Shields COVID-19 Webinar

June 12, 2020

Speaker 1:

Per usual, we want this to be a very casual format. So our intention today is really to provide you updates on how COVID continues to impact our health system and the specialty pharmacy landscape. We want to provide you with some actionable insights on the operational changes required and give you insights derived from real world experience at health systems around the country. And this is definitely a casual sharing environment. We're going to go fast. It's hopefully going to take less than a half hour. We're going to give you insights from our guest speakers and our internal Shields experts. And please make sure that you use the chat feature. If you have any questions or feel free to reach out to any of us after the fact.

Speaker 1:

So, today's speakers include myself, Erin Hendrick, Chris Paciullo and Steven Davis. We make up the specialty pharmacy health system strategy team here at Shields Health Solutions. And we're really excited to be joined by Darren Lowe, who's the director of contracting here at Shields as well. Darren is going to provide a number of insights into how payers have reacted to the COVID crisis and what specialty pharmacies should know as they are going into recovery mode.

Speaker 1:

In the United States there were about 112,000 deaths associated with COVID and almost 2 million confirmed cases. That said, we are seeing a bit of a decline in terms of cases and deaths. Day over day restrictions have started to loosen almost universally. Many States have continued to see hospitalizations rise though, especially post Labor Day or Memorial Day. Elective surgical case volumes remain very low clinic visits can seem to be rebounding. And we'll talk a little bit about that, but it certainly is a mixed bag of tele-health and in person visits, and our health systems have continued to watch their generalized NOI plummet independent of their local COVID-19 trends. And so these elective surgical volumes and clinic volume decreases really are universal independent of where in the country people have been and how COVID has affected their local community. As we look at specialty pharmacy, it continues to demonstrate significant resiliency to date in terms of operating revenue.

Speaker 1:

Looking at Pre-COVID, January and February of 2020 timeframes, we've seen consistent increases in operating revenue month over month. We saw a high in March when a lot of people were intending to fill, for fear that they may not get their prescriptions later, but we've continued to see a rise. And now in June, an even greater rise than we had seen before originally. One of the fears was that in March, we saw an increase in the average day supply dispense, and we thought that that may have a negative impact on months that we were stealing from future months for the purposes of increased. They supply that pattern didn't really hold true, and it's not in line with the operating revenues. So that the nice thing is we're not necessarily seeing that this has dramatically impacted future state revenue. We do see a continued use of longer day supply.

Speaker 1:

And we think that that's here to stay as the world has changed in terms of total specialty appointments. The nice thing is that in June, we have seen a significant rebound that is a combination of in person and telehealth visits, but we're seeing patients come back to seeking care. It may be a different level of care, and this is very much dependent upon the disease state as well, but we are seeing new patients come in and then new patients starts, which had been down pretty dramatically in March, April and May. While still dramatically down they aren't nearly as far down as we saw in April and May. And it seems to be on the rise. So again, this is a much more positive outlook than we had as we looked to the future of health system pharmacy a few months ago, but operating revenue remains very, very strong.

Speaker 1:

June is showing strong growth trends towards a return to budget. But a mixture of telehealth and in person visits, obviously from a budget perspective, clinic, and dollars is a mixed bag in terms of how a tele-health being reimbursed. It's better than it has been historically, but from a specialty pharmacy perspective, most people have managed to qualify their claims appropriately or use them as, you know, own use. And they're seeing the same levels of specialty pharmacy revenue overall prescribing actually hasn't changed that dramatically during COVID. Those specific disease states have been severely impacted. And so we see Hep C new starts being deferred and the use of RA drugs has waned on mostly because of the immunosuppressive effects.

Speaker 1:

But in other disease states we've seen the prescribing as normal. And then the feeling, at least in their health system, pharmacies as evidenced that the revenue seems to be consistent. Again, we're trying to play it carefully and look towards the future, but the revenue numbers have been very positive and the overall prescribing has been relatively positive. That said, it's very unclear how the budget will work out, both visit volumes and prescription volumes, for the next 12 months. We don't yet know as the floor has been pulled out specifically because of this deferral of care. So patients haven't necessarily been coming in as if they weren't previously diagnosed. There's a lot of concern across the country about the impacts of that four months of delay in seeking care. And we don't know how that's going to play out in terms of future state care, how sick patients are going to be and what drugs they will start on. But I'm going to turn it over to Chris and have him talk a little bit about the impacts there.

