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# LTC Marketplace Dynamics Sure to Shape Your Business Strategies

Cardinal RBC 2023

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# Learning Objectives



Discuss current LTC regulatory and legislative initiatives.



Describe what the end of the public health emergency means for your pharmacy.



Identify opportunities for you to capitalize on trends in the changing market.

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# LTC Pharmacy By the Numbers



**48%**

**of independent  
community  
pharmacies  
serve long-term  
care facilities**

# Beds by facility



**Correctional  
Facilities**

64

**Residential  
Facilities**

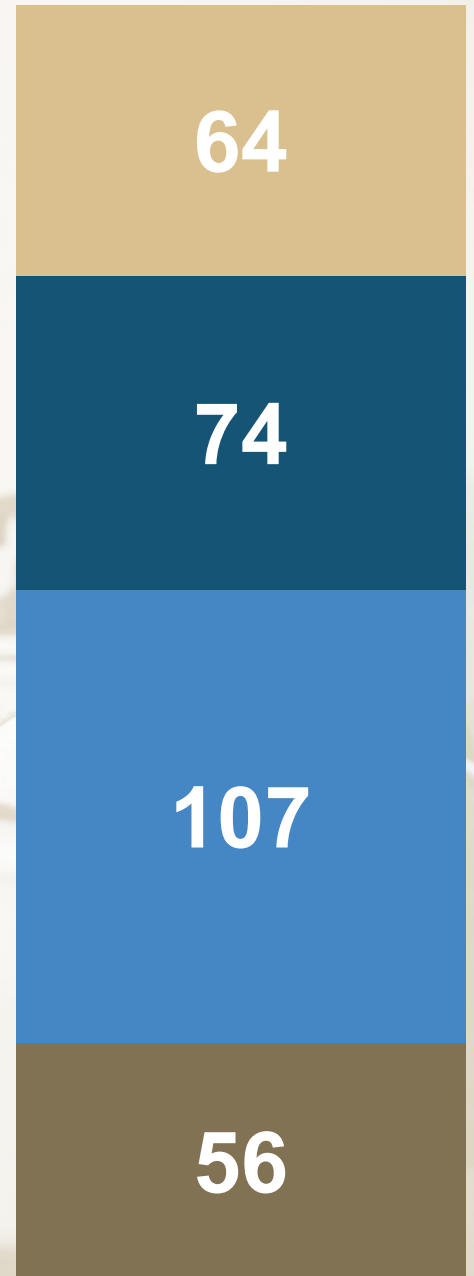
74

**Assisted Living**

107

**Skilled Nursing  
Facilities**

56



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# LTC Regulatory and Legislative Initiatives





# Scope of Practice/Compensation

- Adopting HHS authorizations post PHE
  - CLIA-waived tests and expansion of vaccine authority
- Payment parity bills (via Medicaid and/or commercial plans)
- Provider Status (i.e. PrEP/PEP, hormonal contraceptives, tobacco cessation etc.)





# Provider Status Legislation

## The Equitable Community Access to Pharmacist Services Act (H.R. 1770)

- Ensures patients can continue to access COVID-19 pandemic and pandemic-related health services from pharmacists and **provide payments for these services**
- Part B Coverage for the following:
  - COVID and flu-**vaccine administration**
  - COVID, flu, strep and RSV-**testing**
  - COVID, flu and strep- **treatment**

## Pharmacy and Medically Underserved Areas Enhancement Act (S. 1491)

- Authorizes Medicare payments for pharmacist services in states that already authorize them





# Inflation Reduction Act

2023

- Vaccines – Part D, Medicaid, CHIP
- Insulin – Part D and MA

2024

**For Part D:**

- Coinsurance for catastrophic coverage eliminated
- Premium increases capped

2025

**For Part D:**

- Annual out-of-pocket cap
- Optional “smoothing” of patient cost-sharing

2026

- Medicare Part D drug price negotiation



# Inflation Reduction Act

## Starting in 2023: Zero Cost-Share for Part D, Medicaid, and CHIP Vaccines

### Vaccines

No cost-sharing for adult vaccines recommended by ACIP for

- Part D (starting Jan. 1)
- Medicaid and CHIP (starting Oct. 1)





# Starting in 2023: Insulin Copay Caps

Monthly copayment spend on insulin is capped at \$35 for PYs 2023, 2024, and 2025 for Part D and MA.

