

February 21, 2014

The Honorable Marilyn Tavenner  
Administrator  
Centers for Medicare and Medicaid Services  
Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

RE: *Draft 2015 Letter to Issuers in the Federally-Facilitated Marketplaces*. The *Affordable Care Act* (ACA); Comments on Section 2: Prescription Drugs

Dear Administrator Tavenner:

The Academy of Managed Care Pharmacy (AMCP) urges the Centers for Medicare and Medicaid Services and the Center for Consumer Information and Insurance Oversight (CCIIO) to not propose regulations requiring transition supplies of medications as suggested in “Section 2: Prescription Drugs” of the *Draft 2015 Letter to Issuers in the Federally-Facilitated Marketplaces*.

The *Affordable Care Act* (ACA) implemented a competitive marketplace approach to the provision of health insurance with the goal of ensuring appropriate patient access, while balancing costs consistent with the 2011 Institute of Medicine Report (IOM) *Essential Health Benefits: Balancing Coverage and Costs*.<sup>1</sup> The use of formularies developed by pharmacy and therapeutics committees (P&T), which include pharmacists, physicians, and other health care providers, combined with managed care tools, including prior authorization and step therapy, help to meet these goals by ensuring patient access to safe and effective medications while managing costs. Qualified health plans (QHPs) in the marketplaces have experience with providing transition supplies of medications to individuals when changes in insurance coverage occur at the beginning of a plan year or at other times when coverage changes. Regulatory requirements would only add a costly administrative burden that would not allow plans and health care providers to work with patients to ensure appropriate access to safe and effective medications. Furthermore, Medicare Part D plans find that the required transition supply has resulted in increased overall administrative costs associated with additional computer system programming requirements and notifications to beneficiaries and providers.

AMCP is a national professional association of pharmacists, physicians, nurses, and other health care practitioners who serve society by the application of sound medication management principles and strategies to achieve positive patient outcomes. The Academy’s nearly 7,000 members develop and provide a diversified range of clinical, educational and business management services and strategies on behalf of the more than 200 million Americans covered by managed care pharmacy benefits.

AMCP has long supported the use of P&T committees, combined with managed care tools (including prior authorization and step therapy), to ensure that safe and effective medications are available to individuals at affordable prices. In December 2013 comments to an interim final rule, *Patient Protection and Affordable Care Act; Maximizing January 1, 2014, Coverage Opportunities* (45 CFR Parts 147, 155 and 156, AMCP requested that CMS withdraw its recommendation for QHPs to suspend the use of preferred pharmacy networks and managed care tools during the first 30 days of implementation in 2014. Our comments indicated that this would defeat the purpose of the private sector approach envisioned by the ACA and only cause the transition period to be prolonged and patient care disrupted. In our comments to HHS in response to a November 26, 2012, proposed rule and December 16, 2011, bulletin on essential health benefits<sup>2</sup> for QHPs in the marketplace, we supported the ability of plans to use managed care tools, including prior authorization and step therapy, to develop evidence-based formularies that balance appropriate patient access and costs associated with medication therapy. AMCP believes that managed care organizations and their clients, including individuals, employers, and federal and state governments, must be able to render independent decisions regarding health benefits to meet the needs of their patient populations from the beginning of the coverage period.

AMCP members, working within health plans, ensure that patients receive the appropriate medications for their needs. P&T committees work diligently to evaluate medications for inclusion on formularies and determine whether prior authorization or step therapy is necessary prior to coverage. The use of managed care tools does not add to costs, but restrictions on managed care tools would increase costs to individuals, payers and, the government. AMCP members and QHPs have experience in providing for the needs of their patient population – even when they are newly enrolled at the beginning of a plan year – and therefore, it is unnecessary to suggest that plans suspend the use of managed care tools to ensure access to appropriate medications. If a transition to different medications is necessary, plans, providers, and members will work together to determine the appropriate course of therapy moving forward. AMCP members work with patients on a daily basis to ensure that patients receive access to appropriate medication therapy and government mandates should not interfere with these established processes.

Another important point to consider is that many medications dispensed during a transition period also require prior authorization. Prior authorization approval during the initial fill is often a more effective approach than use of a transition period. As described above, provision of a transition supply results in administrative costs, and approvals for prior authorization also result in administrative costs. In many cases, use of a prior authorization from the beginning of therapy often results in lower overall administrative costs because it involves a single transaction rather than multiple transactions.

AMCP also urges CMS to be mindful of the potential for conflicts with state laws affecting plan coverage requirements. The ACA developed a marketplace system within the existing framework of state-based health insurance regulation. Given the extensive infrastructure of the state-based health insurance system many possibilities exist for federal and state laws to conflict that would make administration of marketplace QHPs more difficult. CMS should respect the current state-based approach to health insurance regulation and limit oversight to ensuring that individuals have access to a robust choice of plans in their state and not impose unnecessary regulations that supersede state-based insurance laws and regulations.

## **Conclusion**

Flexibility in making prescription drug coverage decisions and in using prescription drug management practices allow QHPs to incorporate evidence-based best practices to optimize clinical outcomes for

patients, while maintaining benefit affordability. AMCP urges CMS to encourage the use of managed care tools from the first day of coverage for individuals enrolled in QHPs and provide the flexibility to plans necessary for plans, health care providers, and individuals to continue to work together to determine appropriate medication therapy without government restrictions.

We respectfully urge CMS to delete Section 2 and allow the marketplace to continue to provide patients access to safe and clinically sound care that is also cost effective. If we can answer any questions or provide additional information, please contact me at (703) 683-8416 x645 or [erosato@amcp.org](mailto:erosato@amcp.org).

Sincerely,



Edith A. Rosato, R.Ph., IOM  
Chief Executive Officer

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- <sup>1</sup> Institute of Medicine. Essential Health Benefits: Balancing Coverage and Costs. (October 6, 2011). <http://www.iom.edu/Reports/2011/Essential-Health-Benefits-Balancing-Coverage-and-Cost.aspx> (accessed February 17, 2014).
- <sup>2</sup> AMCP. Comments to HHS on Patient Protection and Affordable Care Act; Standards Related to EHBs, Actuarial Value, and Accreditation; Proposed Rule (45 CFR Parts 147, 155, and 156). December 20, 2012. <http://www.amcp.org/WorkArea/DownloadAsset.aspx?id=15959>. (accessed February 17, 2014). *See also* AMCP. Comments to HHS on EHBs. CMS Bulletin. December 16, 2011. <http://www.amcp.org/WorkArea/DownloadAsset.aspx?id=14617> (accessed February 17, 2014).