Speaker 3:

So, as you guys have probably seen with HERSA, there's now some new guidance that came out recently allowing for immediate enrollment into the 340 B program, which is different than it was in the past where you did have before the requirement for any 340 to be eligible clinic, to be listed on the OPA website that had to be through a D had to be on the Medicare cost report for the prior year. And essentially what, uh, is going on now is that the, uh, three 40 B program will recognize those sites immediately, as soon as they start billing a I as an HOPD, rather than needing to be on the cost for, for the prior year. So making that switch over a little bit sooner, um, some of the other things that they have, uh, some, uh, additional leniency around our, um, some of the health records, um, but realizing that, you know, the same definition of a patient still has to apply. Um, and then, uh, when we look at tele-health, um, those locations at the telehealth look up, uh, visits, come from, need to be aligned with the splitter and location file and need to be part of it. Um, and realizing, uh, the audit process is definitely going to be different during the, uh, during the pandemic. A lot of those audits are starting to happen remotely.

Speaker 3:

So one of the things I wanted to talk about with telehealth, um, and Erin mentioned before is that we're seeing some, some return to clinic in some of our disease States, but is telehealth really here to stay. Um, and the interesting statistic I saw was that there's going to be, are estimated to be 1 billion telehealth visits in the United States in 2020. Um, granted 900 million are going to be related to COVID either through, um, patients not wanting to go see their physician or, uh, because of patient has a cough and a fever and wants to be evaluated whether or not they had COVID when they needed a physician to write them a order to get tested. So some of that is due to both of those things, but when we look at Medicare beneficiaries, and as we know, back in March, a Medicare allowed some increased coverage for telehealth visits, we see this massive increase, uh, over the last, uh, few, few months where we see a 1.3 million patients getting telehealth services in a one week in April. So wondering as people become more comfortable with it, is this going to be something that we see more and more of, and how's it going to affect specialty pharmacy in the future?

Speaker 3:

It's one of the interesting

Speaker 4:

things that I saw in the surgeon tele-health, and, uh, that equated tele-health to mobile banking. So if you remember, uh, banks really tried to get people to use mobile services for a long time, telephone banking, things like that. And it didn't really happen. And for a very long time, and now we're in the state where I don't really remember the last time I walked into a bank and the same thing is happening with telehealth, but a lot quicker. And one of the quotes I saw online was that the adoption rates that we've seen just in the last two months really probably would have taken three to five years if it wasn't for Tobin. So tele-health is probably here to stay. And some other statistics that I found interesting was that, um, back in October, 2019, JD power did an analysis and found that only about one in 10 Americans had ever used any kind of telehealth service.

Speaker 4:

And this could even include like things like patient portals, um, fast forward to April 20, 20, and one in eight Americans had a video telehealth visit Justin one mall. So we're definitely seeing a big increase in tele-health. Um, one of the issues though that we still have is that about 10% of our countries still lack access to broadband. So making those visits, uh, impossible for some of the more rural places where telehealth really started to roll out coverage for telehealth, as Erin alluded to has, uh, increased, um, in March, 2020 CMS expanded their coverage for telehealth, uh, in April and may. A lot of the commercial insurers began adopting some more lenient telehealth policies. Um, there is still some variation with some of the smaller plans, um, and some of the local plans where, uh, the self-insured, uh, might've opted out of that. And a lot of them are extending this through the end of 2020, and it's still yet to be seen if there is going to be a permanent change.

Speaker 4:

Um, also in, in response, um, uh, the AFP and the AMA has released guidelines on how to properly use telehealth. They've listened some vendor options, and really what this all means for specialty pharmacy is patients are returning to clinic in person, patients are going to clinic virtually, but, uh, for those pharmacies that utilize maybe in clinic, uh, technicians or somebody who's, uh, really helping to direct scripts internally, what does that mean for the future? And I think that there's a lot of different solutions

that are out there, uh, either by, um, you know, capturing those telehealth visits, doing some additional patient outreach, refocusing into clinics where patients do really have to come in, um, for their appointments. So I think it's still yet to be seen, but still a very interesting, uh, dynamic and some changes that are occurring.

