

**SURVEY RESULTS**

# Medicare Part D Hard on Pharmacists

Nationwide survey looks at program's first 90 days

**D**iabolical and dastardly are words usually saved for the dramatic, and both were used by pharmacists who participated in a nationwide survey on the start of the Medicare Part D plan. Nearly 6,000 pharmacists completed the survey conducted by the Pharmacy Society of Wisconsin on behalf of the National Alliance of State Pharmacy Associations (NASPA). Few had positive marks for the new Medicare program.

Although the new program brought forth needed assistance for millions of Americans and up to 20 million Medicare beneficiaries may receive financial assistance with their medications for the first time, the start of the program has taxed the pharmacists serving the program—both literally and figuratively. The NASPA survey found that the new Part D programs had created significant operational and financial problems for the participating pharmacists.

“We conducted this survey to identify and quantify what Part D was doing to and for the nation’s pharmacy providers,” said PSW’s CEO Chris Decker. “There is no group of individuals more vested in this program’s success than the nation’s pharmacists. Based upon the findings of this survey, things better improve in the coming months or the program may collapse from its own weight,” said Decker.

The web-based survey captured the opinions of 5,859 pharmacists, inclusive of pharmacists in every state, during the final two weeks of March. The survey was a true cross-cut of U.S. pharmacies. Approximately one-third of respondents were from communities with populations less than 10,000, one-third were from cities with a population between 10,000 – 100,000, and one-third were from cit-

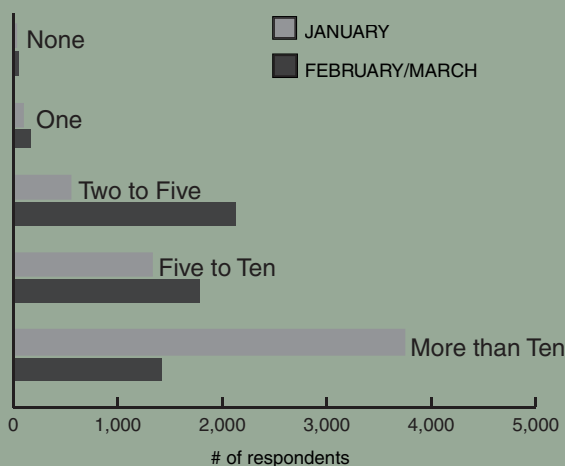
ies larger than 100,000. Fifty percent of respondents practiced in pharmacies that dispensed an average of 100-250 prescriptions each day, 30% dispensed 250-500 prescriptions/day and about 10% dispensed less than 100 prescriptions/day or more than 500 prescriptions/day.

Survey respondents reported enormous implementation problems with Medicare Part D. Sixty-four percent of the pharmacists said that they had more than ten Medicare beneficiary problems each day during the month of January. Although the number of problems reported in February and March declined, 23% of pharmacists reported that they still had ten or more problems each day and 55% of

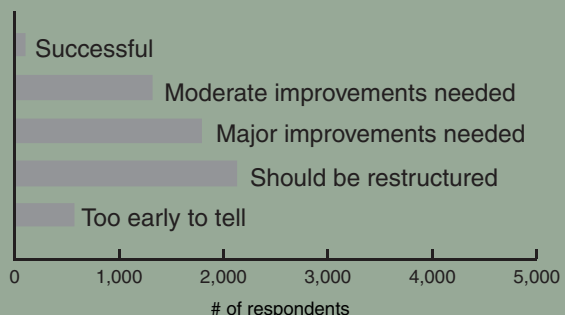
pharmacists said they had more than five problems each day.

The intensity of the problems, and the difficulty associated with resolving them, added to pharmacists’ fury with the system. Sixty percent of pharmacists reported that each problem took more than 30 minutes to address, with over half of those problems taking more than one hour during the first month of the program. Twenty percent of the problems took more than thirty minutes to resolve in February and March and another 25% took between 20-30 minutes. **In total, the survey respondents reported spending a staggering one million hours resolving Medicare Part D problems during the first three months of the program!** Extrapolated to all Medicare pharmacy providers, that’s 20 million hours spent by pharmacists resolving Part D problems – an average of more than 200 hours for each Medicare provider pharmacist over the 90-day period. The time spent addressing Part D problems was in addition to the time spent by pharmacists dispensing medications to Part D beneficiaries.