- Medicare Part D plans have 90-day grace period in 2023.
- Insulin furnished through DME under Medicare Part B will also have monthly copayment cap of \$35, with no deductible, beginning July 2023.





# Starting in 2024: Part D Coinsurance Eliminated; Cap on Part D Premium Growth

The 5 percent coinsurance for catastrophic coverage in Medicare Part D is **eliminated**, capping out-of-pocket costs at approx. \$3,250 in 2024.

The growth in Part D premiums is **capped at 6 percent per year from 2024 to 2030**.



# Starting in 2025: Annual OOP Cap; Optional Smoothing of Patient Cost-Sharing

- Out-of-pocket costs for Medicare Part D beneficiaries would be **capped at \$2,000 per year in plan year 2025.**
  - Will increase at rate of growth in subsequent years
- Part D patients can elect to have **cost-sharing smoothed out over the course of the benefit year.**
- The law also modifies liability for Medicare Part D plans and drug manufacturers and **reduces Medicare's liability for spending above the out-of-pocket cap.**



# CMS Criteria for LTC Pharmacy

1. Physical space: The pharmacy must have adequate space to store and dispense medications, as well as to provide counseling to residents and staff.
2. Equipment: The pharmacy must have the necessary equipment to safely store and dispense medications, including refrigerators, freezers, and automated dispensing cabinets.
3. Staffing: The pharmacy must be staffed by a qualified pharmacist and technicians who are trained to handle the specific needs of LTC residents.
4. Medication ordering: The pharmacy must have a system in place to ensure that medications are ordered in a timely manner and that they are delivered to the LTC facility in a safe and secure manner.
5. Medication storage: The pharmacy must have a system in place to ensure that medications are stored properly, including in a secure location that is protected from light, heat, and moisture.
6. Medication dispensing: The pharmacy must have a system in place to ensure that medications are dispensed accurately and safely, including by double-checking all prescriptions before they are dispensed.
7. Medication administration: The pharmacy must provide training to LTC staff on how to safely administer medications to residents.
8. Medication monitoring: The pharmacy must have a system in place to monitor the use of medications by LTC residents, including to identify any potential adverse drug events.
9. Drug utilization review: The pharmacy must conduct drug utilization reviews (DURs) to identify any potential problems with the use of medications by LTC residents.
10. Quality assurance: The pharmacy must have a system in place to ensure that the quality of its services meets or exceeds CMS standards.

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# Medicaid Managed Care Reform in the States



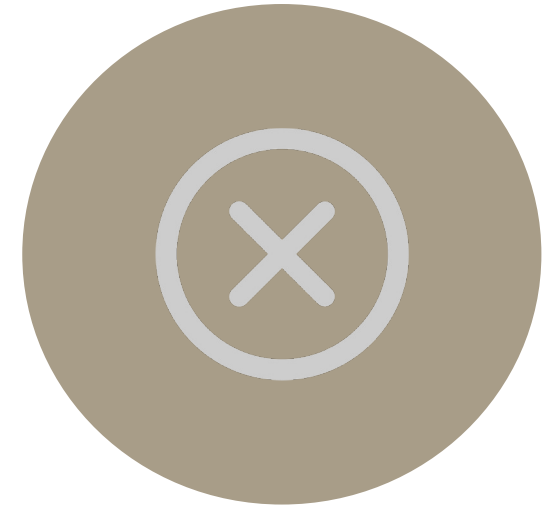
**Pharmacy benefit  
carve-out**



**Reform  
reimbursements: fee for  
service rates**



**Single PBM in  
MMC**



**Eliminate spread  
pricing**

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# Great Resignation...

...More like the Great Discontent





# By the numbers

- A Gallup study shows that 48% of America's working population is actively job hunting or looking out for job opportunities.
- Highly engaged teams are **14% to 18% more productive** than low engagement teams, on average.
- Replacing exiting workers costs **one-half to two times the employee's annual salary**. Assuming an average salary of \$50,000 that replacement cost translates to between **\$25,000 and \$100,000 per employee**.
- Gallup finds that it takes more than a 20% pay raise to lure most employees away from a manager who engages them, and next to nothing to poach most disengaged workers.
















