OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

JUL 15 2019

The Honorable Nita M. Lowey
Chairwoman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Madam Chairwoman:

The enclosed report is in response to section 726(e) of the Carl Levin and Howard P. ''Buck'' McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291) "Pilot Project for Medication Therapy Management." Section 726(a) required the Secretary of Defense to carry out a pilot program to evaluate the feasibility and desirability of including medication therapy management (MTM) as part of the TRICARE program. The pilot began in January 2017, and terminated on December 31, 2018. At the conclusion of this project, the Secretary is required to submit a report to the House and Senate Armed Services Committees that includes information on the effect of MTM services on patient use, outcomes of prescription medications, and the cost of health care; the recommendations of the Secretary with respect to incorporating MTM into the TRICARE program; and such other information as the Secretary determines appropriate.

The results of the MTM pilot helped validate the value pharmacists play in patient care and mirrors studies which have demonstrated the positive results of MTM in other large health plans across the country. Clinical outcomes from the pilot revealed trends that are consistent with those seen in mature MTM programs, but did not measure attainment of overall health goals, due to the short duration and limited scope of the pilot.

Despite the duration and scope limitations, results showed that on average: 67 percent of diabetic patients showed a decrease in HbA1C levels; 38 percent of high cholesterol patients showed a decrease in Low-density lipoprotein levels; 45 percent of hypertensive patients showed a decrease in blood pressure; and 45 percent of patients showed a decrease in Body Mass Index. These results are expected to translate into fewer cardiovascular events, fewer hospitalizations, attainment of health goals, and lower overall health care costs.

Economic results of this pilot showed an increase in the overall total per member, per year, pharmacy expenditures, when compared to the total amount spent during the year prior to enrollment. These results are also in line with other studies of MTM programs, which show increased pharmacy costs as a precursor to decreased overall health care costs, including decreased ER visits and hospitalizations.

The Department currently utilizes pharmacists in medical treatment facilities to provide MTM services, where possible, and will strive to expand the role of pharmacists to positively

impact treatment goals and beneficiary care across the Military Health System. Additionally, the Department will evaluate developing requirements for MTM services to be added to the next TRICARE pharmacy contract, anticipated for award in 2021.

Thank you for your interest in the health and well-being of our Service members, veterans, and their families. A similar letter has been sent to other congressional defense committees.

Sincerely,

James N. Stewart
Assistant Secretary of Defense for Manpower and Reserve Affairs, Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Kay Granger
Ranking Member

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND
READINESS

JUL 15 2019

The Honorable Richard C. Shelby
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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Sincerely,

James N. Stewart
Assistant Secretary of Defense for Manpower and Reserve Affairs, Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Patrick J Leahy
Vice Chairman

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND READINESS

JUL 15 2019

The Honorable Adam Smith
Chairman
Committee on Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

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Sincerely,

James N. Stewart
Assistant Secretary of Defense for Manpower and Reserve Affairs, Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable William M. "Mac" Thornberry
Ranking Member

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

PERSONNEL AND READINESS

JUL 15 2019

The Honorable James M. Inhofe
Chairman
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

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Sincerely,

James N. Stewart
Assistant Secretary of Defense for Manpower and Reserve Affairs, Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosure:
As stated

cc:
The Honorable Jack Reed
Ranking Member

Report to Congressional Defense Committees

The Department of Defense Pilot Program for Medication Therapy Management as Part of the TRICARE Program

January 17, 2017 to December 31, 2018

The estimated cost of this report or study for the Department of Defense (DoD) is approximately $5,100.00 in Fiscal Years 2017 - 2018. This includes $0 in expenses and $5,100.00 in DoD labor.