Speaker 4:

Thanks, Chris. And as we have all seen an experience, uh, this ongoing COVID-19 public health crisis has caused in an unprecedented shift in the way Americans view and access health care. Uh, so I was looking at a recent survey that was released by the Alliance of community health plans and the Academy of managed care pharmacy. And it explores the changes in consumers, healthcare behavior, as a result of COVID-19. So, as you can see, Mmm, heard a survey, many including vulnerable populations, I've been land Hill healthcare, 72% say the pandemic has impacted their health, their healthcare, a 41% have delayed care doing the pandemic. And what I also find interesting is that 38% will continue to delay care in the near future.

Speaker 4:

Many also say it during a survey that they are uncomfortable visiting medical settings during the pandemic. And so 45% are uncomfortable visiting a walk in urgent care. 42% stated that they are uncomfortable going to the hospital and 31% or uncomfortable, um, visiting a doctor's office. But what's also interesting is that when there was a question asked on the survey of those interested in being tested, 39% actually said that they would be comfortable being tested in their pharmacy. And in the next slot, the, where it says the trust in doctors is high. Uh, but respondents worry about the safety of traditional clinics. 41%, um, have actually said that they are concerned about being able to see their doctor in a safe environment. And I think that's one of the things on, as Aaron was talking about earlier and what Chris was alluding to of why we're seeing slow returns to the actual traditional clinics.

Speaker 4:

And then what's promising is that pharmacy usage remains strong. So mail order prescriptions increase, there was a 47%, uh, state that they've received prescription medications in the last 90 days. Um, so as Aaron was showing, um, the graphic or earlier there is an average day supply usage that is really good. 90% have gotten their pharmacies from a local pharmacy. 9% had medications home delivered from a local pharmacy in 2021, 24% are getting medications through a mail order pharmacy. So specialty pharmacy has shown that it's adaptable and it's strong during this COVID-19 pandemic. I also think this is a good transition to Darren Lowe as he discusses of how him and his team have adapted, uh, to the, um, to this landscape and, and what the payers are doing. So, Darren I'll turn it over to you.

Speaker 5:

Thanks Stephen. So the pair contracts, the payer contracting contracting department of shields is focused on accessing new patient populations, accessing pair networks on behalf of our partner, pharmacies, as part of this Colby crisis, we've spent a lot of time managing and monitoring PBM changes and making sure that, that we can communicate those to our partners and to maximize any opportunities and new processes that, that, um, due to kind of operational instructional changes the PBS and the PBMs implemented during the COVID, uh, crisis. I would say that the, um, you know, the name of the game this week is actually a more of a return to normal. Uh, we monitor the changes on a weekly basis and actually this week, um, updates from the major PBMs, all reflect in some capacity, uh, revert, uh, return to business as usual. So, uh, from a refill, uh, exception perspective, all of those, uh,

relaxed rules, uh, have expired or will expire in the next week or two across Caremark and Optum and express scripts, whoever the extended days supply, um, relaxed opportunities are still in effect.

Speaker 5:

Uh, most likely probably through the end of the summer, uh, signature exceptions also continued to be in effect. Um, so for patients uncomfortable, um, you know, signing a log, uh, the PBMs are allowing the waivers to that. There's a lot of detail on this. Uh, I'm just hitting the high notes. What is in red is really what's new this week. So, so you see the red and under the refill exceptions, those, uh, those are all going back to a normal operating processes on the next slide. Um, we, uh, for delivery copay exception, this is less relevant to independent pharmacies, but just so you're aware from a market perspective that each of the major PBMs are offering free or low cost delivery, um, through their mail order or specialty channels, um, as a, as a service to members that are, that are unable to, to, uh, actually get into a pharmacy.

