

Reducing Patient Copays in an Independent Community Pharmacy

Evaluation of the effect of medication changes to patient and employer costs and pharmacy reimbursement

Editor's note: This paper was presented in poster format at the 2005 PSW Annual Meeting.

by Amy Belger, PharmD

Marshland Pharmacies in Horicon and Mayville provide service to many employees of a large, local self-insured employer. This employer historically has provided its employees with comprehensive medication coverage. Union members of this company, both active and retired, received all their brand and generic medications for a copay of \$5 per month or \$5 for three months if the medication was on a designated three-month supply list. A new contract that significantly changed the copay structure for prescription medications was signed for the union members effective January 1, 2005. The new prescription plan has a three-tier structure with \$5/15/30 copays. In addition, patients are now unable to receive three months of medication for a single copay. Three-month supplies have a cost of three copays when filled in the pharmacy. The contract also provides patients with the option to fill their prescriptions at a mail order pharmacy for a three-month supply for only two copays.

Initial, frequent patient contacts at the pharmacy indicated misunderstanding of the new copay structure and concern about significant increases in prescription medication costs. Marshland Pharmacies addressed patients' concerns and questions by developing a profile review program to facilitate therapeutic interchange. We charged a professional fee to the patient for this service. This employer does not reimburse pharmacists for pharmaceutical care services. There were three main objectives for this program. The first objective was to facilitate the reduction of copay expenses to our patients insured by this large, local employer. The second objective was to charge an adequate fee for the professional time involved in coordinat-

ing the therapeutic interchange, as this service is not reimbursed by this insurer. Finally, an analysis was to be completed to evaluate financially whether all parties benefited from the service.

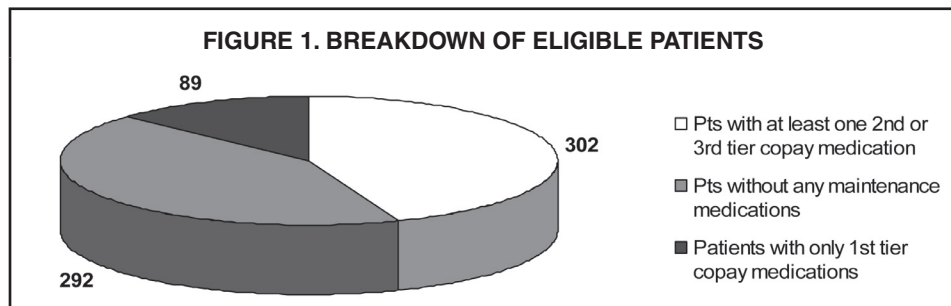
METHODS

Eligible patients for this program included union member employees and retirees of the large, self-insured employer who used at least one maintenance medication with a second or third tier copay and who were interested in reducing their prescription copays. Patients were identified upon refill requests for medications with copays that had increased to second

generic were not charged the \$25 fee. If the prescriber did not accept any changes, the patient was refunded the \$25 fee.

RESULTS

There were 683 patients who were affected by this change in copay structure. Three hundred eighty-one patients were not taking medications affected by the copay changes. There were 302 patients who were taking at least one maintenance medication that increased to a second or third tier copay (Figure 1). Fifty-six patients (18.5%) chose to participate in the profile review program. The remaining 246 patients chose to speak with their

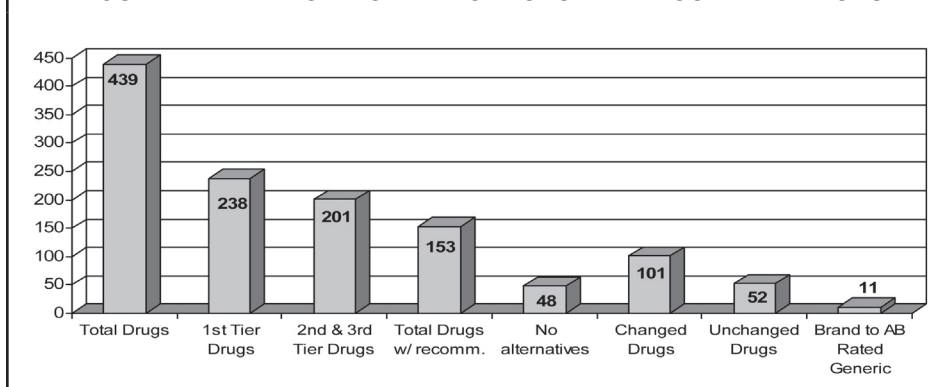


or third tier copays. These patients were informed of the option to have the pharmacist complete a profile review or for the patient to speak with their prescriber on their own. Patients who chose to have the profile review completed by Marshland Pharmacy paid \$25 for a pharmacist to review all of their active medications at the pharmacy. The pharmacist then made therapeutically equivalent recommendations for medications in a lower tier copay to replace higher cost products and faxed the recommendations to the corresponding prescriber. Responses from prescribers were collected, forwarded to the patient, and filled accordingly. Patients who only switched from brand name to an AB rated

prescriber on their own.

