Elevance Health | Public Policy Institute

Outcomes in Medicaid Members Engaged in Health Plan, PBM & Community Pharmacy Collaboration

September 2024

Overview

Pharmacists are increasingly valued for their role in managing chronic diseases, as demonstrated by the rise in outcomes-based contract arrangements with health plans and pharmacy benefit managers (PBMs). This paper provides an update to an earlier analysis of a partnership between Elevance Health's CarelonRx PBM and CPESN® USA, which engages clinically integrated independent community pharmacies to aid Medicaid members in managing their complex health conditions.[1]

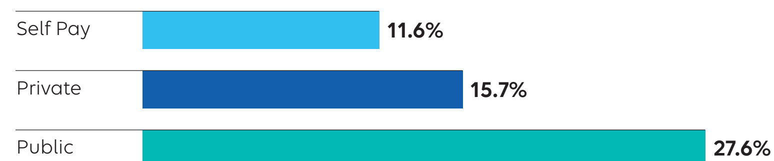
Background

Pharmacists have evolved their clinical services to include not only medication dispensing and adherence but also medication therapy review, patient health education and counseling, and monitoring patient outcomes. The advent of value-based payment (VBP) arrangements in pharmacy is aimed at compensating healthcare providers for their valuable contributions towards improving health outcomes and reducing medical services utilization.

Non-elderly adults with Medicare or Medicaid are more likely to have two or more chronic conditions than non-elderly adults who are privately insured (Figure 1), and they can benefit from increased engagement with clinicians to help address their complex health needs.[2]

Figure 1

Percent of U.S. Adults Aged 18-64 with Two or More Chronic Conditions by Insurance Status, 2018



Source. Boersma, P., et al. (2020, September). Prevalance of Multiple Chronic Conditions Among US Adults, 2018. *Prevention of Chronic Disease 17*(E106).

Beginning in 2021, Elevance Health's CarelonRx PBM and CPESN® USA, a clinically integrated network of community and independent pharmacies, launched a program to support Medicaid members in Iowa who could benefit from direct outreach and enhanced counseling offered by independent, local/community pharmacies. Individuals were identified as clinically high-risk members for the CPESN® outreach program by the PBM using population health and person-level data analytics.

Methods

- This retrospective claims study used Medicaid claims data between August 2020 and December 2023 from the Wellpoint Iowa Medicaid plan.
- The analysis compared two groups of members who were continuously enrolled during both baseline and evaluation periods: those who were identified and reached by the CPESN® outreach program ("engaged members"), and those who were identified but not reached by the CPESN® outreach program ("nonparticipant members"). (N=848 each in engaged member and nonparticipant member groups.) The dynamic baseline period was defined as 12 months prior to the first outreach date; the dynamic evaluation period was defined as the 12 months following the first outreach date.
- Propensity score matching was used to match the CPESN-engaged member group and nonparticipant member group on age, gender, risk score, 17 most frequent/costly chronic conditions,[3] and baseline medical cost.
- A difference-in-difference (DiD) statistical approach was used to compare matched cohorts on cost and utilization during the study period.
- While the analytic approach seeks to isolate the impact of the CPESN outreach program, it is possible that other unknown factors also influenced the results.

Results

CPESN-engaged members in Iowa had a favorable change in medical services utilization associated with their chronic conditions,[4] while nonparticipant members experienced increased utilization.

- Inpatient utilization displayed a statistically significant percentage point decrease in admissions per 1,000 members per year (-33 percentage points) among engaged members versus nonparticipant members. (Figure 2)

Figure 2

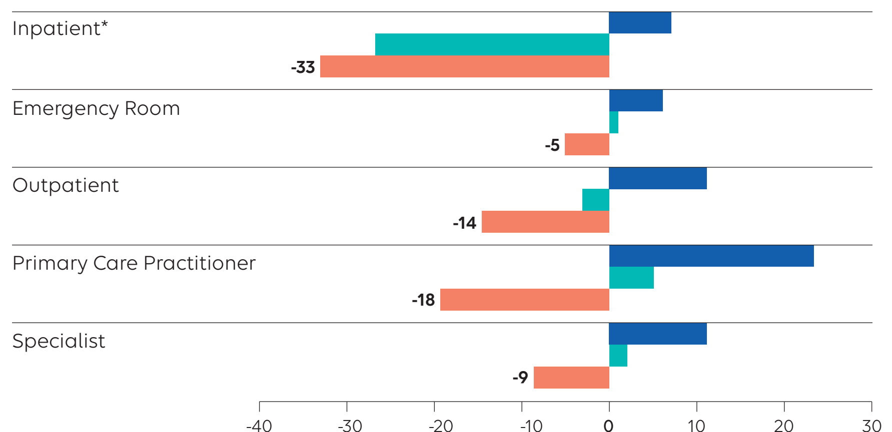
Percentage Point Change in Medical Utilization, Engaged vs. Nonparticipant Members, for Any Chronic Condition