# What does this mean for my pharmacy business?

- Effective training tools and resources
- Rethink your recruitment strategy – download the “You Can’t Set It and Forget It – Establishing Recruitment and Retention Strategies that Actually Work” presentation



tinuing Education > 1-Education Resources & Templates

 Name ▾	Modified ▾
 1 - Summer Shows & Convention	August 17, 2022
 Additional Resources	February 21, 2021
 Airtable Training	April 10, 2022
 Annual Convention	November 2, 2022
 Belinda Smith	January 9
 Education Program Development Template...	April 27, 2021
 Growth and Profitability Program Resources	March 31, 2021
 Meeting Pulse Templates and Training Reso...	June 17, 2022
 Speaker Kit & Call Templates and Resources	May 17, 2021
 Stock Marquee Images	September 23, 2022
 Zoom Templates and Training Resources	August 1, 2021
 ZZ-Archived Docs	August 1, 2021



# Historic Labor Shortage

Nursing homes have experienced the worst job loss of any health care sector.<sup>3</sup>

Providers are doing everything they can to recruit and retain caregivers, but they need help.

**210k** jobs lost over the course of the pandemic

**1994** last time workforce levels were at this level

**>13%** decline in nursing home workforce

**2027** At the current pace, nursing homes need 4 years to return to pre-pandemic workforce levels.

**84%** of nursing homes are currently facing moderate to high levels of staffing shortages<sup>4</sup>

**9/10** nursing home providers have increased wages and offered bonuses

**28-34%** increase in wages for nurses between 2020-2022<sup>5</sup>

**96%** of nursing homes find difficulty in hiring staff

**97%** said the lack of interested or qualified candidates is a major obstacle to hiring new staff



AHCA/NCAL launched a national workforce recruitment campaign, **Careers in Caring**<sup>6</sup>

<sup>1</sup> CMS, COVID-19 Nursing Home Data, as of Jan. 27, 2023

<sup>2</sup> CDC, COVID-19 Vaccinations in the United States, as of Jan. 27, 2023

<sup>3</sup> AHCA/NCAL, "Long Term Care Jobs Report" January 2023

<sup>4</sup> AHCA/NCAL, Survey of 524 Nursing Home Providers, January 2023

<sup>5</sup> CLA, "State of the Skilled Nursing Facility Industry: In-Depth Analysis on Increasing Costs and Local Impact" May 2022

<sup>6</sup> AHCA/NCAL, "Long Term Care Profession Launches National Campaign To Attract More Caregivers" January 11, 2023

## *Access to Care Crisis*

**54%**

of nursing home providers are having to limit new admissions due to staffing shortages

**67%**

are concerned their facility may have to close due to persistent workforce challenges

**37,011**

fewer beds since Feb. 2020

**465**

nursing homes have closed over the course of the pandemic **including 41%** that were 4 or 5-star facilities<sup>9</sup>

**18,071**

residents have been displaced and 22 counties have become nursing home deserts since 2020 due to facility closures

**76.6%**

occupancy nationwide, leaving **380,697** beds vacant<sup>10</sup>



# What can you do to support your facility clients?

- Support their training needs
  - Med administration – do not crush, etc.
  - Insomnia in the Elderly
  - Side Effects of Antipsychotics
  - Emergency administration of Narcan
  - ABCS of Medicare Part D
  - Fall Safety/Beers List Medications
- Frequent check-ins, maintain lines of communication
  - Teams chat, etc. with facility
- Onboard new facility staff, too







# Vaccine Clinics





# Updates to Medicare Pharmacy Vaccine Reimbursement in SNF Setting as of July 1

Pharmacies and pharmacists who provide the vaccine and/or vaccine administration under contract with an SNF will be required to seek reimbursement from the SNF for these services.

The **1135 enforcement discretion that allowed for roster billing expired June 30**. SNFs must bill for vaccines furnished to residents in their Part A stay.

See page 3 of a [CMS FAQ](#) for details, as well as Social Security Act Sections [1862\(a\)\(18\)](#) and [1842\(b\)\(6\)\(E\)](#).







# Updates to Medicare Pharmacy Vaccine Reimbursement in SNF Setting as of July 1 (Cont.)

**Pharmacies enrolled as mass immunizers can continue to bill Medicare Part B for SNF residents NOT in their Part A stay.**

**Pharmacies can continue to bill Medicare Part D for vaccines not covered by Part B;** such vaccines may include the herpes zoster (shingles), tetanus, diphtheria, pertussis (TDAP) and measles, mumps, and rubella (MMR) vaccines. Be sure to contact your Medicare Part D contracting partner to verify coverage.

