

August 6, 2015

Mr. Sean Cavanaugh
Deputy Administrator and Director of the Center for Medicare
Centers for Medicare and Medicaid Services
7500 Security Blvd
Baltimore, MD 21244

Medicare Part D MTM Program

Dear Deputy Administrator Cavanaugh:

We are writing to you to urge the Centers for Medicare and Medicaid Services (CMS) to use its regulatory authority through the annual Part D Call Letter process to make improvements to the Medicare Part D Medication Therapy Management (MTM) Program beginning in the 2017 plan year.

Poor medication adherence costs the U.S. healthcare system \$290 billion annually (New England Healthcare Institute, 2009). MTM is an important tool that has been proven to improve medication adherence and patient health, as well as improve healthcare affordability. Despite its proven benefits, the Part D MTM program has been underutilized. CMS has recognized this problem and has made administrative changes over the years in an attempt to increase eligibility, yet, according to CMS's own findings, eligibility remains significantly lower than the projected expectations. CMS should use its regulatory authority to implement changes to the program to improve access for beneficiaries who would most benefit from MTM.

The benefits of medication management services are clear. For example, CMS' own report from 2013 found that Part D MTM programs consistently and substantially improved medication adherence and quality of prescribing for evidence-based medications for beneficiaries with congestive heart failure, COPD, and diabetes. The study found significant reductions in hospital costs, particularly when a comprehensive medication review (CMR) was utilized. This included savings of nearly \$400 to \$525 in lower overall hospitalization costs for beneficiaries with diabetes and congestive heart failure. The report also found that MTM can lead to reduced costs in the Part D program as well, showing that the best performing plan reduced Part D costs for diabetes patients by an average of \$45 per patient.

Additionally, the Congressional Budget Office (CBO) has acknowledged that medication use reduces healthcare costs in other parts of the Medicare program. The CBO revised its methodology for scoring proposals related to Medicare Part D

and found that for each one percent increase in the number of prescriptions filled by beneficiaries there is a corresponding decrease in overall Medicare medical spending.

CMS has flexibility in establishing MTM eligibility criteria. CMS currently allows plans to select from anywhere between two and eight medications as the threshold for MTM eligibility. According to the CMS MTM Fact Sheet, in 2014 more than half of all MTM programs required beneficiaries to be taking at least the maximum, eight medications, to be eligible. In addition, CMS defines the annual cost threshold to be equal to \$3,000, increased by an annual percentage. For 2015 the cost threshold is \$3,138. This cost threshold is too high, particularly when considering that many medications for chronic diseases are now available in lower cost generic form.

We believe a more effective targeting of beneficiaries can be accomplished by implementing regulatory changes to the flexible targeting criteria currently in place in the MTM program, such as lowering the number of medications required to no more than four and reducing the cost threshold to no more than \$1,500.

Thank you for your consideration and we look forward to continuing to work with you to help strengthen the MTM program for Part D beneficiaries.

Sincerely,

American Association of Diabetes Educators
American Heart Association
American Pharmacists Association
American Society of Health-System Pharmacists
Asthma and Allergy Foundation of America
Food Marketing Institute
National Association of Chain Drug Stores
National Consumers League