transitions between all levels of care and providers in the integrated health care delivery system.

Recent analyses of SCAN's care management model demonstrate its effectiveness in improving patient health outcomes. A soon-to-be published study conducted by Avalere Health comparing HEDIS 30-day All-Cause Readmissions Rates between dual eligibles enrolled in SCAN Health Plan versus Medicare fee-for-service (FFS) dual eligibles found that SCAN's dual eligibles had a hospital readmission rate that was 23 percent lower than a similar cohort of California FFS dual eligibles. This same Avalere study also found that SCAN scored better than Medicare FFS on ARHQ's Prevention Quality Indicator (PQI) Overall Composite, demonstrating a 15 percent lower hospital inpatient admission rate for conditions that compose the composite measure, including chronic obstructive pulmonary disease (COPD), congestive heart failure, and bacterial pneumonia. The *New England Journal of Medicine* has cited SCAN's model as an example of a successful investment in primary care to provide better care at reduced costs through reductions in the use of hospitals and emergency rooms.[1] We know our success is based on case management, with medication therapy management being one of the pillars of our success.

III. Prescription Medications Challenges that Confront the Frail Elderly

High quality scores such as the ones cited above are the result of a system that puts the patient at the center of care. At SCAN, managing complex medication regimens is a primary focus across the case management spectrum. That is less true in traditional Medicare, where a patient with multiple physicians and complex, co-morbid conditions may take a variety of medications that unfortunately can lead to negative drug-to-drug interactions. How does this happen? Providers might prescribe additional medications to treat a patient's new symptoms as they arise, without routinely reviewing seniors' medication profiles to determine whether some of their medications should be discontinued. This practice can lead to the overprescribing of medications that may result in hospitalization and, in some circumstances, even death.

Other cases are less preventable. A patient may experience a traumatic health episode, such as a car accident, surgery or the onset of a debilitating disease such as cancer. Medication prescribed to relieve their pain and suffering occasionally may have the unintended consequence of causing addiction. Sometimes a patient's genetic pre-disposition or personal problems lead to abuse of narcotics. These challenges only emphasize the importance of ensuring that this population receives proper coordination of care, which would facilitate communication between prescribing physicians and reduce the potential for over-prescribing and medication abuse. Models such as SCAN's case management program pair care coordination with utilization management services to ensure patient safety.

IV. SCAN's Pharmaceutical Care Avoids Dangerous Drug Interactions

[1] Bodenheimer T, Berry-Millet R. (2009) Follow the Money – Controlling Expenditures by Improving Care for Patients Needing Costly Services. New England Journal of Medicine, 361:1521-1523.

To address the complex needs of frail, high-risk individuals, SCAN directs considerable attention and effort to the critical issue of medication management. As mentioned above, it is not uncommon for a SCAN member to be taking eight or more medications, making management of these various prescriptions and their potential interactions difficult. In addition, a number of non-geriatric-friendly medications still prescribed by practicing physicians put our members at particular risk for dizziness, falls, and motor vehicle accidents. With these risks in mind, SCAN has implemented a number of medication monitoring and management programs designed to alert members, and to advise physicians if members are at risk, so that changes can be made to the patient's drug regimen.

- *Medication Therapy Management Program (MTMP)*: The MTMP is integrated with SCAN's case management program to ensure that all aspects of the member's health are addressed and that medication therapy is appropriate to the patient's various health needs. The program is delivered collaboratively by SCAN's clinical pharmacy and case management staff. Pharmacy staff review high risk members' medication profiles on a regular basis to identify drug-related issues such as therapeutic duplication, medications prescribed to the member that are inappropriate for use by the geriatric population, potential drug/drug or disease interactions, multiple prescribers, compliance, and potential drug overuse. When a concern is identified (e.g., a member lacks a system for organizing their medications, a member is not educated on the reason for taking each medication), the member's case manager is notified and provides appropriate counseling and assistance. In addition, a clinical pharmacist communicates with the member and the member's prescribing physician in writing a plan to resolve any drug therapy issues to ensure positive outcomes from medication use.
- *Concurrent Drug Utilization Reviews*: SCAN conducts pharmacy point-of-sale audits to prevent therapeutic duplication, appropriate dosing, etc.
- *Retrospective Drug Utilization Reviews*: After reviewing pharmacy claims that have been processed, SCAN notifies the member's physician retrospectively if the member has filed duplicative therapies (i.e. from different providers) or filled senior-inappropriate medications. This allows the physician to review the risk of the medication versus the possible benefit.
- *Formulary Review*: SCAN ensures that drugs covered on the formulary are clinically effective in the senior population and have appropriate utilization management, when applicable.
- *Medication Error and Identification Reduction*: Controls are in place to identify and track potential medication errors and to take action to ensure appropriate pharmaceutical care.
- *Member Education Initiatives*: SCAN conducts informational outreach initiatives to ensure that our members are aware of ways to save money on their prescriptions through the use of lower cost, therapeutically-equivalent generic drugs.
- *Continuing Medical Education (CME)*: SCAN is an accredited provider of CME, and supports a web-based platform of educational modules and tools for our contracted provider networks. Each module includes a medication management component. Modules include: Depression, Pain Management, Treatment of COPD, and Stroke Prevention.