NCPA's LTC Division will continue to advocate with ASCP to reinstate allowances for pharmacies and pharmacists to roster bill for immunizing residents within their Part A stay.





# Support Operations

- Discharge planning, coordination of care
- Access to electronic health record
  - May need yearly training, request access to patient charts depending on system
  - Allows you relevant health information without having to contact facility
  - Can participate in other services like ABX dosing, etc.
- PAs, times of day for delivery, etc



# The Changing Population

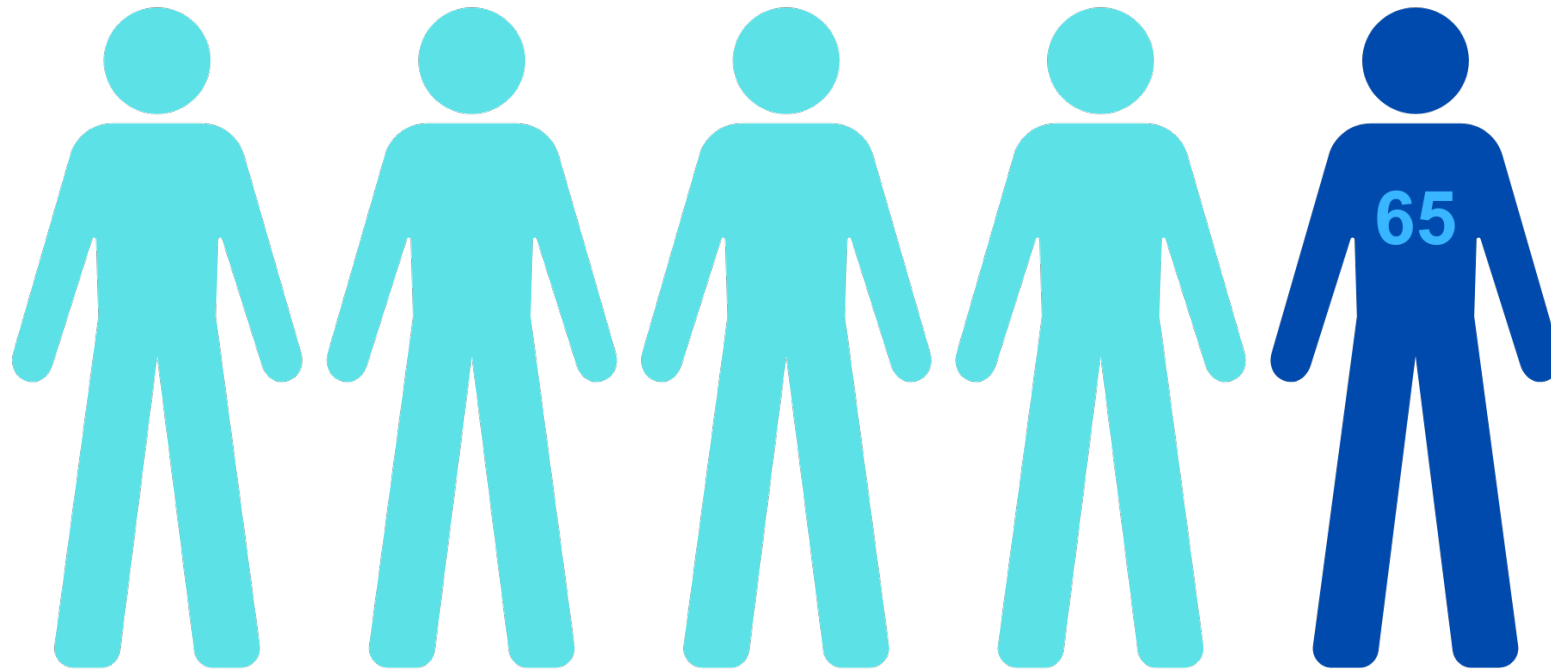
The U.S. population is aging. Today, there are more than 46 million older adults age 65 and older living in the U.S.; by 2050, that number is expected to **grow to almost 90 million**. Between 2020 and 2030 alone, the time the last of the baby boom cohorts reach age 65, the number of older adults is projected to increase by **almost 18 million**.





# The Changing Population

This means by 2030, **1 in 5 Americans** is projected to be 65 years old and over.





