

# PBM and Community Pharmacy Partnerships Can Improve Medicaid Outcomes

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## Key Takeaways

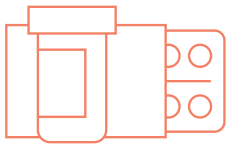
- Individuals' visits to community pharmacies outnumber visits to other healthcare provider types by nearly 2:1.
- Value-based care arrangements between pharmacy benefit managers (PBMs) and independent community pharmacies where enhanced services are performed can yield improved outcomes for individuals at higher risk for poor health outcomes.
- Medicaid health plan members showed improved outcomes for their mental health, asthma, and chronic obstructive pulmonary disease (COPD) after participating in the PBM and independent community pharmacy partnership established to serve those members.

# Overview

**A primary focus of many value-based care programs is the management of complex and chronic medical conditions among individuals who are at higher risk for complications, increased healthcare utilization, and other poor health outcomes.<sup>1</sup>**

The appropriate management and use of medications can contribute to better disease control, decrease disease-related complications, and improve overall health for those with chronic conditions.<sup>2</sup>

Pharmacists have been shown to positively affect chronic disease outcomes through medication therapy management,<sup>3</sup> and are increasingly being rewarded for their expanded role as clinical providers in outcomes-based contract arrangements with health plan-integrated pharmacy benefit managers (PBMs). Community pharmacists and pharmacies specifically can advance the goals of value-based care programs through local engagement with health plans' members with ongoing activities such as medication review, medication optimization, disease management, and educational consultation.<sup>4</sup>



Pharmacists can positively affect chronic disease outcomes through medication therapy management.

Almost 90 percent of the U.S. population lives within five miles of a community pharmacy, which may be a chain, regional franchise, or independently owned retail location where pharmacists often interact with and counsel the member directly.<sup>5</sup> In rural and underserved areas, independent pharmacies are important healthcare entry points for their communities. According to the National Community Pharmacists Association, independent community pharmacies represented 35 percent of all retail pharmacies in the United States in 2019, and 77 percent of independent community pharmacies served areas with populations of 50,000 or fewer.<sup>6</sup>

The purpose of this brief is to illustrate how a partnership between one PBM and an independent community pharmacy network has improved outcomes for engaged members at high risk for poor clinical outcomes.

## Background

**Research has shown that individuals visit their community pharmacies almost twice as often as they visit their primary care physician or other healthcare professionals.<sup>7,8</sup>**

Independent community pharmacies are also successful at reaching rural residents and people who otherwise might not have regular or easy access to other healthcare providers.<sup>9</sup> This means independent community pharmacists are well positioned to improve access to care, especially for high-risk, harder-to-reach, and vulnerable populations who would benefit from increased provider engagement.



PBMs can use data to identify members who would be appropriate for outreach, counseling, and resources to improve their health outcomes.

In recognition of the role that pharmacists play in their communities, health plans and PBMs have been increasingly including pharmacies in value-based care arrangements, which offer financial rewards for improving health outcomes. Value-based arrangements between PBMs and community pharmacies reflect an industry-wide shift toward more accountable payment models. These arrangements often focus rewards on important areas for improvement, such as appropriate medication use, adherence, and medication-related hospitalizations.

For their part, PBMs can use data to identify members who would be appropriate for additional outreach, counseling, and resources to improve their health outcomes. PBMs that are integrated with medical coverage may also have insights into medical claims data, such as emergency department admissions and inpatient readmissions, which can help to identify members at higher risk for adverse outcomes. Working closely with pharmacies through value-based arrangements, PBMs can help guide care by identifying an appropriate switch to a more effective treatment such as when refill data show that a member with asthma may be overusing a rescue inhaler or a member whose non-adherence to their psychotropic medication may lead to the exacerbation of their mental health condition.

Beginning in July 2021, Elevance Health's PBM, CarelonRx, partnered with Community Pharmacy Enhanced Services Networks (CPESN)<sup>®</sup> USA, a clinically integrated performance-based network of independent community pharmacies to support Medicaid members in managing their asthma, chronic obstructive pulmonary disease (COPD), mental health, and opioid use disorders.

