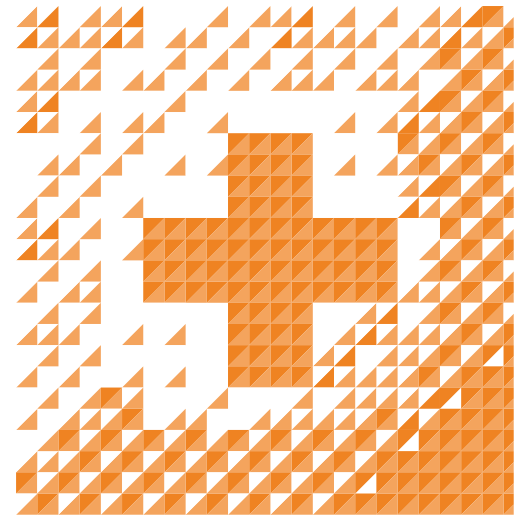


# Blending the Continuum of Care: *Present and Future Implications for Alternate Site Pharmacies*



Rich McKeon, *Vice President, McKesson Alternate Site Pharmacy*

Since the introduction of the Affordable Care Act, we have experienced an unprecedented amount of change in the healthcare industry. One of the most significant shifts has been the movement of patients along the continuum of care, which links hospitals, skilled-nursing facilities (SNFs), other post-acute care settings, and pharmacies together to help reduce costs and improve quality care. This shift has created new opportunities, and challenges, for long-term care (LTC) pharmacies. Understanding the trends in the continuum of care in addition to their present and future implications can help LTC pharmacies succeed in the marketplace.

## Changes in the continuum of care

As part of this healthcare evolution, hospitals are initiating earlier transfers of higher-acuity patients to SNFs, with increasing expectations being placed on the SNFs to minimize readmissions back to the hospital. At the same time, there is a greater interest in moving patients from SNFs to in-home care with an emphasis on minimizing costs and keeping patients healthy once they're home. These changes have a profound impact on hospitals, SNFs and the pharmacies serving these patients across the continuum, and require greater levels of care coordination. For example, some health systems have created transition intervention programs to increase medication reconciliation and ensure the continuity of care between the hospital and post-acute facility. LTC pharmacies are partnering with facilities to help reduce hospital readmissions, while also considering ways to provide enhanced services to patients post-discharge from the facility. Furthermore, the increased focus on quality and compliance is driving retail pharmacies to alter their business models to include expanded clinical care services.

Going forward, we can expect to see not only an increase in partnerships among entities but also an increase in competition for patients and scripts. Moreover, pharmacies will likely continue to expand their roles and services to help hospitals and facilities achieve performance and quality-based goals.

## What is driving this change?

The aging U.S. population combined with an increase in chronic diseases has led to a growing need for specialized services and more complex therapies, including injectables and infusions. In addition, patients are moving across the care continuum faster due to rising healthcare costs, new medications and personal choice.<sup>1</sup> For LTC businesses, these changes could translate into serving more patients in different locations with new therapeutics.

Also driving the change along the continuum of care is the Centers for Medicare and Medicaid Services (CMS). In 2012, it started the Hospital Readmission Reduction Program, which penalizes hospitals that have above average rates of avoidable readmissions. As a result, hospitals are partnering with SNFs and pharmacies to develop high-quality programs and services such as intravenous therapy that help keep patients from returning to the hospital. Another key driver is the Five-Star Quality Ratings System. Medicare Advantage health plans are collaborating with high-quality pharmacies to help boost their ratings. There are also programs like Money Follows the Person (MFP) that incentivize states to transition Medicaid patients from LTC facilities back into home and community settings.

## What does this mean to LTC pharmacies?

The blending along the continuum of care offers LTC pharmacies a number of opportunities to grow their businesses and help providers meet readmission-reduction goals. For starters, LTC pharmacies can position themselves as a strategic partner with hospitals, accountable care organizations and facilities. In addition to ensuring that medications are delivered to the right patients at the right time, LTC pharmacies can proactively make recommendations and offer solutions that help SNFs drive down costs, increase quality care, reduce preventable readmissions and become more competitive. In essence, the LTC pharmacy becomes an integral part of the facility's competitive advantage.

LTC pharmacies may also be able to increase revenues by charging for clinical consulting services such as medication therapy management, care coordination and preventive care services for high-risk patients. In fact, some pharmacies have generated incremental profits by identifying patients eligible for medication therapy management, capturing the consultations and billing accordingly.

Another growth opportunity exists in infusion therapy. LTC pharmacies can help facilities administer drugs on-site rather than sending the patient back to the hospital for treatment of dehydration, for example. Moreover, LTC pharmacies can look for ways to partner with infusion providers that offer drugs to patients transferring back home.

