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August 31, 2022

Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Attention: CMS-4203-NC
7500 Security Boulevard
Baltimore, MD 21244

Re: Medicare Program; Request for Information on Medicare

Dear Administrator Brooks-LaSure:

ExactCare appreciates the opportunity to provide input on CMS' Request for Information (RFI) on the Medicare Advantage program. Specifically, we focus our comments on how CMS can better improve access to long-term care (LTC) pharmacies employing innovative at-home care models.

ExactCare is a national medication management and pharmacy care provider that offers comprehensive LTC pharmacy services to Medicare, Medicaid, and dually eligible beneficiaries with complex needs. ExactCare's services include personalized telehealth or in-home visits to provide medication reconciliation and care coordination services, packaging and delivery, specialized adherence tools, patient monitoring, and access to on-call pharmacists. A study by RAND Corporation in a large national MA plan found our unique delivery model to be associated with substantial increases in adherence to medications and significant reductions in skilled nursing facility (SNF) admission rates and SNF days. The result is a verified reduction per member per year of $2,400 in total health care expenditures – and closer to $4,800 for patients with HCC scores in the top 75th percentile.[1]

The ExactCare model is also well situated to help CMS achieve its stated goals related to the advancement of health equity within its programs. The table below showcases baseline population characteristics from the RAND study mentioned above, where ExactCare served a disproportionate share of individuals who

[1] RAND Corporation. Effect of the ExactCare medication care management model on adherence, health care utilization, and costs.

were dually eligible, black, or received Medicare Part D low income subsidies (LIS), the exact kinds of populations CMS is looking to address.

Baseline Patient Characteristics of Population Receiving ExactCare Services vs. a Comparison Group

	ExactCare	Comparison
Race, Black	41.57%	10.39%
Received Medicare Part D LIS	48.17%	15.60%
Dually Eligible	25.00%	7.80%

A large portion of the beneficiaries that we serve are also far more likely to need assistance with activities of daily living (ADLs), have recent SNF stays, hospitalizations, and ER visits, and have multiple prescribers and polypharmacy. At-home delivery models, such as ExactCare's, that reach these vulnerable populations improve equity in health care access and outcomes to some of the highest need populations. The model also aligns with the Administration's ongoing efforts to broaden access to services within the home and community setting.

Despite the proven success of the model, there are persistent regulatory barriers and ambiguities within Part D regulations that limit access to at-home pharmacy care delivery models for patients with complex (institutional level of care) needs. To address these barriers, we generally recommend that CMS more explicitly consider the important role that LTC-at-home pharmacies have in the broader Medicare pharmacy delivery system.

We outline our specific recommendations with respect to corresponding Part D network adequacy requirements and corresponding adjustments to rate policies in our response below:

> *Question B.6: What factors do MA plans consider when determining whether to make changes to their networks? How could current network adequacy requirements be updated to further support enrollee access to primary care, behavioral health services, and a wide range of specialty services? Are there access requirements from other federal health insurance options, such as Medicaid or the Affordable Care Act Marketplaces, with which MA could better align?*

Currently, the "any willing pharmacy" requirement outlined in regulation and the Medicare Prescription Drug Benefit manual (Part D manual) requires Part D sponsors to include in their networks any pharmacy,

including non-retail and mail-order, that is willing to accept standard contracting terms and conditions.[2] Specific to LTC, the Part D manual requires sponsors to offer convenient access to enrollees residing in LTC facilities. Part D sponsors must offer a contract to any pharmacy willing to participate in its LTC pharmacy network, so long as the pharmacy is capable of meeting performance and service criteria.[3]

However, ambiguity remains in whether this convenient access requirement extends to LTC at-home pharmacy models that operate the area. **CMS should further clarify within section 50.5.1 of the Part D manual that the definition of long-term care pharmacies includes enrollees residing in their homes with institutionalized level of care needs, and by extension includes pharmacies serving those beneficiaries within home and community settings.** This language builds on CMS guidance released in December of 2021 on dispensing fees and would allow LTC at-home and institutional pharmacies to be on equal footing in satisfying Part D network adequacy requirements. [4]

Another barrier related to network adequacy and to greater access of innovative LTC at-home delivery models is sufficiency of rates. In the December 2021 guidance CMS clarified that Part D dispensing fees can include additional costs for specialized services typically provided in the institutional care setting for enrollees residing in their homes with institutionalized level of care needs.[5] CMS noted that such fees were appropriate to consider when setting dispensing fees for pharmacies operating under such a model. ExactCare applauds this guidance and CMS' efforts to expand access to LTC-at-home pharmacy services.

However, despite release of this guidance, Part D sponsors continue to exercise differential treatment against LTC-at-home pharmacies. Part D sponsors do not appropriately recognize the unique costs associated with the delivery model, which leads to insufficient dispensing fee reimbursement rates. Consequently, the ambiguity in reimbursement structure creates a disincentive for the growth of the model. We ask that CMS consider ways to ensure that Part D plans appropriately reimburse pharmacies operating under this model. **Specifically, we ask CMS to consider modifying the Part D manual to clarify that Part D sponsors <u>must</u> consider these additional costs as an element of dispensing fee amounts.** Importantly, we stress that such a requirement would not impede the programmatic flexibility given to Part D plans to negotiate and "vary the actual dispensing fee paid to pharmacies."[6] It would instead only

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[2] Medicare Prescription Drug Benefit Manual. Chapter 5, Section 50.8.1.
[3] Id. at 50.5.1.
[4] CMS. Part D Dispensing Fees and Enrollees with Institutionalized Level of Care Needs HPMS Memo. December 15, 2021. Part D Dispensing Fees and Enrollees with Institutionalized Level of Care Needs.
[5] Id.
[6] Medicare Prescription Drug Benefit Manual. Chapter 5, Section 20.7.

require additional consideration of certain elements of the delivery model in the setting of dispensing fees, thus more accurately capturing the services LTC-at-home pharmacies provide.

We believe that with these two clarifications CMS could advance the LTC at-home delivery model and the benefits it brings to the broader Medicare program. These benefits include improved quality outcomes, decreased health care costs, continued commitment to rebalancing between institutional and community settings, and directly addressing health equity-related goals. Thank you for the opportunity to comment and we look forward to additional conversations with CMS on advancing these efforts.

Sincerely,

Marshall Votta
Chief Growth Officer, ExactCare