Under this program, the PBM identifies clinically high-risk Medicaid plan members based on a set of criteria applied to pharmacy and medical claims data and then sends the eligibility list to partnered local pharmacies. The pharmacy contacts the member directly to offer medication hand delivery, unit-of-use medication packaging, medication synchronization, social determinants of health screenings, health and wellness coaching, and provider engagement services. Once engaged, CPESN<sup>®</sup>-affiliated pharmacies schedule regular follow-up sessions with participating members and create a personalized care plan to help support members to manage their medications and health goals.

This program builds off the value that local independent pharmacies can offer through direct interaction with Medicaid members.

# Methods

**This analysis used one state’s Medicaid medical and pharmacy claims data from 821 program participants between August 2021 and March 2023.**

The study population included community pharmacy partnership program participants who had continuous plan eligibility and enrollment for nine months pre- and post-engagement with the program, or 18 months total. Outcomes related to mental health or chronic respiratory conditions were the focus of this early evaluation.

For medication-specific adherence outcomes measurement, members needed to have a minimum of two prescriptions filled for the related condition during the study period. Adherence is calculated according to the proportion of days covered (PDC) in a 30-day supply of medication. A PDC measure of 0.8, or 80 percent of days or greater, is considered adherent for the purpose of this study.

# Results

**Early results show improved outcomes among Medicaid members across multiple clinical categories, when comparing data pre- and post-engagement in the program.**

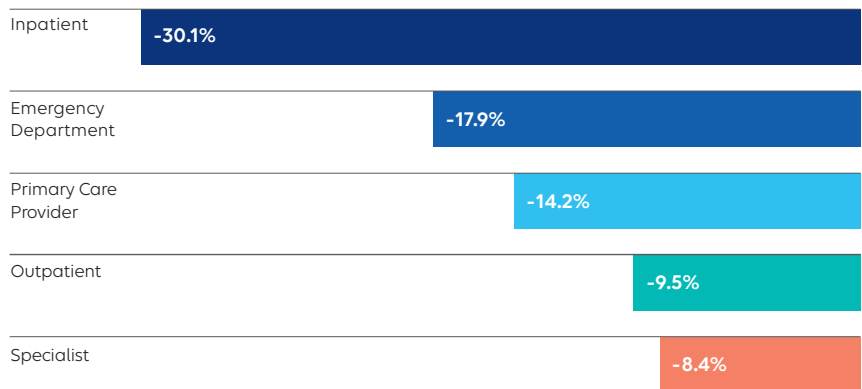
## Medical Utilization

Participants’ utilization of medical services for all causes, prior to and post-engagement with the program was analyzed, measuring service use for all comorbid conditions. Inpatient admissions, outpatient and emergency department visits, as well as primary care provider and specialist services were compared.

There was a decrease in members’ utilization in all categories of medical services, with the greatest declines in emergency department use (17.9 percent) and inpatient admissions (30.1 percent). (Figure 1) There were also associated savings in healthcare costs observed across all categories of medical services during the study period.

**Figure 1**  
**Percent Change in All Cause Medical Utilization, Pre- vs. Post-Engagement in Program**

Source: Elevance Health internal data.



## Mental Health Medication Adherence

Adherence to prescribed medications is associated with improved clinical outcomes for chronic disease management and reduced premature mortality from chronic conditions.<sup>10</sup> Conversely, nonadherence is associated with higher rates of hospital admissions, emergency department visits, poorer health outcomes, increased morbidity and premature mortality, and higher health care costs.<sup>11</sup>

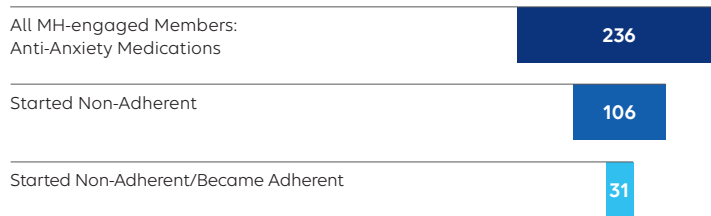
Of the 106 program participants who participated in the program to address their mental health conditions who were not adhering to their anti-anxiety medications at the outset of the program, 29.2 percent of those members became adherent to their treatment plan. (Figure 2)