**“To succeed today, the LTC pharmacy must think of itself as an extension of the LTC facility's competitive advantage. The new continuum of care highlights opportunities for LTC pharmacies to expand their business and take advantage of incremental profit.”**

— Mark Prifogle, LNHA  
CEO and Group President  
GrandView Pharmacy, Brownsburg, IN

growth tactic that pharmacies must carefully explore — including class of trade and reimbursement issues. Moreover, consider the implications to your business model. Can you capture the costs of packaging in this segment? How much will delivery expenses impact your bottom line? How will your pharmacy manage reimbursements and additional inventory?

Potential opportunities to increase patients and scripts also exist for LTC pharmacies that want to expand into the retail segment, by continuing to provide medications to patients post-discharge from a facility. Your continued service may be particularly attractive to patients that have grown accustomed to your unique medication packaging, which may increase compliance. However, there are some uncertainties with this

## Where to find more information

With the help of several federally funded and association-driven programs and tools, LTC pharmacies can prepare for the challenges and opportunities presented by the increasingly blended continuum of care. Check out the resources below to help your LTC pharmacy play a leading role in helping hospitals and facilities improve patient outcomes.

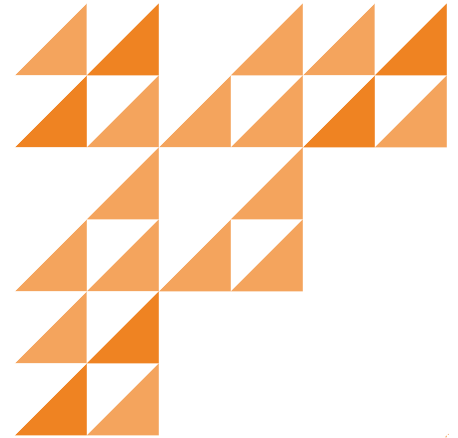
- **American Medical Directors Association (AMDA) Clinical Practice Guideline: Transitions of Care**  
Developed in 2010, this guideline recommends that medication reconciliation be performed and documented by a pharmacist each time a patient enters and leaves a facility.  
<http://amda.com/tools/guidelines.cfm>
- **Interventions to Reduce Acute Care Transfers (INTERACT) Program**  
A key tool in this program is the post-hospital care worksheet that can be used to help improve medication reconciliation.  
<http://www.interact2.net/>
- **Medications at Transitions and Clinical Handoffs (MATCH) Toolkit**  
This toolkit provides a step-by-step guide on improving the medication-reconciliation process.  
<http://www.ahrq.gov/professionals/quality-patient-safety/patient-safety-resources/resources/match/match.pdf>

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Besides the opportunities previously described, the blending continuum of care presents a number of challenges as well. For instance, the aging U.S. population, a shift to alternate sites of care and increasingly complex drugs are driving retail pharmacies to seek contracts with post-acute facilities and find new ways to capture scripts for the communities they serve (including infusion and specialty medications). For LTC pharmacies, this means increased competition, and it can be helpful to consider the driving forces impacting retail pharmacies today.

The need for retail pharmacies to show how clinical activities deliver better patient care is becoming a reality. In fact, pharmacy benefit managers and payers are already assessing pharmacy performance on quality metrics, and in the future they will create performance-based retail networks that will determine access to lives and scripts. In addition, low cost and high quality will continue to form the basis of differentiation.

As such, retail pharmacies will find emerging clinical care opportunities to help better serve their patients, increase compliance and improve outcomes. These services include medication management (such as medication synchronization, which has shown to significantly boost adherence rates as well as pharmacy revenues) and care coordination (such as recently created transition programs, which have proven to lower hospital readmission rates). The pharmacist's reach will also continue to extend into preventive and primary care, including delivery of services to help battle the obesity epidemic, encourage smoking cessation and manage the growing number of chronic conditions. There will also be greater opportunities for immunizations across multiple diseases, biometric point-of-care testing and nutrition counseling. In sum, these changes will help allow retail pharmacists to maximize their businesses while providing additional value to payers and providers. Take a look at what retail pharmacies are doing today, and consider how these services may be extended to capture more scripts not only in community settings, but also in the LTC, infusion and specialty arenas.



### Questions to consider

- What implications does the blending continuum of care have for your pharmacy?
- How will you differentiate your business?
- How will you better partner with other entities to improve patient outcomes?
- What can you do to increase operational efficiency, reduce costs and grow your business?

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### *Is your future in focus?*

Contact your McKesson Alternate Site Pharmacy representative today, and let's talk about solutions to help your business succeed. You can also email us at [alternatesite@mckesson.com](mailto:alternatesite@mckesson.com).

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### About the author:

**Rich McKeon** joined McKesson in May 2004 and currently serves as Vice President of the McKesson Alternate Site Pharmacy Solutions business. In this role, he is committed to partnering with industry stakeholders to improve the alternate site pharmacy segment, developing new solutions to meet customers' needs, and setting the strategic direction for McKesson's Alternate Site Pharmacy business.

<sup>1</sup>Gebhart, Fred. (Nov. 15, 2011). LTC and alternate-site pharmacy. *Drug Topics, Voice of the Pharmacist*. Retrieved from <http://drugtopics.modernmedicine.com/drug-topics/news/lc-and-alternate-site-pharmacy?page=full>

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