SENATE BILL No. 346

DIGEST OF INTRODUCED BILL


Synopsis: Medication therapy management and Medicaid. Allows for pharmacist reimbursement for medication therapy management services provided to certain Medicaid recipients beginning July 1, 2015. Sets forth requirements that a pharmacist must meet in order to receive Medicaid reimbursement for medication therapy management services. Requires the secretary of the office of family and social services (secretary) to establish a medication therapy management advisory committee. Requires the secretary to determine any Medicaid cost savings and improvement in patient quality of care by providing these services and report the secretary's findings to the general assembly not later than June 30, 2017.

Effective: July 1, 2014.

Grooms

January 14, 2014, read first time and referred to Committee on Health and Provider Services.
SENATE BILL No. 346

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 12-15-5-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 18.5. (a) As used in this section, "comprehensive medication review" means a systematic interactive individualized process of consulting with a patient, a patient's caregiver, or the patient's prescriber concerning all of the individual's medications and monitoring the patient's medications. The term includes the following:
(1) Collecting patient specific information.
(2) Assessing medication therapies to identify medication related problems.
(3) Developing a prioritized list of medication related problems.
(4) Creating a plan with the patient, caregiver, or prescriber to resolve medication related problems.
(b) As used in this section, "medication therapy management"
means the provision of the following services by a qualified
pharmacist licensed under IC 25-26 with the goal of optimizing
therapeutic outcomes of the patient's medications:

(1) Performance of necessary medication related assessments
of the patient's health status.

(2) Development of a medication treatment plan.

(3) Evaluation and monitoring of a patient's response to
therapy, including the safety and effectiveness of the therapy.

(4) Creation and implementation of a comprehensive
medication review to identify, resolve, and prevent medication
related problems, including adverse drug events.

(5) Documentation of the care delivered to a patient and
communication of essential information to the patient's
prescriber.

(6) Provision of verbal education and training designed to
enhance patient understanding and appropriate use of the
patient's medications.

(7) Provision of information, support services, and resources
designed to enhance patient adherence to and appropriate use
of the patient's medications.

(c) As used in this section, "office" includes

(1) The office of Medicaid policy and planning.

(2) A managed care organization that has contracted with the
office of Medicaid policy and planning under this article.

(3) A pharmacy benefit manager that has contracted with the
office of Medicaid policy and planning under this article.

(4) A Medicaid care management organization that has
contracted with the office of Medicaid policy and planning
under this article.

(d) Beginning July 1, 2015, the office shall reimburse a
pharmacist described in subsection (f) for providing medication
therapy management services for a Medicaid recipient who meets
at least one (1) of the following:

(1) Has prescriptions for at least four (4) medications for the
treatment or prevention of at least two (2) chronic medical
conditions.

(2) Has one (1) of the following conditions:

(A) Diabetes.

(B) Chronic pain.

(3) Has been discharged from a hospital, rehabilitation
facility, or long term care setting and begins medication
therapy management services within thirty (30) days of the
discharge.

(4) Has a prescription for an anticoagulant and requires routine laboratory monitoring.

(5) Has been referred by the recipient's treating prescriber as having a prescription drug therapy problem with a need for a plan to improve medication adherence or to address health literacy issues.

(6) Has a prescription for a tobacco cessation product.

(7) Has been identified or targeted by the office as:
   (A) having a drug therapy problem; or
   (B) having a need for medication therapy management services.

(e) The office shall identify target recipients for enrollment in medication therapy management at least quarterly during a calendar year. Targeting criteria must focus on making eligibility for medication therapy management more inclusive and to increase the number of recipients eligible for the services. The office shall enroll targeted recipients in medication therapy management unless the recipient declines enrollment. A recipient participating in medication therapy management may decline individual services offered within medication therapy management without having to terminate enrollment in medication therapy management. Once enrolled in medication therapy management, a recipient is enrolled for the remainder of the calendar year.