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Pilot Program for Medication Therapy Management as Part of the TRICARE Program

EXECUTIVE SUMMARY: Section 726 of the Carl Levin and Howard P. ''Buck'' McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291), required the Secretary of Defense to carry out a pilot program to evaluate the feasibility and desirability of including medication therapy management (MTM) as part of the TRICARE program. The Department of Defense (DoD) conducted a 2-year pilot in three location types: 1) patients who receive medical care and pharmacy services at the military medical treatment facility (MTF); 2) patients who receive medical care in the civilian sector but have prescriptions filled at the MTF; and, 3) patients who receive both their medical care and prescriptions in the civilian sector.

MTM is the review and management of a patient's entire medication regimen to optimize therapeutic effectiveness and achieve optimal medication therapy goals. In MTM programs, the pharmacist and patient review all medications prescribed, reconcile any overlaps or duplications, ensure that the patient understands the reason for the medication and the dose, and work with the patient's provider to optimize care. Medication therapy management services contribute to the safe, appropriate, and effective use of medications, increase patient adherence to therapy, and provide education to improve patients' understanding of their medications. This program targets patients with multiple medical conditions requiring complex and high cost drug therapy. The goal of MTM programs is to improve the quality of patient care and outcomes, and reduce overall health care expenditures.

The economic and health outcome results of this MTM pilot mirror the trends found in other mature MTM programs.[1] Economic results showed an expected increase in the overall per member per year (PMPY) pharmacy expenditure. These results are in line with other studies of MTM programs, which show increased pharmacy costs as a precursor to decreased overall health care costs, including decreased emergency department (ED) visits and hospitalizations.[2] While definitive information on health outcomes and overall health care costs was inconclusive given the short duration of the pilot program, there is no reason to expect variance from other mature MTM programs in demonstrating the positive impact of MTM.

BACKGROUND: In the DoD, pharmacists provide varying levels of pharmaceutical care, from patient counseling in outpatient dispensing pharmacies to complete medication management in patient-centered medical homes (PCMH) available through some MTFs. The PCMH model

[1] Journal of the American Pharmacists Association, Volume 48, Issue 1, Feb 2008, "The Asheville Project: Clinical and economic outcomes of a community-based long-term medication therapy management program for hypertension and dyslipidemia."

[2] Journal of the American Pharmacists Association, Volume 48, Issue 2, March-April 2008, "Clinical and Economic Outcomes of Medication Therapy Management."

comprises a multidisciplinary health care team focused on the health and well-being of the patient. This model provides comprehensive, coordinated care with increased access to health care team members. In the purchased care sector, MTM services are included in some major health plans as part of the pharmacy benefit coverage. Additionally, some Medicare Part D beneficiaries receive MTM services based on the terms of their participating health plan.

Current TRICARE benefits do not include a provision for the delivery and reimbursement of MTM services. Section 726 required that patients who participated in the pilot have more than one chronic condition and be prescribed more than one medication. The DoD began the pilot in January 2017 in three different location types as described above.

DISCUSSION: The pilot was scheduled to begin on October 1, 2016. Complexities of the contracting process for a stand-alone MTM provider delayed the start of the pilot until mid-January 2017.

The sites selected for Location Type 1 included Fort Campbell, Kentucky and Hill Air Force Base, Utah. Pharmacists rendering care were either civil service employees or contracted clinical pharmacists. Patients at these sites were already enrolled at the MTF-based PCMH clinic and received both medical and pharmaceutical care at the MTF.

The sites selected for Location Type 2 included Fort Campbell, Kentucky and Patrick Air Force Base, Florida. Patients who participated received medical care in the civilian sector but filled prescriptions at the MTF pharmacy. Pharmacists rendering care were either civil service employees, active duty military pharmacists, or contracted clinical pharmacists.

Three cities were selected for Location Type 3 based on high per member per month expenses and their distance from an MTF: Denver, Colorado, Houston, Texas and Orlando, Florida. Eligible patients were sent a letter announcing the pilot program and their eligibility to participate. The letter was followed by a phone call from a participating staff member who explained the program, confirmed the patient's willingness to enroll, and set up the first appointment.