# The Changing Population

Nearly **90% of seniors want to stay in their own homes** as they age, and respecting their aging in place preference is an important way to support them.

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# Medical at Home Update



# Medical at Home

## NCPA LTC Division Top Priority

Began advocating to CMS leadership in **2019**

NCPA asked CMS to recognize medical at home pharmacy services regardless of where the patient resides.



[www.ncpaet.org](http://www.ncpaet.org)

### Overview of Medical at Home Pharmacy Services

*A collaborative effort by long-term care pharmacies to provide skilled services to patients aging in their home, focusing on patients' healthcare needs to ensure coordinated high levels of care.*

#### How can CMS help?

The medical at home model represents a shifting population of patients preferring to receive the same care they would receive in a long-term care ("LTC") facility in their homes, which is a lower cost environment. LTC pharmacists are providing the same valuable services they are providing to skilled nursing patients, but the services are being delivered in the patient's home. NCPA asks that CMS recognize medical at home pharmacy services regardless of where the patient resides and issue guidance formally recognizing patient residence code "01" (home) with level of service "7" (medical at home) **at the same level** as patient residence code "3" (nursing facility) or "9" (intermediate care facility/mentally retarded).





# Medical at Home

In order to participate in Medicare Part D sponsor LTC pharmacy networks, Chapter 5 of the Prescription Drug Benefit Manual requires that the pharmacy have the capacity to provide the following minimum performance and service criteria:

- Comprehensive Inventory and Inventory Capacity
- Pharmacy Operations and Prescription Orders
- Special Packaging
- IV Medications
- Compounding/Alternative Forms of Drug Composition
- Pharmacist On-call Service
- Delivery Service
- Miscellaneous Reports, Forms and Prescription Ordering Supplies





# Medical at Home

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1920



## CENTERS FOR MEDICARE & MEDICAID SERVICES

**DATE:** December 15, 2021

**TO:** All Part D Sponsors

**FROM:** Amy Larrick Chavez-Valdez, Director, Medicare Drug Benefit and C & D Data Group

**SUBJECT:** Part D Dispensing Fees and Enrollees with Institutionalized Level of Care Needs

The Centers for Medicare & Medicaid Services (CMS) has received questions from industry regarding allowable Part D dispensing fee costs for enrollees with institutional level of care needs. The purpose of this guidance is to clarify that under the definition of dispensing fees at 42 CFR 423.100, Part D dispensing fees can include additional costs for specialized services typically provided in the institutional care setting, such as delivery and special packaging, for enrollees residing in their homes with institutionalized level of care needs. This clarification of CMS's interpretation of the regulatory definition of dispensing fees does not establish any new requirement. We remind Part D sponsors that, consistent with section 1860D-11(j) of the Social Security Act, CMS is prohibited from interfering with the negotiation of dispensing fees. Therefore, such negotiation of Part D dispensing fees for enrollees residing in their homes with institutionalized level of care needs remains a matter solely between Part D sponsors and pharmacies, consistent with 42 CFR § 423.100 and Chapter 5, § 20.7, of the Prescription Drug Benefit Manual.

42 CFR §423.100 defines the Part D dispensing fee to mean "only pharmacy costs associated with ensuring that possession of the appropriate covered Part D drug is transferred to a Part D enrollee." The definition further specifies that such pharmacy costs include, but are not limited to, reasonable costs associated with a pharmacist's time in checking the computer for information about an individual's coverage, performing quality assurance activities consistent with 42 CFR § 423.155(c)(2), measurement or mixing of the covered Part D drug, filling the container, physically providing the completed prescription to the Part D enrollee, delivery, special packaging, and overhead associated with maintaining the facility and equipment necessary to operate the pharmacy.

*The contents of this document do not have the force and effect of law and are not meant to bind the public in any way, unless specifically incorporated into a contract. This document is intended only to provide clarity to the public regarding existing requirements under the law.*

## Medical-at-Home Services Guidance a Win for Patients, LTC Pharmacies

NCPA • December 17, 2021

ALEXANDRIA, Va. (Dec. 17, 2021) – The National Community Pharmacists Association is cheering new Centers for Medicare & Medicaid Services guidance clarifying that Medicare Part D dispensing fees can include additional costs for specialized services typically provided in the institutional care setting, such as delivery and special packaging, for enrollees with institutionalized level of care needs who are instead residing in their homes.