Similarly, of the 83 members who started out not adhering to their anti-psychotic medications, 44.6 percent became adherent to their treatment plan. (Figure 3)

Members with mental health conditions who were prescribed anti-depressant medications displayed comparable improvements. Of the 233 members who started the program not adhering to their antidepressant medications, 45.1 percent became adherent to their treatment plan. (Figure 4)

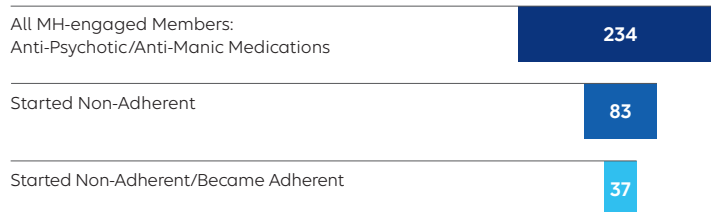
**Figure 2**  
Adherence among MH-Engaged Members Prescribed Anti-Anxiety Medications

Source: Elevance Health internal data.



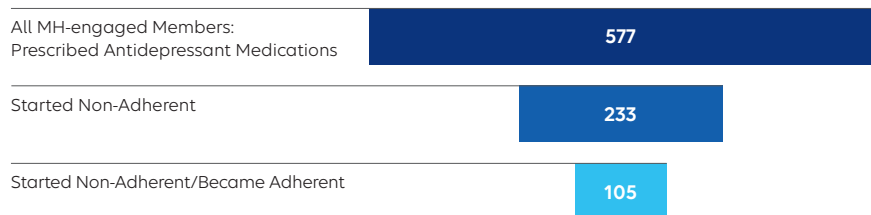
**Figure 3**  
Adherence among MH-Engaged Members Prescribed Anti-Psychotics/Anti-Manic Agents

Source: Elevance Health internal data.



**Figure 4**  
Adherence among MH-Engaged Members Prescribed Antidepressant Medications

Source: Elevance Health internal data.



## Respiratory Therapy Medication Measures

Medications for asthma are usually categorized into long-term “controller” medications used to achieve and maintain control of persistent asthma and “reliever” medications used to treat acute symptoms.<sup>12</sup> Appropriate ratios for these medications could potentially prevent a significant proportion of asthma-related hospitalizations, emergency room visits, and missed work and school days.<sup>13</sup>

Asthma Medication Ratio (AMR) is a HEDIS quality measure that assesses members who are identified as having persistent asthma and have the desired ratio of controller medications to total asthma medications of at least 0.50 during the measurement year.<sup>14</sup> If a ratio is lower than 0.50, there may be concerns with adherence to the controller medications, or there may be concerns with overuse of the reliever medications. Either of these indicates the need for providing member education and other disease management strategies.

Among the 137 participants whose pre-engagement AMR suggested they may be experiencing potential “care gaps” in their respiratory condition management, over 41 percent demonstrated an improvement in their AMR or achievement of the desired AMR during the study period. (Figure 5)

Trends in reliever inhaler use by participating members with chronic respiratory conditions were also evaluated. There was an 8.1 percent decline in rescue inhaler use among engaged members with chronic respiratory conditions over the study period.

**Figure 5**  
**HEDIS Asthma Medication Ratio (AMR) Improvements Among Members with Respiratory Conditions**

Source: Elevance Health internal data.

Category	N=post engagement outcome classification	Pre-Engagement AMR	Post-Engagement AMR	Percent Change
AMR Care Gap	80	0.179	0.259	44.5%
AMR Improved	33	0.250	0.512*	104.4%
AMR Goal Achieved	24	0.323	0.605	87.0%

\*While post-engagement AMR is technically over the threshold of 0.50 members in this category did not achieve this threshold for the duration needed to meet the goal and are considered “improved.”