**HOW MANY PART D PROBLEMS DID YOUR PHARMACY EXPERIENCE IN A TYPICAL DAY IN JANUARY 2006? DURING FEBRUARY & MARCH 2006?**



**WHAT IS YOUR OVERALL IMPRESSION OF THE PART D PROGRAM?**



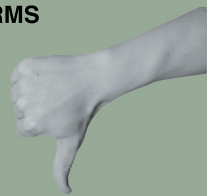
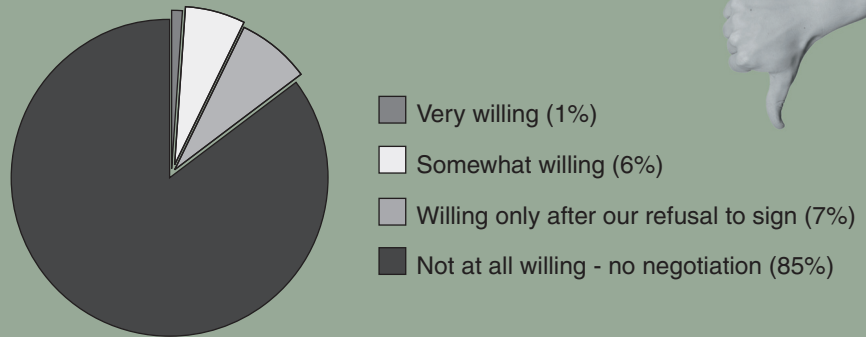
Not only were pharmacists forced to spend millions of hours of uncompensated time addressing problems associated with obtaining coverage for Part D prescriptions, the compensated time was rated poorly by most of the pharmacist respondents as well. Of the 4,000 pharmacist respondents familiar with contracting terms for Part D plans, 86% (3,356) reported that Part D reimbursement rates were below average and often the lowest in the market. Equally significant was the survey finding that the vast majority (85%) said that the prescription drug programs (PDPs) responsible for administering the benefit refused to negotiate terms satisfactory to the pharmacists. “What can we do?” asked one pharmacist. “This program has created a new, big space between the rock and the hard place. We are going to be squished to death.”

Timeliness of payments was also reported as substandard. Over half of the pharmacists familiar with the payment cycles said that PDPs were taking more than four weeks to pay submitted and approved claims. “I can’t believe PBMs are getting away with this,” said one respondent. “They are making money on the spread, they are making money on the float, they are making money by denying drug coverage and they are making money through hidden deals with drug companies. Where’s the Inspector General?” The discontent among pharmacists was widespread.

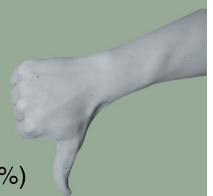
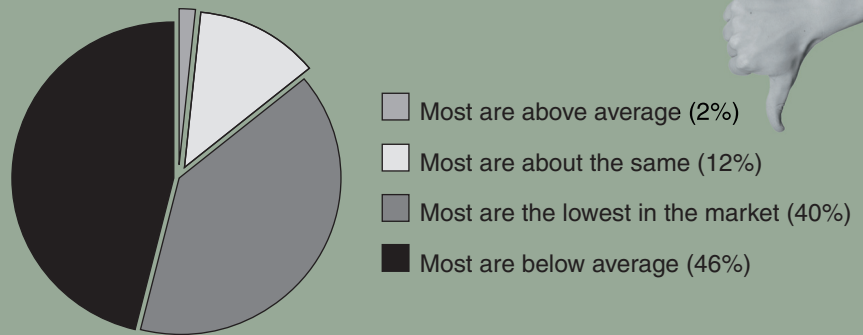
While 10% of the pharmacists responded that they believed Part D would have a positive impact upon their business over the coming year, 60% believed it would be negative and 28% were not in a position to know.

Congress expected that Medicare Part D plans would negotiate fair and reasonable terms with the pharmacies tasked with the responsibility of dispensing medications to Medicare recipients. According to the NASPA survey results, that hasn’t happened. It’s time for Congress to see that the companies responsible for administering this program are held accountable for doing it right. Every pharmacist who has been taken advantage of by this program should share a copy of this article and the complete survey results at [WWW.NCSPA.E.ORG](http://WWW.NCSPA.E.ORG) with both of their U.S. Senators and the members of the House of

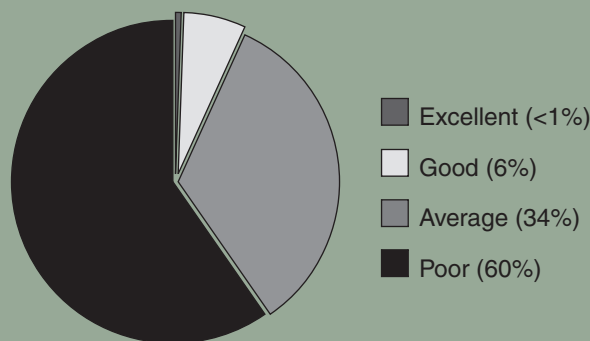
### OVERALL, HOW WILLING WERE THE PDPs TO NEGOTIATE TERMS WITH YOUR PHARMACY?