This is an important development for members of NCPA's Long-Term Care Division, says Ronna Hauser, PharmD, NCPA's senior vice






# Medical at Home Next Steps

- Formation of the Alliance for Pharmacy @ Home with ASCP and SCPC
- Thorn Run Partners chosen to run coalition
- Engagement began May 16, 2022

**More to come!**

## Alliance for LTC Pharmacy at Home



### THE PROBLEM

In the United States, on average \$500 billion in spending — particularly for individuals living with disabilities and multiple chronic conditions — results from preventable hospitalizations associated with adverse drug interactions (IQVIA). Individuals deserve high-quality care and a trusted partner to meet their needs. Yet, for those living in their home or the community, it is difficult to access more sophisticated pharmacy care that is usually only available in a nursing home. While 98% of skilled nursing facilities work with long-term care pharmacies and consultant pharmacists to mitigate the challenges faced by individuals with higher acuity, under 5% of home health agencies have a pharmacy affiliation (Sengupta, 2022). Further, AARP recently found that 21% of individuals living in the community or at home often rely upon unpaid caregiving support, increasing the likelihood of pharmacological challenges. This gap in enhanced pharmacy services delivered in the home is not only a cause for concern, but also limits an individual's ability to live and receive care in the setting of their choice. In general, federal policies are structured in a way that has limited the opportunity to improve the delivery of a comprehensive long-term care pharmacy services in the community and home.

### OUR SOLUTION

The Alliance for Long-Term Care Pharmacy at Home (Alliance) looks forward to working with Congress and the Administration to identify ways that improve the level of pharmacy care provided to high acuity beneficiaries and individuals living with disabilities in their homes or the community. We aim to:

### BY THE NUMBERS

There are **12.2 million** dually-eligible beneficiaries in the U.S.

**92%** of duals in FFS Medicare use Part D drugs.

Medicare spent **\$287.2 billion** on duals in 2020.

Part D spending is **2x** higher for beneficiaries with LTC needs.

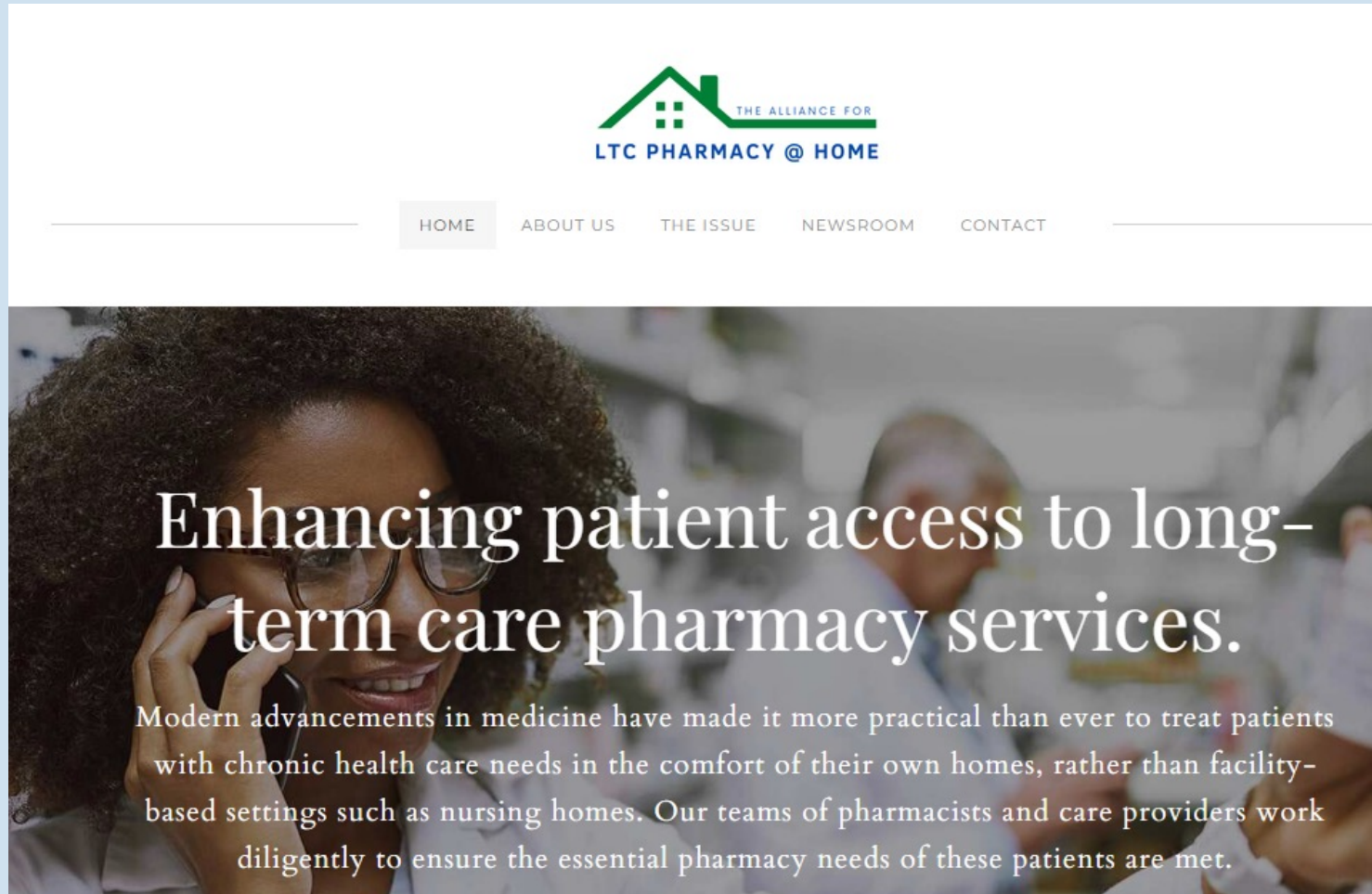
Part A & B spending is **2-3x** higher for those with LTC needs.