The costs to conduct the MTM pilot program included salaries for two pharmacists and one pharmacy technician per site at Location Types 1 and 2. In Location Type 3, the cost of the program was derived from a set of time-based, fixed rate payments for completed MTM encounters.

The enrollment period ended on December 31, 2017, in order to obtain at least 9 months of follow-up information from participants. Medication therapy management services ended on September 30, 2018. Data collection ended on December 31, 2018, at which time the pilot was terminated.

RESULTS OF THE DEMONSTRATION: The MTM pilot was limited in duration and scope but cost and health care outcomes from the pilot indicated trends that mirror those seen in mature MTM programs.

Cost Outcomes: Total PMPY pharmacy spending was assessed during the 12 months preceding enrollment in the pilot program and was compared to data from nine months post enrollment (annualized out to 12 months). Participation in the program was voluntary and could be initiated or terminated at any time. Therefore, in order to obtain the largest enrollment cohort possible for comparison, only patients who had a minimum of 9 months of available data after initial enrollment were included in the results.

Over the three location types, there were 2,257 patients enrolled with 12 months of data prior to enrollment and nine months of data available after enrollment. In the 12 months prior to enrollment, the average PMPY pharmacy spend was $7,096.00. For the annualized data following enrollment in the MTM pilot, the average PMPY was $8,413.00, an increase of $1,317.00. Across all three location types, the average cost of the MTM pilot was $503.00 per enrollee, per year. Individual site results are included in the tables below, grouped by location type and provide location type-specific PMPY changes

Results Table 1: PMPY Changes – overall per member pharmacy costs increased for MTM enrollees

Location Type 1	Average PMPY (base year)	Average PMPY (treatment year)	Difference
Site 1	$9,520	$9,247	(↓) $272
Site 2	$5,559	$5,934	(↑) $376

Location Type 2	Average PMPY (base year)	Average PMPY (treatment year)	Difference
Site 1	$3,928	$4,128	(↑) $200
Site 2	$6,962	$7,705	(↑) $743

Location Type 3	Average PMPY (base year)	Average PMPY (treatment year)	Difference
Site 1	$7,403	$7,035	(↓) $368
Site 2	$8,722	$14,412	(↑) $5,690
Site 3	$10,038	$9,553	(↓) $484
Note: This group contained outlier expenditures related to a chronic health condition outside of the scope of this pilot program (e.g., transplant). Although patients who enrolled in Location Type 3 expressed value in understanding their medications, enrollment was significantly lower than in the other location types. The enrollment rate was, however, on par with other MTM programs as reported by the Centers for Medicare and Medicaid Services (CMS). The contracted MTM provider noted difficultly in receiving responses back from providers to confirm acceptance of pharmacists' recommendations.			

Health Outcomes: Results of this pilot showed that on average: 67 percent of diabetic patients showed a decrease in HbA1C levels, 38 percent of high cholesterol patients showed a decrease in LDL levels, 45 percent of hypertensive patients showed a decrease in blood pressure, and 45 percent of patients showed a decrease in BMI. These results are directly in line with other well documented MTM programs.[3,4] These relatively short-term results are expected to translate into the long-term outcomes of fewer cardiovascular events, fewer hospitalizations, attainment of health goals, and lower overall health care costs. The pilot also looked at changes in hospital admissions, readmissions, emergency room visits and patient satisfaction. The results of each measure mirror the results of other MTM programs offered in integrated health care systems.[5]

Results Table 2: Admissions, Readmissions and ED Visits – overall hospitalizations and ED visits trended downward for MTM pilot enrollees.