(f) A pharmacist is eligible for reimbursement for providing medication therapy management services for a Medicaid recipient if the pharmacist meets the following:
   (1) Is licensed under IC 25-26.
   (2) Has entered into a Medicaid provider agreement.
   (3) Has completed a comprehensive medication therapy management education program that:
       (A) includes clinical and didactic components; and
       (B) has been approved by the Indiana board of pharmacy.
   (4) Provides medication therapy management:
       (A) through a protocol or collaborative agreement entered into between the pharmacist and a physician licensed under IC 25-22.5; and
       (B) either:
           (i) in person; or
           (ii) through the use of telehealth services, if meeting with the individual in person is not feasible.
   (5) Is practicing in:
(A) an ambulatory care setting as part of a multidisciplinary team;
(B) a private or semiprivate patient care setting and has developed a structured patient care process; or
(C) a home setting and medication therapy management services have been ordered by a provider directed care coordination team.

(g) The office may establish patient interaction requirements that must be met in order for a pharmacist to be reimbursed for providing medication therapy management services under this section.

(h) The office shall meet the following requirements in reimbursing a licensed pharmacist for medication therapy management services under this section:

(1) Medication therapy management services must be reimbursed separately from other prescription drug payment and dispensing services.
(2) Reasonable and fair market payment must include reimbursement fees that include the following:
   (A) A fee for service model.
   (B) An additional payment for quality care provided and for achievement of optimal patient outcomes.

(i) Before August 1, 2014, and in consultation with professional medical associations, professional pharmacy associations, academic institutions, and consumer groups, the secretary shall convene an eleven (11) member medication therapy management advisory committee to advise the secretary on the implementation and administration of medication therapy management services as part of the Medicaid program. The advisory committee must consist of the secretary or the secretary's designee and the following individuals appointed by the secretary:

(1) The director of pharmacy for the office or the director's designee.
(2) Two (2) physicians licensed under IC 25-22.5.
(3) Two (2) pharmacists licensed under IC 25-26.
(4) One (1) individual representing consumer advocacy organizations.
(5) One (1) individual representing the Indiana board of pharmacy.
(6) One (1) individual with expertise in medication therapy management.
(7) Two (2) individuals representing any of the following:
(A) A managed care organization that has contracted with the office of Medicaid policy and planning under this article.

(B) A pharmacy benefit manager that has contracted with the office of Medicaid policy and planning under this article.

(C) A Medicaid care management organization that has contracted with the office of Medicaid policy and planning under this article.

The secretary or the secretary's designee shall serve as chairperson of the advisory committee. Committee members serve on the advisory committee without compensation. This subsection expires December 31, 2014.

(j) The secretary may contract with a person or organization with expertise in administrating medication therapy management services to provide the services described in this section. A contractor may use only a pharmacist licensed under IC 25-26 to provide medication therapy management services.

(k) The secretary, or a contractor of the secretary, shall determine whether providing medication therapy management under this section:

(1) results in any Medicaid cost savings and the amount of any savings; and

(2) improves patient quality of care and patient outcomes.

Before June 30, 2017, the secretary shall report the findings under this subsection to the general assembly in an electronic format under IC 5-14-6.

(l) The office:

(1) may adopt rules under IC 4-22-2; and

(2) shall apply to the United States Department of Health and Human Services for any approval; necessary to implement this section.

SECTION 2. IC 25-26-13-4, AS AMENDED BY P.L.182-2009(ss), SECTION 371, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) The board may:

(1) promulgate rules and regulations under IC 4-22-2 for implementing and enforcing this chapter;

(2) establish requirements and tests to determine the moral, physical, intellectual, educational, scientific, technical, and professional qualifications for applicants for pharmacists' licenses;