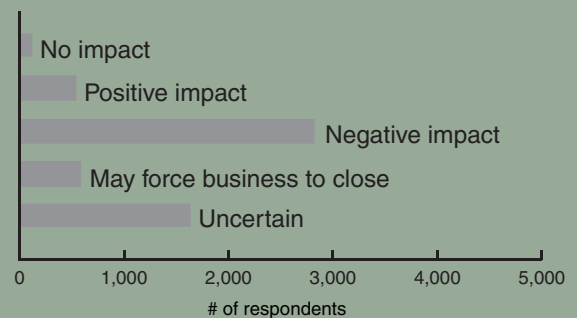
### PART D REIMBURSEMENT AS COMPARED TO OTHER THIRD-PARTY PAYERS



### TIMELINESS OF CLAIM PAYMENTS BY THE PDPs



### HOW WILL PART D IMPACT YOUR PHARMACY PRACTICE OVER THE NEXT YEAR?



**WHAT HAS BEEN THE IMPACT OF IMPLEMENTING PART D ON YOUR BUSINESS? (BASED ON 5,859 RESPONDENTS)**

	Number	Ratio
Negative cash flow	3079	53%
Positive cash flow	74	1%
Increased debt load for pharmacy (required lines of credit)	2086	36%
No impact upon debt load	116	2%
Lowered profit margins	3829	65%
Improved profit margins	61	1%
More staff hired to help resolve issues	1124	19%
Support staff working longer hours (overtime)	3061	52%
Pharmacists working longer hours	3442	59%
Interrupted workflow	4737	81%
Increased numbers of patients	1111	19%
Increased prescription volume	1381	24%
Decreased prescription volume	674	12%
Reduced support staff levels due to reduced reimbursement	377	6%
Quality of care has decreased	2286	39%
Quality of care has increased	44	1%
Less time available to spend in patient care	3852	66%
Pharmacist hiring freeze	372	6%
I don't know	344	6%
Other	446	8%

Representatives from their congressional district, together with a question of what the members of Congress will do to see that the system will be corrected.

**LEGISLATION INTRODUCED IN CONGRESS**

Subsequent to the NASPA survey, legislation was introduced in both the U.S. Senate and the House of Representatives to correct some of the problems faced by pharmacy providers due to the structure and implementation of the Medicare Part D program. HR 5182, introduced by U.S. Rep. Walter Jones (NC) and co-sponsored by more than 60 House members, would address inadequacies with the payment for dispensing prescription drugs to Medicare beneficiaries, eliminate co-branding on Part D program cards and enhance the medication therapy management provisions called for in the Medicare programs. Pharmacy organizations at the state and national level are advocating adoption of the legislation, as well as further improvements to the program. Pharmacists across the country are being asked to encourage their representatives to support the legislation. Go to [WWW.NCPANET.ORG](http://WWW.NCPANET.ORG) for up-to-date information on the legislation and to contact your representatives. ●

**Significant Changes Made to Medicaid/Senior Care Preferred Drug List**

In March, PSW learned of significant changes planned for the current Medicaid and Senior Care Preferred Drug List. Most notably, Nexium® and Prevacid® have taken the place of Prilosec OTC™ as preferred proton pump inhibitors. These changes took effect May 1. Originally the changes were set to take place on April 3, but due to concerns expressed by PSW to DHFS regarding the end of the Medicare Part D transition policy on April 1, the implementation date was changed to May 1.

Prilosec OTC™ is therefore no longer covered by Medicaid for Medicare Part D dual eligible patients as it has currently been. Proton pump inhibitors will be covered according to individual PDP formularies.

Other notable classes that have been changed include the two lipotropic classes.

Both Zetia® and Lipitor® have been removed from the preferred list and will now require prior authorization. Changes in these classes, in addition to changes in the bladder relaxant preparations class, took effect May 1.

The other changes (most of which were effective April 3) are accessible via the PSW website [Changes to Preferred Drug List] or the Medicaid website [WWW.DHFS.STATE.WI.US/MEDICAID/PHARMACY/PDL/INDEX.HTM](http://WWW.DHFS.STATE.WI.US/MEDICAID/PHARMACY/PDL/INDEX.HTM).


The process of converting patients to preferred products creates an opportunity

for pharmacists to bill for their time using the Medicaid Pharmaceutical Care Billing program. For formulary interchanges, it is appropriate to bill using the following code combination:

Reason: PS (Product Selection Opportunity)  
Action: TH (Therapeutic Product Interchange; requires prescriber authorization)  
Result: 1E (Filled, Different Drug)

**ENHANCED DISPENSING FEES**

Level 11: 1-5 minutes: \$9.45  
Level 12: 6-15 minutes: \$14.68  
Level 13: 16-30 minutes: \$22.16  
Level 14: 31-60 minutes: \$40.11  
Level 15: 61+ minutes: \$40.11  
To ensure payment, each claim submitted must include the ICD-9 diagnosis code for the patient's condition. ●

 REFER TO THE MEDICAID PHARMACEUTICAL CARE BILLING HANDBOOK FOR SPECIFICS. [HTTP://DHFS.WISCONSIN.GOV/MEDICAID2/HANDBOOKS/PHARMACY/PDF-FRAME.HTM](http://DHFS.WISCONSIN.GOV/MEDICAID2/HANDBOOKS/PHARMACY/PDF-FRAME.HTM)