Number of visits per thousand members per year

Pre/Post Difference Nonparticipant Members

Pre/Post Difference Engaged Members

Difference-in-Difference



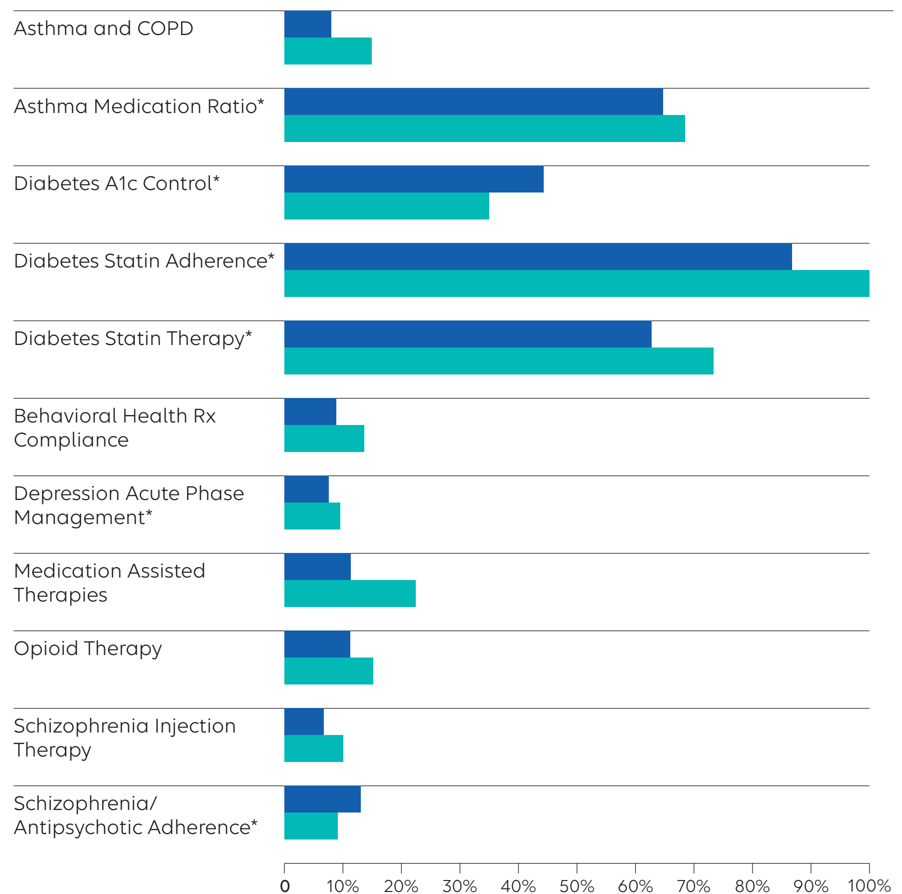
Engaged members exhibited a higher rate of HEDIS gap closures than nonparticipant members.

- Healthcare Effectiveness Data and Information Set (HEDIS) measures are used to assess the quality and effectiveness of care and offer a standardized way of comparing performance across different healthcare organizations. A "gap in care" is identified when care provided to a member is inconsistent with the recommended best practices in health-care. For instance, a member who hasn't received a recommended mammogram would have a gap in care; this gap would be "closed" when the member receives the screening.
- Engaged members showed more improvement in closing gaps in care compared to nonparticipants, as seen in five of eight HEDIS-related metrics and eight of 14 total care measures identified for evaluation during the study period. For two cardiovascular-related measures, there was no difference noted in either the CPESN-engaged member or the nonparticipant member groups. (Figure 3)

Figure 3

Treatment Compliance Rates Among Members with Care Gaps

Nonparticipant Members
Engaged Members



Note. Although the gap closure trends appear favorable, the small sample size for many measures made it impossible to determine statistical significance.
* = Denotes HEDIS metric.