The 56 patients who participated in the program were taking a total of 439 prescription medications of which 201 had increased to a second or third tier copay. There were recommendations made for 153 of the 201 medications. The remaining 48 medications did not have recommendations for one of several reasons. Eleven of the 439 medications were brand name products that had an AB-rated generic available. Patients were automatically switched to the generic upon their request (e.g. Prinivil® to lisinopril). Other medications did not have appropriate lower cost alternatives available so a recommendation was not made (e.g. Singulair®).

FIGURE 2. BREAKDOWN OF MEDICATIONS AND RECOMMENDATIONS



Some of the recommendations included two medications to be switched to a combination drug (e.g. Flovent® and Serevent® to Advair®) or one combination medication to its two generic ingredients (e.g. Duoneb® to albuterol and ipratropium). (Figure 2)

The pharmacies developed 153 recommendations, with the average number of recommendations per patient being 2.7 with a range of 1-7. Recommendations for 101 medications (66.4%) were accepted by prescribers. Thirteen patients did not have any recommendations accepted by their prescriber and had their \$25 fee refunded.

The total reimbursement to the pharmacy for professional time spent on making the recommendations was \$1,075 for the 43 patients whose prescribers accepted our recommendations. The pharmacists spent a total of 906 minutes to complete all 56 profile reviews. This resulted in an average of 16.2 minutes per recommendation with a range of 3-61 minutes. The hourly rate for the total reimbursement was calculated using the total amount of time spent making all recommendations and the total fee collected for all the accepted recommendations. The average hourly rate received was calculated to be \$71.19 per hour, an amount that was adequate reimbursement to cover all costs for the pharmacists at Marshland Pharmacies.

This program benefited all three parties: the patients, the pharmacies and the employer. Both employer and patients had decreased costs and the pharmacy had increased reimbursement. The employer's prescription costs decreased by an average of \$33.23 per prescription as a result

of switching patients to alternate lower cost products. This calculates to an average of \$90.59 per patient per month. In total, the employer's costs decreased by \$3,895.20 per month and \$46,742.20 per year for the 43 patients. The patients also saved money on their prescription copays as a result of this program. Patients saved an average of \$11.65 per prescription with a range from \$10 to \$110 per month. These savings calculate to an average of \$41.45 per person per month. In total, the patients saved \$1,782.52 per month and \$21,390.12 per year. (Table 1)

The pharmacy received increased reimbursement for prescriptions filled as a result of the copay reduction program. Of the 101 medications that were changed, 62 (61.4%) increased pharmacy reimbursement and 39 (38.6%) decreased reimbursement. Overall, there was a net average increase in reimbursement per prescription of \$9.92. This was a result of many of the brand name products being switched to generic alternatives.

In a six-month follow-up of this program, 16 medications (15.8%) have been changed since the original switch. Six of these were a change in dose (5.9%) and ten (9.9%) were a change back to a higher copay product.

This profile review program was developed because the employer changed its copay structure to try to decrease its costs for prescriptions, which increased the cost burden on the patient. As a result of the employer's changes only, without this copay review, the employer would have decreased its prescription costs by \$2,739.64 per year for these 56 patients. After the copay reduction program, the copay changes only saved the employer \$982.12 per year, but the changes to lower cost medications and the copay restructure together saved them a total of \$51,997.80 per year for all 56 patients.

CONCLUSIONS AND FUTURE DIRECTIONS

The pharmacists at Marshland Pharmacies were successful in marketing a profile review program aimed at reducing patient copays while collecting a professional fee for the program. Fifty-six patients, 18.5% of eligible patients, chose to participate in this program. The patients were able to save a significant amount of money on their prescription copays with this plan. The employer's prescription costs were significantly decreased as a result of these medication changes. These medication changes had a net positive increase in reimbursement for the pharmacy. This program will be continued in the pharmacy and expanded to offer the service to all patients with insurance coverage that does not allow pharmacists to bill directly for this service. It will be offered for an entire profile review or a recommendation on a single high copay medication. Marshland Pharmacies plans to present this information to the employer to demonstrate the benefits of providing cognitive services billing as the employer currently does not reimburse for these services. ●

Amy Belger is a staff pharmacist at Marshland Pharmacy in Horicon.

TABLE 1. DECREASES IN COSTS TO THE EMPLOYER AND PATIENTS

	Savings per Rx	Savings per Pt per Month	Total Savings per Month (43 patients)	Total Savings per Year (43 patients)
Savings to Employer	\$33.23	\$90.59	\$3895.20	\$46,742.40
Savings to Patients	\$11.65	\$41.45	\$1782.52	\$21,390.12