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America's Healthy Future Act of 2009, S. 1796

Millennium Pharmacy Systems supports and suggests modification to Senate bill on reducing medication waste in long-term care setting.

In October 2009, Senate Finance Committee Chairman Max Baucus (D-MT) introduced the America's Healthy Future Act of 2009 (S. 1796). Within this bill, Section 3312 addresses pharmaceutical waste in the long-term care setting. In summary, this section would require Medicare Part D and Medicare Advantage prescription drug plans to employ utilization management techniques such as weekly, daily or automated dose dispensing to reduce quantities dispensed per fill when dispensing medications to beneficiaries who reside in long-term care facilities in order to reduce waste associated with 30-day fills. The exact wording of the content in the Act continues to be modified. Many in the long-term care industry and long-term care pharmacy industry were quick to oppose this provision.

Millennium Pharmacy Systems supports the objectives set forth in this section of the Act and suggests modification to enable more effective implementation. As an innovator in pharmacy and technology solutions for long-term care, Millennium currently provides cost effective services to the over 140 long-term care facilities that meet or exceed these cost savings and waste elimination objectives. This is accomplished through use of short-cycle dispensing (3-4 days) coupled with on-site automated dispensing and use of technology for electronic ordering, medication administration and record keeping. The savings can be substantial along with significant improvement in medication compliance. As a provider of these solutions, we also know the costs of achieving these results are not prohibitive.

However, Millennium does believe certain modifications to the proposal are necessary to enable effective implementation.

The Act places ownership of requirements with Medicare Part D and Medicare Advantage plans. Because any individual long-term care facility may have residents enrolled with twenty or more plans, we believe the plans will be ineffective in achieving compliance by individual facilities. Currently, the nursing home chooses a pharmacy provider and the pharmacy provider is reimbursed directly by the Part D plans. Millennium believes a better solution would be to provide financial incentive to facilities directly for implementation of approved medication management solutions designed to eliminate waste. In addition, Part D and Medicare Advantage Plans should be required to increase the dispensing fees to any pharmacy dispensing four times or more with respect to a 30-day prescription.

As many opponents to the legislation claimed, implementation of such systems is not without cost. Therefore, a financially-based incentive system to encourage facilities and pharmacies to change their

practices and incur certain costs for long-term gain will be more effective in achieving objectives of the Act and the national goal of improving America's health care. Long-term care facilities already face record-level Medicare and Medicaid reimbursement cuts jeopardizing the survival of some. Ultimately, the facility is responsible for providing safe care to their residents, not the insurance plans, and they should be able to work with their pharmacy provider to accomplish this core mission. The incentive-based model will help guide the industry in the direction of waste-reduction, implementation of electronic records, and improved levels of care.

In addition, Millennium believes our leaders in Washington should consider other technology based enhancements and incentives designed to further reduce cost and improve quality of care in long-term care facilities. Use of electronic ordering, upfront drug coverage verification and formulary compliance, appropriateness of therapy checks, dosing adjustments and therapeutic interchange have been part of managed care pharmacy in other settings for quite some time. Yet, these programs and strategies are still in the early stages in long-term care. Millennium supports further financial incentives for long-term care facilities to adopt comprehensive programs in these areas to better work with Medicare Part D and Advantage plans in further reducing cost and improving patient care.

In summary, Millennium's position remains aligned with its mission of providing efficient, safe medications to residents living in long-term care environments through the use of technology. Millennium applauds the efforts of lawmakers to address the issue of medication waste in long-term care. However, we believe the legislation should be revised to address changes that could do more to reduce costs and improve resident safety using technologies that permit prospective versus retrospective clinical assessments. In addition, the ownership of this change needs to reside at the facility level rather than with the insurance plans for a manageable process that provide incentives for change.