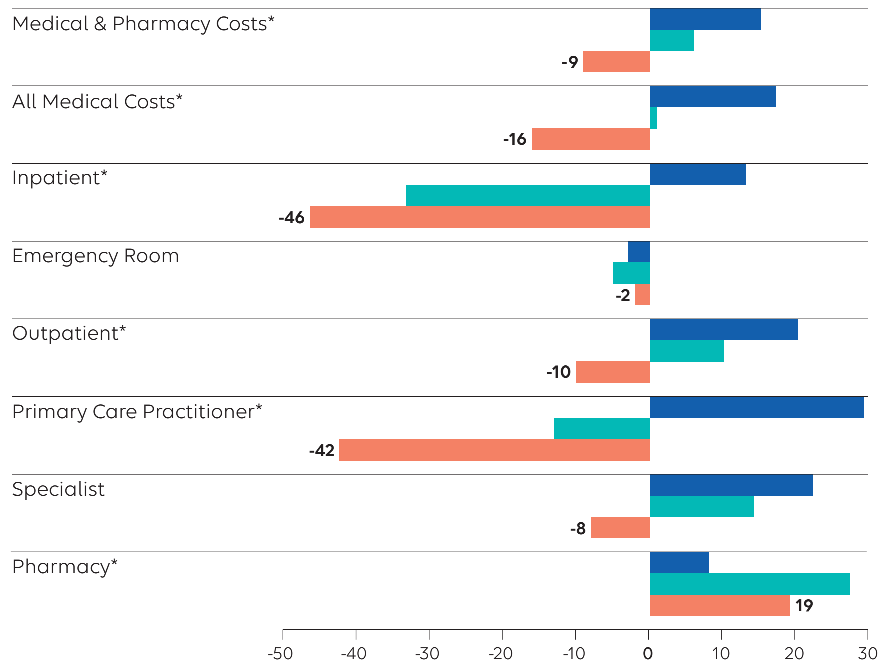
Medical costs for chronic conditions were significantly reduced among engaged members.

- Engaged members had a greater reduction in medical costs for most services for their chronic conditions than members who did not participate, with inpatient costs demonstrating the greatest reduction (-46 percentage points). (Figure 4)
- Despite higher pharmacy costs, engaged members still had a greater reduction in combined medical and pharmacy costs than nonparticipants, suggesting better adherence to medications and improved condition management.

Figure 4

Percentage Point Change in Medical Costs, Engaged vs. Nonparticipant Members, for Any Chronic Condition

Costs per member per month



*= Denotes statistical significance at <.001

Considerations

In light of these favorable results among Wellpoint Iowa members, CPESN® and Elevance Health are expanding this model that compensates pharmacies for holistic clinical services that drive health and wellbeing. Stakeholders interested in pursuing similar partnerships may want to consider the following:

Apply an integrated approach. Leverage health-plan integrated, patient-focused PBMs that can utilize both medical and pharmacy data to manage patient care more effectively.

Create accountability. Independent community pharmacies should be willing to be held accountable for achieving desired outcomes based on objective quality measures.

Deliver enhanced services. Consider the use of enhanced services and counseling available at clinically integrated, independent community pharmacies to better serve members especially in areas where there are primary care access challenges.

Maintain patient-centeredness. Aim to identify and provide enhanced services to members who may benefit the most, especially those at a higher risk for adverse clinical outcomes.

Conclusion

This brief illustrates that value-based care partnerships, such as this one in Iowa between Elevance Health's CarelonRx PBM and CPESN® pharmacies, can improve outcomes, reduce medical utilization, and lower costs for Medicaid members with chronic conditions.

The results support health plan initiatives to apply outcomes-based agreements—especially those that compensate independent local pharmacies for enhanced medication services—as a key strategy to boost quality and reduce costs for members with the most complex needs.

Endnotes

[1] Link to earlier Elevance Health Public Policy Institute paper (October 2023): https://www.elevancehealth.com/public-policy-institute/pbm-and-community-pharmacy-partnerships-can-improve-medicaid-outcomes.

[2] Boersma, P., et al. (2020). Prevalence of Multiple Chronic Conditions Among US Adults, 2018. *Prevention of Chronic Disease 17*(E106); Retrieved May 20, 2024, from http://dx.doi.org/10.5888/pcd17.200130.

[3] Propensity score matched chronic conditions included: alcohol dependence, asthma, bipolar disorder, chronic obstructive pulmonary disease, cocaine or amphetamine dependence, coronary artery disease, depressed anxiety disorder or phobias, diabetes, hypertension, joint degeneration, mood disorders, obesity, opioid or barbiturate dependence, other drug dependence, other neuropsychological or behavioral disorders, obstructive sleep apnea, psychotic & schizophrenic disorders.

[4] Chronic condition episodes were identified using Optum's Symmetry Episode Treatment Groups.

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