SCAN employs a staff of nearly 200 case managers who work with members on an ambulatory (via our Geriatric Health Management program) and on an inpatient basis. Case managers assist members in managing chronic illnesses and understanding the purpose of their medication regimens. They work with patients who are transitioning from hospital to home to alleviate confusion about newly-prescribed medications and reduce the risk of re-hospitalization. Our case managers also review prescriptions and help members set up systems to manage their medications, while alerting members to the risks associated with medication misuse. Finally, case managers bring the cases of particularly frail, high-risk members to the interdisciplinary team (IDT), where issues are addressed in conjunction with social workers, pharmacists, behavioral health specialists, and physicians with geriatric expertise. These professionals collaborate in the creation of an individualized care plan, which is then discussed with the member's primary care physician and specialist(s) to ensure coordination and the provision of geriatric-friendly care.

V. Preventing Fraud and Abuse and Ensuring Patient Safety

SCAN has in place a comprehensive Medicare Part D Fraud, Waste, and Abuse (FWA) program to detect and manage fraudulent behavior. SCAN's FWA program leverages data mining programs, FWA identification software, and special reports designed to allow a qualified reviewer to determine whether prescribing patterns are appropriate. It can identify potential problem pharmacies, as well as members with unusual or excessive prescription utilization patterns. SCAN's FWA program encompasses all potential prescribers, including physicians, dentists, physician assistants, and nurse practitioners.

These issues can best be illustrated by the case history of a SCAN member who contacted Member Services eight times over a four-day period to obtain an override exception for a pain medication refill. SCAN Member Services felt that case management should reach out to the member to ensure that his pain was being adequately-managed and to address any possible prescription misuse. This case was also referred to case management via a parallel process that exists at SCAN: a report provided by our pharmacy benefit manager, Express Scripts, that suggested possible medication misuse.

Upon review of the member's encounter data and pharmacy claims, it was determined that the member suffered from depression, anxiety, and chronic pain, and had sought out multiple prescribers for his pain medication. Collaboration with the member's primary care physician (PCP) revealed that the member was visiting the PCP's office daily, calling regularly, and continuing to visit various pharmacies seeking refills for his prescription. The PCP's office reported that the member would often arrive in a "drunken state," and appeared to "have an addiction to pain medication and under the influence of drugs." The member's clinical reviews were promptly submitted to a SCAN RN Behavioral Health Specialist and to the clinical pharmacy team, as well as to SCAN's interdisciplinary team.

The IDT connected the member with a new primary care physician group in order to address pain management and concerns regarding the patient's frequent ER visits for additional medication. The IDT recommended cognitive and depression screenings, and that the member's new PCP assess whether psychiatric referral was needed. The IDT directed case management to

notify the member's new medical group about a possible history of substance abuse, and to share his medication profile. In addition, IDT directed that a SCAN Medical Director assist in contacting the medical director of the new group regarding concerns about the member's medication usage. It also recommended that SCAN's Pharmacy team consider the possibility of flagging the member in the team's system so that future refill attempts and ER visits would appear. A SCAN case manager updated the member's new PCP and medical group on behalf of the member, continued outreach to the member, and encouraged the new PCP to conduct outreach to all prescribing physicians and to act as the single point of contact unless pain management would be appropriate and referred. SCAN also contacted Adult Protective Services, and continued to collaborate with the medical group to best support the member. Work with the member and his care team is ongoing.

Over the past nine months, SCAN has received 18 referrals for potential Part D fraud, waste, and abuse activity. Seven of these referrals were substantiated, seven were unsubstantiated, and four are still pending. SCAN's FWA program includes several types of audits:

- *Next Day Desk/Phone Audits*: provide for claim review prior to billing, so that the pharmacy will not receive an erroneous submission
- *Historical Desk/Phone Audits*: allow for audits outside of the Next Day process
- *Field Audits* (on-site): conducted at the pharmacy location, these include a thorough review of claims and quality assurance documentation
- *Investigative Audits*: identify and research fraud within pharmacy networks
- *Beneficiary verification*: asks the beneficiary to verify a list of all the prescriptions processed for him or her / his or her family at specific pharmacies
- *Physician verification*: to ensure the accuracy of information on a claim, a letter is sent to the prescribing physician

In conclusion, these challenges reinforce SCAN's strong belief that Medicare beneficiaries, particularly the frail elderly, need coordinated, integrated care to assure their safety regarding prescription medications. The greatest danger to patients is neither fraud nor abuse, but the unintended consequences of drug-to-drug interactions that can harm patients as our medical system is striving to help them. Models that the put the patient at the center of care can go a long way in assuring they receive the medication therapy that truly benefits them.