Health plan starts P4P program for community pharmacies
DIANA YAP

Inland Empire Health Plan (IEHP), a nonprofit managed Medicaid health plan covering 720,000 lives in southern California, has started one of the first large pay-for-performance (P4P) programs for community pharmacies in the country.

This special needs health plan’s network encompasses nearly 720 pharmacies, split between chains and independents. While all IEHP-contracted pharmacies in San Bernardino and Riverside Counties with an annual IEHP volume of more than 1,000 prescriptions are eligible for the P4P program, for now, around 400 stores are participating, said Chris Chan, PharmD, IEHP Senior Director of Pharmaceutical Services.

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Every 6 months, IEHP will award bonus payments to those participating community pharmacies that meet or exceed benchmark goals on quality measures similar to Pharmacy Quality Alliance (PQA) quality measures used by CMS to help assign star ratings to Medicare Advantage and Part D plans (see page 67 of December 2013’s Pharmacy Today for more information on CMS star ratings). “We’re talking about millions of dollars in this P4P program alone,” Chan said. “We want to jump-start the pharmacy [industry] in terms of thinking about quality management.”

“There are a number of pay-for-performance programs that have evolved over the last few years, primarily in the physician community,” said Anne Burns, BSPharm, APhA Vice President of Professional Affairs. “What we’re excited about is it’s starting to extend to the community pharmacy setting. And the IEHP program is notable for publicly sharing the information about how they’re going about this.”

Burns continued, “P4P is a mechanism for recognizing the contributions that pharmacists can make to improving patients’ health outcomes.”

Goals of the program
The program’s main goal is to use a P4P model “to allow pharmacists to think about the future workflow where we will have to squeeze some efficiency out of the day-to-day workflow—and that will free up time for pharmacists to do clinical services,” Chan told Today. “We have specialty drugs coming in. We have more personalized medications. We have prescription-to-OTC drugs. So it’s an entire portfolio of services that we can tack on.”

Another goal of the program is to help community pharmacies improve on some underperforming quality measures in the IEHP patient population such as adherence, use of high-risk medications, and inappropriate drug use in patients with asthma. From the payer’s perspective, IEHP pulls many retrospective reports that show gaps in care in drug–drug interactions, drug–disease interactions, drug–age interactions, and alerts. “Most of those gaps in care should be caught during the dispensing process,” Chan said.

The long-term goals for the program are to help validate the roles of community pharmacists in promoting health care quality, and to define an outcomes-based pharmacy payment model for clinical services.

Details of the program
“We started thinking about this a year ago,” Chan said. A workgroup for the P4P program first met in January 2013. The workgroup comprises community pharmacists, chain representatives, the IEHP chief medical officer, Chan, and the IEHP associate medical director of pharmaceutical services.

Phase I of the program launched in October 2013. Phase I’s first measurement period for participating pharmacies is taking place from October 2013 to March 2014, with the payout scheduled for May 2014. Its second measurement period will take place from April to September 2014, with the payout scheduled for November 2014. Phase II of the program will...
IEHP partnered with Pharmacy Quality Solutions (PQS), a joint venture of PQA and CECity, to administer the program. PQS provides EQuIPP, a Web-based platform that pharmacies can use to track their performance on quality measures.

For Phase I, the seven quality measures include proportion of days covered for diabetes; proportion of days covered for hypertension; proportion of days covered for statins; appropriate treatment of hypertension for patients with diabetes (use of ACE inhibitors/angiotensin II receptor blockers); medication therapy for patients with asthma; use of high-risk medications in older people; and the generic dispensing rate.

Details on how the program works, including timeline, quality measures, benchmark and target goals, and payment thresholds, are available on the IEHP website (https://www.iehp.org/en/providers/pharmaceutical-services/pharmacy-p4p-program).

Looking toward the future
P4P is “a stepping stone” and not a long-term solution to payment reform for pharmacists, according to Chan. What will emerge eventually is “an outcomes-based, clinical services model” in which dispensing has a separate model, and payment for pharmacists’ patient care services is driven by outcomes, he said. “That will be how pharmacists will survive in the future and [it’s] how we’re being seen by other health care stakeholders.”

Diana Yap, Senior Assistant Editor

P4P is ‘here to stay’: Another pharmacy owner’s perspective
“While it is too early for me to say what the end result will be of the P4P [pay-for-performance] program started by IEHP [Inland Empire Health Plan], I believe it is here to stay,” said Robert Beeman, PharmD, President and owner of three independent community pharmacies in the San Bernardino, CA, area, and President of Managed Pharmacy Care, a buying group in the western states. “I feel encouraged to work with a group that has worked hard with the local professionals to create a fair program with the money available from our state and federal governments.”

Beeman told Today in an e-mail, “With change, opportunities and niche markets will be created for the smart pharmacist.”

Patients have been receptive to the changes stemming from P4P, although some patients asked to be removed from the phone or text reminder system.

At the same time, Beeman has noticed that “my store located in the better demographic area hits every benchmark, and my poorest demographically located store only hits two target areas.” He called for better consideration of demographic information in quality measure data collection to be fair to socioeconomically disadvantaged areas.

Research Support and Knowledge Sharing for Community Pharmacists
The Community Pharmacy Foundation is the catalyst for community pharmacists engaging in patient-centered collaborative care.

Research Awards
Grant Making – the primary mission of CPF is to fund research and projects that demonstrate the value of community pharmacists in the delivery of patient care.

Resources & Tools
CPF Completed Grants – a compilation of project materials and reports intended for replication and transferability to your community pharmacy practice.
Pharmacy Reference Library – access community pharmacy specific articles and resources in clinical and professional areas of interest provided in collaboration with the American Pharmacists Association (APhA).

Residency Programs
Incentive Grants – via partnership with APhA Foundation, CPF supports incentive grants targeted to community pharmacy residents.

www.communitypharmacyfoundation.org