**68%** of hospitalizations from adverse drug events are preventable.

via the MACPAC Duals Databook and ATI Advisory



# The Alliance for LTC Pharmacy @ Home



The screenshot shows the top portion of a website. At the top center is a logo consisting of a green house icon with a white chimney, followed by the text "THE ALLIANCE FOR LTC PHARMACY @ HOME" in blue. Below the logo is a horizontal navigation bar with five items: "HOME", "ABOUT US", "THE ISSUE", "NEWSROOM", and "CONTACT". The "HOME" item is highlighted with a light blue background. Below the navigation bar is a large image of a woman with curly hair and glasses talking on a mobile phone. Overlaid on this image is the text "Enhancing patient access to long-term care pharmacy services." in a large, white, serif font. Below this headline is a paragraph of text in a smaller, white, sans-serif font.

THE ALLIANCE FOR  
LTC PHARMACY @ HOME

HOME ABOUT US THE ISSUE NEWSROOM CONTACT

## Enhancing patient access to long-term care pharmacy services.

Modern advancements in medicine have made it more practical than ever to treat patients with chronic health care needs in the comfort of their own homes, rather than facility-based settings such as nursing homes. Our teams of pharmacists and care providers work diligently to ensure the essential pharmacy needs of these patients are met.



<https://www.pharmacyathome.org/>



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# Future Developments

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# End of the PHE

- *LTC flexibilities extended through 2024*
- Telehealth flexibilities extended through 2024
  - \*Flexibilities for providing opioid use disorder treatments only extended through Nov. 11, 2024

## All Pharmacies

- Pharmacists, pharmacy interns, and pharmacy technicians maintain flexibility to provide immunizations to ages 3 and up through Dec. 2024
- Medicare Advantage plans will continue to cover COVID-19 vaccinations in-network without cost-sharing
- For Medicare beneficiaries, COVID-19 tests can no longer be ordered by pharmacies, and must be ordered by a physician or other health care provider

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# NCPA LTC Division

# WAY TO GROW, PHARMACISTS!

LONG-TERM CARE IS A FUTURE YOU CAN COUNT ON.



It's more than nursing homes.  
There's room to grow.



The NCPA LTC Division can  
help you and your pharmacy.



LTC Division membership gives  
you access to our standard forms  
and contracts library.

Join today by visiting [www.ncpa.org/ltc](http://www.ncpa.org/ltc).



**NCPA** *LTC*

[www.ncpa.org/ltc](http://www.ncpa.org/ltc)

# Business Resources

NCPA LTC Division members can access numerous business resources to help them start or expand their LTC pharmacy businesses. Some of the resources listed below require your NCPA member ID and password to access the content.

## Frequently Asked Questions

LTC operators answer the most commonly asked questions for those getting started in long-term care.