Speaker 5:

The other main thing that's being rolled back is a DTA exception process, uh, with the exception of Caremark, which, um, is extending previously approved PAs through nine 30, uh, all of the other, uh, meat odor for ESI and Optum both have, um, have reverted back to standard PA processes and those extensions have, have since expired. And then finally from a quantity limit perspective, a lot of the COVID related, uh, therapeutics, uh, continues to have some level of quantity limits, uh, that are mandated by the PBMs. Um, and we can expect to see those to continue at least through the end of the summer from a network enrollment perspective. Uh, there's been a couple of interesting changes. Uh, this is most applicable for, for pharmacies seeking network participation that, uh, for networks that they're currently not, not in, um, so for pharmacies that already have this as really hasn't been any change, but if you are seeking to be a Medicare DME provider through the five S application, um, to bill for Medicare part B as in boy, uh, claims, uh, the CMS has waived a lot of the, um, requirements as part of that application, uh, notably the fees, the site visit and some of the licensing requirements, uh, for practical purposes like this, this process would typically take, uh, two to three months.

Speaker 5:

And we're currently seeing, um, pharmacies being rolled by, by CMS. Uh, and as little as four weeks, conversely network enrollment for express scripts and Caremark, uh, has actually grown during the code related crisis. Typically in pharmacy seeking network enrollment and credentialing through ESI would take, you know, a couple of weeks to a month. This is now North of, or close to two months on average Caremark, uh, has where it was traditionally 45 to 60 days is now running 90 to 120 days. Our most recent feedback from them is that they're kind of back to closer to their 90 day relative to the 120, but, uh, certainly taking many, many months to, uh, for a new pharmacy to, to, to be enrolled with Caremark.

Speaker 5:

And then I also wanted to just touch on a couple of other slightly non COVID related trends, but the certainly important things that are happening, uh, in 2020 as it relates to the PBM and payer industry. Um, we continue to see a lot of industry consolidation, a lot of the acquisitions and mergers that happened in 2019 have been operationalized and implemented in early in 2020 notably, um, at the Caremark Cigna moving, uh, from Optum to express scripts, Anthem, moving from express scripts to Caremark as branded as their own PBM. And then, um, prime therapeutics really outsourcing their

pharmacy benefit management, uh, to express scripts on April 1st and then, um, optimize acquisition of diplomat. So we're seeing increasingly, uh, uh, you know, concentrated industry with, with really only a few key players left from a pharmacy benefit management perspective, as well as, you know, the national mail order, specialty pharmacy perspective.

Speaker 5:

Um, and I think that, you know, that there needs, at some point there'd be some regulatory pushback to the monopolistic power that these organizations are gaining in the marketplace. So we continue to monitor these changes and look for opportunities to, uh, you know, to continue to push for, um, for payer access. Um, but I would say that, uh, is really where we're focusing on with, with prime kind of leaving the ball game. It's really Caremark express scripts and Optum are, are pretty much dominating the market. The final thing I wanted to just quickly touch on is that on the medical benefits side health systems are getting a lot of pressure from payers on their reimbursement related to provider administered drugs, typically infusions. And, um, and so we are constantly monitoring these medical policy changes that are meaningfully impactful to the financial health of our, of hospitals generally, and certainly impactful to some of our partners as well.

Speaker 5:

Uh, we've seen United, um, tries to pull 47 drugs, um, out of, you know, what's permissible under buy and bill. Uh, they postpone that due to COVID, but still they are aggressively want to enact that, that, that strategy Cigna is doing it a little more gradual fashion over time. They, they continue to expand the list that must have drugs that must be white bagged into, uh, a provider administered house hospital, a patient setting. Um, nine new drugs are going to be under this policy as of September 30th. Also blue cross blue shield of Tennessee, uh, has been doing something similar as well. And so, you know, as part of our, of our goal of payer access, we continually monitor on a daily and weekly basis changes in the work in the marketplace COVID and non COVID related that, uh, that can impact our, our partners. And, and we've worked with them to, um, on strategies that, uh, explore your opportunities and, and mitigate some of the, uh, strategies that the PBMs are implementing.

Speaker 1:

Thank you, Darren so much and apologies again for yet another it glitch that we had. Um, that seems to be the new norm of life of, um, our broadband filling exactly to what Chris had pointed out, even when you have the best technology, uh, tele-health will be a challenge because sometimes things don't work as intended, but thank you for bearing with us. And thank you so much to Darren. Obviously all of this information will be sent out, um, to everyone who had registered for the webinar. We'll send it out both as a transcript, the slides and, um, the video itself. Um, if you do have any questions, our email addresses are here and we certainly can forward anything to Darren that you may have. Um, and we look forward to you joining us next time. Thank you so much.