(3) refuse to issue, deny, suspend, or revoke a license or permit or
place on probation or fine any licensee or permittee under this
chapter;
(4) regulate the sale of drugs and devices in the state of Indiana;
(5) impound, embargo, confiscate, or otherwise prevent from
disposition any drugs, medicines, chemicals, poisons, or devices
which by inspection are deemed unfit for use or would be
dangerous to the health and welfare of the citizens of the state of
Indiana; the board shall follow those embargo procedures found
in IC 16-42-1-18 through IC 16-42-1-31, and persons may not
refuse to permit or otherwise prevent members of the board or
their representatives from entering such places and making such
inspections;
(6) prescribe minimum standards with respect to physical
characteristics of pharmacies, as may be necessary to the
maintenance of professional surroundings and to the protection of
the safety and welfare of the public;
(7) subject to IC 25-1-7, investigate complaints, subpoena
witnesses, schedule and conduct hearings on behalf of the public
interest on any matter under the jurisdiction of the board;
(8) prescribe the time, place, method, manner, scope, and subjects
of licensing examinations which shall be given at least twice
annually; and
(9) perform such other duties and functions and exercise such
other powers as may be necessary to implement and enforce this
chapter.
(b) The board shall adopt rules under IC 4-22-2 for the following:
(1) Establishing standards for the competent practice of
pharmacy.
(2) Establishing the standards for a pharmacist to counsel
individuals regarding the proper use of drugs.
(3) Establishing standards and procedures before January 1, 2006,
to ensure that a pharmacist:
   (A) has entered into a contract that accepts the return of
   expired drugs with; or
   (B) is subject to a policy that accepts the return of expired
drugs of;
a wholesaler, manufacturer, or agent of a wholesaler or
manufacturer concerning the return by the pharmacist to the
wholesaler, the manufacturer, or the agent of expired legend drugs
or controlled drugs. In determining the standards and procedures,
the board may not interfere with negotiated terms related to cost,
expenses, or reimbursement charges contained in contracts
between parties, but may consider what is a reasonable quantity
of a drug to be purchased by a pharmacy. The standards and
procedures do not apply to vaccines that prevent influenza,
medicine used for the treatment of malignant hyperthermia, and
other drugs determined by the board to not be subject to a return
policy. An agent of a wholesaler or manufacturer must be
appointed in writing and have policies, personnel, and facilities
to handle properly returns of expired legend drugs and controlled
substances.

(c) The board may grant or deny a temporary variance to a rule it
has adopted if:
(1) the board has adopted rules which set forth the procedures and
standards governing the grant or denial of a temporary variance;
and
(2) the board sets forth in writing the reasons for a grant or denial
of a temporary variance.

(d) The board shall adopt rules and procedures, in consultation with
the medical licensing board, concerning the electronic transmission of
prescriptions. The rules adopted under this subsection must address the
following:
(1) Privacy protection for the practitioner and the practitioner's
patient.
(2) Security of the electronic transmission.
(3) A process for approving electronic data intermediaries for the
electronic transmission of prescriptions.
(4) Use of a practitioner's United States Drug Enforcement
Agency registration number.
(5) Protection of the practitioner from identity theft or fraudulent
use of the practitioner's prescribing authority.

(e) The governor may direct the board to develop:
(1) a prescription drug program that includes the establishment of
criteria to eliminate or significantly reduce prescription fraud; and
(2) a standard format for an official tamper resistant prescription
drug form for prescriptions (as defined in IC 16-42-19-7(1)).
The board may adopt rules under IC 4-22-2 necessary to implement
this subsection.

(f) The standard format for a prescription drug form described in
subsection (e)(2) must include the following:
(1) A counterfeit protection bar code with human readable
representation of the data in the bar code.
(2) A thermochromic mark on the front and the back of the
prescription that:
(A) is at least one-fourth (1/4) of one (1) inch in height and width; and

(B) changes from blue to clear when exposed to heat.

(g) The board may contract with a supplier to implement and manage the prescription drug program described in subsection (e). The supplier must:

(1) have been audited by a third party auditor using the SAS 70 audit or an equivalent audit for at least the three (3) previous years; and

(2) be audited by a third party auditor using the SAS 70 audit or an equivalent audit throughout the duration of the contract; in order to be considered to implement and manage the program.

(h) The board shall approve comprehensive medication therapy management education programs that include clinical and didactic components to permit a pharmacist to meet the requirements to receive reimbursement for providing medication therapy management services for Medicaid recipients under IC 12-15-5-18.5.