## Considerations for PBM and Community Pharmacy Partnerships

The early results from one state's Medicaid plan illustrate the role that partnerships between health plan-integrated PBMs and independent community pharmacies can serve in improving outcomes for members at higher risk for adverse clinical outcomes. All cause medical utilization declined, which may not only be attributable to medication therapy management and adherence improvements, but to the whole health coaching and counseling services provided by pharmacists as part of the program.



Health-plan integrated PBMs and independent community pharmacies can partner to improve outcomes for health plan members.

In light of these favorable results, stakeholder organizations with an interest in implementing a similar model may want to consider the following:

**Leverage clinically integrated PBMs.** Health plan-owned PBMs can employ medical, pharmacy, and lab data to identify members at higher risk for adverse clinical outcomes who may benefit from enhanced services at their local community pharmacy.

**Ensure accountable pharmacy networks.** Pharmacies in a value-based network that are willing to be held accountable for outcomes of a defined patient population through objective quality measures are key to the success of these programs. Partnerships that can quantify pharmacy impact on plan-level quality scores, such as HEDIS, and healthcare costs, will ensure long-term program success.

**Consider scalability.** The early success of this partnership suggests the approach can be modeled for other Medicaid plans. The program has been introduced in four states as of February 2023, with engagement growing. Given these successes, CarelonRx and CPESN® USA have implementations planned in six additional states for 2023 and 2024.

## Conclusion

**Value-based partnerships between PBMs and independent community pharmacies can lead to improved outcomes for health plan members with complex or chronic conditions.**

These partnerships can be considered as part of a broader strategy health plans, including Medicaid plans, may employ to improve quality and lower costs for members with the greatest needs.



## Endnotes

- <sup>1</sup> Valliant, S.N., et al. (2022, January). Pharmacists as Accessible Health Care Providers: Quantifying the Opportunity. *Journal of Managed Care & Specialty Pharmacy* 28(1), 85-90. Retrieved June 1, 2023, from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8890748/>.
- <sup>2</sup> Rodis, J.L., et al. (2017, April 5). Improving Chronic Disease Outcomes Through Medication Therapy Management in Federally Qualified Health Centers. *Journal of Primary Care and Community Health* 8(4), 324-331. Retrieved August 2, 2023, from <https://journals.sagepub.com/doi/10.1177/2150131917701797>.
- <sup>3</sup> Ibid.
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- <sup>5</sup> Berenbrok, L.A. et al. (2022, July 12). Access to Community Pharmacies: A Nationwide Geographic Information Systems Cross-sectional Analysis. *Journal of the American Pharmacists Association* 62(e.2), 1816-1822. Retrieved July 28, 2023, from <https://www.japha.org/action/showPdf?pii=S1544-3191%2822%2900233-3>.
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- <sup>9</sup> San-Juan-Rodriguez, A., et al. (2018, October). Impact of Community Pharmacist-Provided Preventive Services on Clinical, Utilization, and Economic outcomes: An Umbrella Review. *Preventive Medicine* 115, 145-155. Retrieved May 24, 2023, from <https://pubmed.ncbi.nlm.nih.gov/30145351/>.
- <sup>10</sup> Neiman, A.B., et al. (2017, November 17). CDC Grand Rounds: Improving Medication Adherence for Chronic Disease Management—Innovations and Opportunities. *Morbidity and Mortality Weekly*. Retrieved August 29, 2023, from <https://www.cdc.gov/mmwr/volumes/66/wr/mm6645a2.htm>.
- <sup>11</sup> Ibid.
- <sup>12</sup> National Library of Medicine. (2017, November 30). Medication for People with Asthma. Retrieved August 29, 2023, from <https://www.ncbi.nlm.nih.gov/books/NBK279519/#:~:text=Two%20types%20of%20medication%2C%20known,try%20to%20prevent%20asthma%20attacks>.
- <sup>13</sup> Ibid.
- <sup>14</sup> The Healthcare Effectiveness Data and Information Set (HEDIS) is a tool used by more than 90 percent of U.S. health plans to measure performance on important dimensions of care and service.

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