## Agreement Templates

Access and download contract templates—drafted by attorney and pharmacy law expert, Jeffrey S. Baird, Esq.—saving you both time and money. Our library of sample agreements include pharmacy services with LTC and ALFs, consultant pharmacists, medical directors, and several other topics vital to your LTC business.

## The Evolving Role of the Alternate Site Pharmacist in Continuity of Care

Read from a Marketplace Experts column recently published in McKnight's Long term Care News, for the full article, please click the link at the bottom of the page.

## LTC Business Webinar Series

Download audiofiles and presentations from webinars on a host of LTC topics including e-prescribing, accountable care organizations, billing and reimbursement for short-cycle dispensing, and more.

### **PHARMACY SERVICES AGREEMENT<sup>1</sup>** **[Long Term Care Facility]**

This Pharmacy Services Agreement (“Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between ABC Pharmacy, Inc. (“ABC”) and XYZ Long Term Care, Inc. (“Facility”).

#### **Background**

A. Facility is engaged in the operation of a long term care facility for which it requires pharmacy services to be provided in accordance with local, state and federal laws, rules and regulations applicable to Facility’s location.

B. ABC is a duly registered and licensed pharmacy engaged in providing pharmacy-related products, such as prescription and non-prescription drugs, and professional services, including pharmacy consultant services, to long term care facilities and their residents (“Services”).

C. Facility desires to utilize ABC’s Services, and ABC is willing to furnish the Services, as provided below.

#### **Agreement**

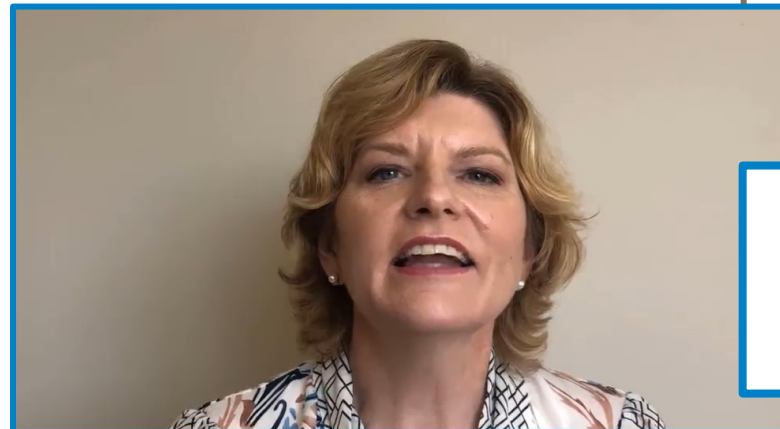
##### **1. Duties and Obligations of ABC.**

1.1 Services. ABC will to provide the Services set out in Schedule A. At the election of Facility, ABC will also provide the Services described in Schedule B. At the option of ABC, the Services may be performed off-site if permitted by applicable law.

1.2 Licensure Compliance. ABC will maintain necessary licenses and certifications from all appropriate state and federal regulatory authorities including, but not limited to, the \_\_\_\_\_ Board of Pharmacy.

##### **2. Duties and Obligations of Facility.**

2.1. Working Space. Facility will make available to ABC adequate working space to allow ABC to fulfill its obligations under this Agreement.



**Dixie Leikach, RPh, MBA, FACA**  
**Owner, Catonsville Pharmacy, Baltimore, MD**

**When is the appropriate time for me to move my residents from community/LTC hybrid pharmacy to a closed-door pharmacy?**





# Business of Long-Term Care Workshop

- LTC continuum overview and differentiating services, including medical-at-home
- Contracting and GPOs 101
- Marketing strategies for winning new business
- Local, state, and federal requirements review
- Pharmacy operations and workflow deep-dive
- Technology innovations and efficiencies





# NCPA Month of Action

- Build on the growing momentum on Capitol Hill to enact meaningful PBM legislation and to keep the pressure on legislators to act, NCPA is again pushing a Month of Action and urging community and LTC pharmacies to **host pharmacy visits with Members of Congress during August.**
- With several pieces of PBM legislation advancing out of committees the focus will be on ensuring a meaningful PBM reform bill is passed and sent to President Biden.



**For more information, or to express interest in hosting a pharmacy visit please reach out to Michael Rule; [mrule@ncpa.org](mailto:mrule@ncpa.org) or (703) 838-2671 or use the QR code.**