Location Type 1	Admissions Base Year	Admissions 9 months Follow-up
Site 1 (n=400)	99	62
Site 2 (n=400)	26	25
Location Type 2		
Site 1 (n=426)	70	55
Site 2 (n=471)	124	117
Location Type 3		
Site 1 (n=155)	41	27
Site 2 (n=138)	27	48
Site 3 (n=267)	69	73

Location Type 1	Readmissions Base Year	Readmissions 9 months Follow-up
Site 1 (n=400)	7	1
Site 2 (n=400)	0	0
Location Type 2		
Site 1 (n=426)	2	0
Site 2 (n=471)	1	0
Location Type 3		
Site 1 (n=155)	1	0
Site 2 (n=138)	0	5
Site 3 (n=267)	1	1

[3] J Human Pharmacology and Drug Therapy, "Effects of Pharmacist Outpatient Interventions on Adults with Diabetes Mellitus", Volume 28, Issue 4, April 2008

[4] J Managed Care Spec Pharm, Volume 9, Issue 3, May 2003, "Assessment of clinical pharmacist management of lipid-lowering therapy in a primary care setting"

[5] J Managd Care Spec Pharm, 2010 Apr;16(3):185-195, "Medication Therapy Management: 10 Years of Experience in a Large Integrated Health Care System"

	ED Visits Base Year	ED Visits 9 months Follow-up
Location Type 1		
Site 1 (n=400)	403	331
Site 2 (n=400)	357	277
Location Type 2		
Site 1 (n=426)	294	227
Site 2 (n=471)	563	589
Location Type 3		
Site 1 (n=155)	180	136
Site 2 (n=138)	160	174
Site 3 (n=267)	368	292

A patient satisfaction survey showed that an average of 94 percent of those surveyed saw a benefit to MTM services and would opt to continue MTM services. Additionally, almost 100 percent of those surveyed said they would recommend MTM services to others.

Results Table 3: Patient Satisfaction with MTM Services

Survey Question	Response
Patients that saw a benefit and decided to continue with the MTM Program	96 %
Patients that saw a benefit, but decided not to continue with the MTM Program	6%
Patients that did not see a benefit and decided not to continue with the program	<1 %
Patients that would recommend the program to others	97 %

CONCLUSIONS: The results of the MTM pilot help validate the value pharmacists play in patient care and mirror other studies which have demonstrated the positive results of MTM in other large health plans across the country.[6]

The results of increased PMPY pharmacy costs due to MTM services, as seen in this pilot, are not unexpected. A recent report for the CMS stated that a pharmacy-led MTM program is useful in improving clinical outcomes in Medicare beneficiaries but it may not decrease medication costs.[7] The two main reasons for increased PMPY pharmacy costs include the addition of new medications to a patient's regimen to help a patient reach his/her health goals, and increased adherence to existing medications. In both cases, although pharmacy costs rise, decreased overall health costs can be realized through a healthier patient, decreased physician visits,

[6] *MedPAC. Measuring the Effects of Medication Therapy Management for the Medicare Population. In:* Report to Congress: Medicare and the Health Care Delivery System. Washington DC: MedPAC, 2014

[7] The American Journal of Managed Care, Volume 20, No. 2, February 2014, Impact of a Medicare MTM Program: Evaluating Clinical and Economic Outcomes

decreased ER visits, and decreased hospitalizations. Mature MTM programs show total health care expenditures statistically lower among patients who receive MTM services compared with those who did not.[8] The duration of the DoD MTM pilot was not sufficient to prove positive effects on long-term health outcomes and decreased overall health care costs; however, there is every expectation that the DoD would see a similar positive return on investment, demonstrated clinical outcomes, improved disease management, and increased achievement of treatment goals over an extended period of time.

The DoD currently utilizes pharmacists in the MTFs to provide MTM services, where possible, and will continue to strive to expand the role of pharmacists to positively impact treatment goals and beneficiary care across the Military Health System. Additionally, the DoD will evaluate developing requirements for MTM services to be added to the next TRICARE pharmacy contract (TPharm5), anticipated for award in 2021. The DoD will continue to monitor best practices implemented by CMS, civilian health care programs, and results of peer reviewed research, to best position pharmacists as part of the health care team.

[8] J Managed Care and Spec Pharmacy, Volume 19, Issue 5, June 2013, "Evaluation of Medication Therapy Management Services for Patients with Cardiovascular Disease in a Self- Insured Employer Health Plan: