



Health Equity ACTION BRIEF

January 2024

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Geography

Geographic inequality has widened over the past four decades. The gap in incomes between more affluent places and poorer places has grown. Strikingly, geographic income inequality has continued to climb in recent years even though many measures of overall income and wage inequality have narrowed somewhat as wage growth has been most robust for lower-wage workers.


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CALL TO ACTION


- Educate health care professionals on advocating and updating information annually about members and patients with geographic disparities.
- Foster member trust with plans by providing a rationale for why pharmacy deserts are on the rise in the United States and encourage advocacy to increase visibility by promoting awareness of geographic disparities related to pharmacy deserts.
- Understand the challenges individuals in pharmacy desert pockets within the United States face at the state and federal policy levels.
- Develop and implement inclusive and diverse strategies to address the specific needs of those with geographic disparities. Recognize and act upon organizational policies or procedures that may contribute to pharmacy deserts/geography deserts.

WHY THIS MATTERS



In the United States,


the death rate is higher for **rural areas**, with **831 deaths** per 100,000 people



than the death rate for **urban areas**, with **704 deaths** per 100,000 people.¹

Approximately **25%**

of neighborhoods in the United States are **pharmacy deserts**, many of which are communities of color.²



From **2015-2020**, the percentage of neighborhoods with pharmacy deserts **increased** in Chicago.




Pharmacy deserts were persistently **more common** in Black and Latino neighborhoods in New York, Los Angeles, Houston, and Chicago.²

WHY THIS MATTERS *(continued)*

- In Des Moines, Iowa, Dr. Michael Andreski, a pharmacy professor at the University of Drake, found that in 2008, 38 of Iowa's 99 counties had only one, two, or three pharmacies. In 2022, that number jumped to 52 counties.
 - While his research showed that rural areas and independent pharmacies have been hit the hardest, in urban areas, there was an 8% decrease in the number of pharmacies despite population increases in these areas.
 - Chain pharmacies are also not immune to this, as there was a 3% decrease among them.
 - In the absence of any payment reform, the first quarter of 2024 could see many Iowa pharmacies close.¹⁵
- Community pharmacies are additionally integral in increasing patient access to preventative care services. This is especially true for patients in health care shortage areas and medically underserved areas. For instance, community pharmacies provide access to vaccinations, over-the-counter testing (e.g., COVID-19), and various preventative services such as blood pressure screenings (Kelling et al., 2016). Furthermore, they provide medication management services, health counseling, and referrals to further care when necessary (Kelling et al., 2016). When patients cannot access these services due to geographical disparities and cannot access a provider, they lack crucial routine care that promotes general well-being. The lack of pharmacy access can also directly impact adherence and a patient's health.
- Furthermore, the role of the community pharmacist has been significantly amplified during the COVID-19 pandemic:



Despite the enormous challenge the coronavirus disease 2019 (COVID-19) pandemic has dealt with the health care system, community pharmacists have maintained the delivery of critical health services to communities, including those most at risk for COVID-19. Community pharmacists are in a key position to deliver priority pandemic responses, including point-of-care testing for chronic disease management, vaccinations, and COVID-19 testing. (Strand et al., 2020)^{3, 13}

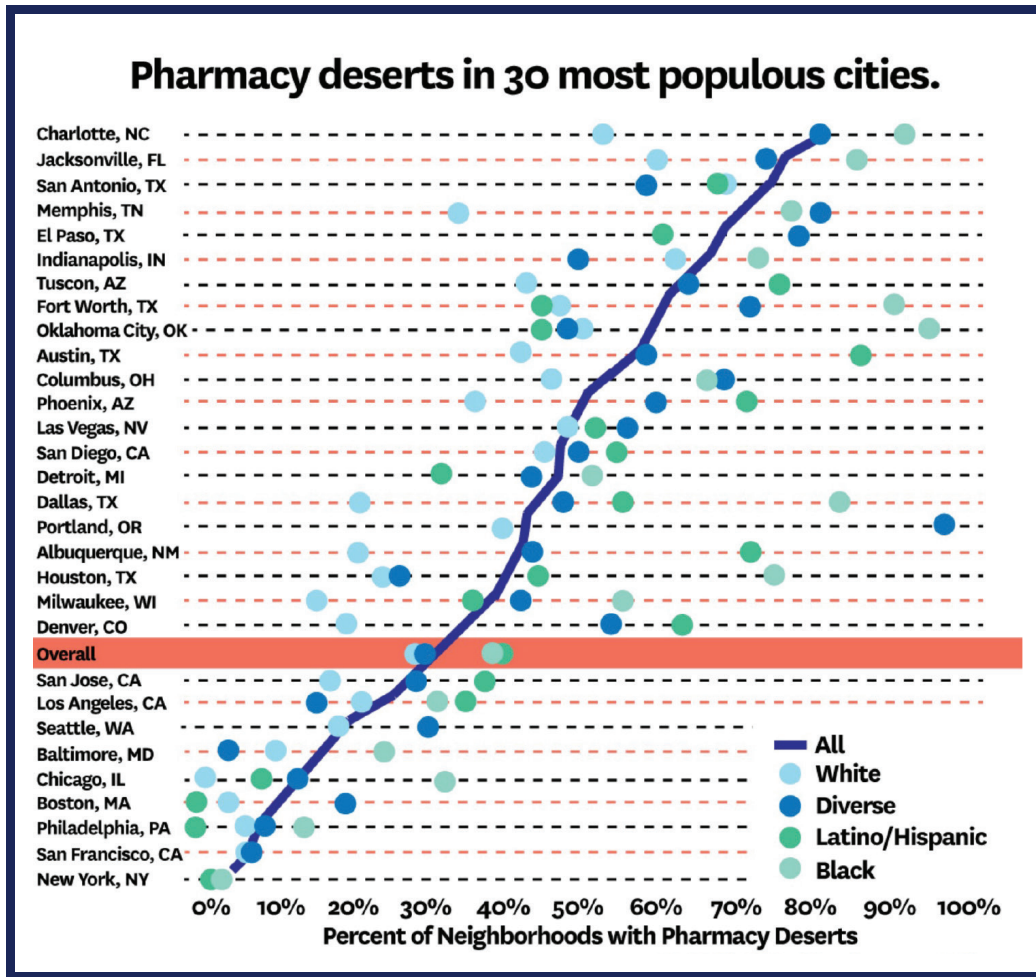
Existing Standards¹⁰

- Between 2009 and 2015, one in eight pharmacies in the U.S. shut down.
- Most closures occurred at independently owned drugstores located in low-income urban areas. These neighborhoods often become what are referred to as pharmacy deserts.
- Akin to the U.S. Department of Agriculture's definition of food deserts, the term refers to areas with a poverty rate of at least 20% and where at least a third of the population lives more than one mile from a pharmacy.

State-specific policies:

- Massachusetts: MA H4672 Addresses disparities in coronavirus treatment through the creation of a task force to study and address health disparities for underserved and underrepresented populations based on culture, race, ethnicity, language, disability, gender identity, sexual orientation, geographic location, and age during the coronavirus pandemic.
- Washington: WA H2755 Requires health care data reports to be stratified by demography, income, language, health status, and geography to identify disparities in care and successful efforts to reduce disparities.

Percent of Neighborhoods with Pharmacy Deserts



Example from USC Schaeffer

Geography Federal and State Policy Viewpoints:⁸

- Inequitable distribution of pharmacies is not an accident. It is an expected result of longstanding health policies that neglect to protect pharmacies located in underserved neighborhoods. For example, many pharmacies close due to low reimbursement rates for Medicaid and Medicare Part-D (prescription drug benefits for older adults). Insurance plans often institute narrow pharmacy networks (which financially incentivize patients to use pharmacies through lower cost-sharing) that exclude many pharmacies in segregated communities of color. This can also limit access to community health centers (CHCs) and CHC pharmacies, where those from underrepresented areas often seek care and feel secure in neighborhood locations.
- Such policies are a form of structural racism that affects where pharmacies locate and stay open. For example, to improve the economic viability of pharmacies at risk of closure, 11 states provide higher Medicaid reimbursement rates in rural areas. However, most of these states fail to provide similar protection to pharmacies in segregated Black and Latinx neighborhoods in their urban centers.
- Low reimbursement rates are a root cause of pharmacy closures. Medicare and Medicaid programs must ensure their reimbursement policies do not exacerbate disparities across segregated neighborhoods. For example, the Centers for Medicare and Medicaid Services (CMS) could update Part D requirements and mandate higher reimbursement for pharmacies located in pharmacy deserts.

Geography Federal and State Policy Viewpoints *(continued)*

What can managed care do to address these potential policy biases?



Advocate

Provider Status¹⁶ - Pharmacists with provider status can benefit patients by assisting with billing services and offering disease state management under collaborative drug therapy management (CDTM) and standing order opportunities.

Pharmacy Desert Act of 2023¹²- The Pharmacy Desert Act of 2023 fights for health care equity by expanding access to critical medicines and pharmacy services by funding new pharmacy construction, incentives for existing pharmacies to relocate to underserved areas, and regulations to prevent the closures of existing pharmacies.

Advocacy is crucial to the success of the Pharmacy Desert Act. You can make a difference by getting involved in any of the following ways:

Expanding access

- Support the funding for new pharmacy construction to expand the availability of pharmacy services.
- Incentivize existing pharmacies to relocate to underserved areas.
- Supporting regulations to prevent closures of existing pharmacy services.
- Increasing the number of pharmacists and pharmacy technicians in underserved areas.
- Provide public-private partnerships to help individuals and communities navigate the pharmacy process and improve their health outcomes.
- Expand CHCs and satellite pharmacy sites to ensure improved access in rural and underserved communities.

Reimbursement increase

- This provision would address the financial pressures that pharmacies face, leading to closures and reduced access to essential medications and pharmacy services for residents.
- Increasing reimbursement for pharmacies in underserved areas from Medicaid and Medicare Part D can help keep pharmacies open.
- State Medicaid savings can also come from increasing adherence to prescriptions. Increased reimbursement opens locations, improving medication adherence and outcomes and lowering health care costs. This process can have a trickle-down effect.
- Ensuring pharmacies in underserved areas are financially sustainable and can serve the community's needs.
- Increasing reimbursement can attract new pharmacies to open in these areas, expanding medication access and care.
- Help reduce the overall cost of health care for the state by controlling the patients' chronic conditions.

Funding support

- Reducing the number of pharmacy deserts improves health care equity by increasing access to essential medications and pharmacy services for low-income and minority communities.
- Help create jobs and economic opportunities in underserved areas. Training for these jobs (i.e., technician jobs) could be precious for organizations to offer.
- Help reduce the overall health care cost for the state by controlling the patients' chronic conditions. This can be achieved by improving medication adherence to optimize chronic health conditions.
- There is a need to invest in resources to ensure members in underserved areas have access to translation services, written information at the appropriate reading level, and available in the languages needed by the underserved location.

Geography Federal and State Policy Viewpoints *(continued)*

Online pharmacy platform

- The online platform will provide a directory of nearby pharmacies, making it easier for residents in underserved areas to find a pharmacy that is accessible to them.
- The platform will include a prescription delivery service that enables residents in a pharmacy desert to have their medications delivered.
- The platform will also include a chat platform for health care information and advice, which would allow residents in pharmacy deserts to receive health care information and advice from a prescriber or pharmacist.
- A telephone option as an additional for those without a chat function or the technology understanding to also the information and advice in their "preferred" written and spoken languages.
- The platform can include a medication discount program, enabling residents in a pharmacy desert area to access discounted medications and making it more affordable for patients to obtain and take them.
- Opt-in approach for 3-month dispensing for all patients as an effort to address adherence, ensuring dispensing fees are commensurate and not at the detriment of the pharmacies. Health plans should also not mandate this but should be an optional service for members.

Telepharmacy services

- Developing telepharmacy services can help expand access to essential medications and pharmacy services in remote and underserved areas.
- Telepharmacy services can include medication management, therapy, and counseling.
- Telepharmacy services can also provide remote prescription dispensing, which can help ensure that residents in remote and underserved areas receive the same care and services as those who live in more populated areas.



Research

Pharmacy Monitoring¹²

- The Pharmacy Desert Act aims to provide transparency and accountability for pharmacy closures in underserved communities. This section links announcements of pharmacy closures for significant pharmacy chains such as CVS, Walgreens, and Rite Aid.
- This Act aims to inform and empower the patient to hold pharmacy companies accountable for their impact on underserved communities and advocate for measures to improve access to essential medications and pharmacy services in these areas.

The Pharmacy Access Initiative^{7,8,9}

- "The Pharmacy Access Initiative, a new interactive mapping tool designed by researchers at the University of Southern California (USC) and the National Community Pharmacists Association (NCPA), will serve as an important resource for policymakers in identifying and addressing where there is a shortage of pharmacies."
- The goal of this new USC-NCPA Pharmacy Access Initiative is to serve as a resource for federal and state policy and public health officials by researching and generating real-time evidence on the scope and impact of the problem of pharmacy access and identifying sustainable policy solutions to address it.

Overall, expanding access to pharmacy services is an important goal to help improve the health of rural, urban, minority, disabled, and low- to moderate-income individuals and communities. Increasing and sustaining these health services makes it possible to create a more equitable and accessible health system that benefits all members of society.

Summary of Challenges and Opportunities Related to Geography Disparities



CHALLENGE

Expanding Access



OPPORTUNITIES

- Encouraging existing pharmacies to expand their operations into underserved areas.
- Promoting mechanisms to make it easier for pharmacies to meet community needs.
- Providing public-private partnerships to help individuals and communities navigate the pharmacy process and improve their health outcomes.



CHALLENGE

Reimbursement Increase



OPPORTUNITIES

- Increasing reimbursement for pharmacies located in underserved areas from Medicaid and Medicare Part D.
- This provision would address the financial pressures that pharmacies face, leading to closures and reduced access to essential medications and pharmacy services for residents.
- Advocate for value-based care models that support reimbursement of pharmacist-integrative services, especially within regions affected by geography disparities.



CHALLENGE

Funding Support



OPPORTUNITIES

- Supporting funding for new pharmacy construction in underserved areas.
- Aims to address the need for more access to essential medications and pharmacy services in these areas by increasing the number of pharmacies available to residents.
- Support HEOR research, especially within areas affected by geography disparities, to support the development of reimbursement models.

What Managed Care Pharmacy is Doing



Evernorth Pilot Program¹¹

Mission: Evernorth Health Services creates pharmacy, care, and benefits solutions to improve health and increase vitality. We relentlessly innovate to make illness and disease prediction, prevention, and treatment more accessible to millions. Evernorth capabilities are powered by our businesses, including Express Scripts, Express Scripts® Pharmacy, Accredo, eviCore, and MDLIVE, along with holistic Evernorth platforms and solutions that move people and organizations forward. All Evernorth solutions are serviced and provided by or through operating affiliates of Evernorth Health, a wholly owned subsidiary of The Cigna Group (NYSE: CI), or third-party partners.

Developments: In April 2023, Express Scripts, the pharmacy benefits management (PBM) business of Evernorth, a subsidiary of The Cigna Group (NYSE: CI), announced critical efforts to expand access to health care in rural communities through partnerships with independent pharmacies across the U.S. The IndependentRx Initiative is expected to benefit thousands of independent pharmacy partners nationwide and expand significantly over time. One in five Americans live in rural areas, yet less than 10% of physicians practice in those locations – creating critical access gaps. Independent pharmacists often can close those gaps as the front lines of care in their local communities.

Increasing reimbursements for rural independent pharmacies: Express Scripts will increase reimbursements to independently owned and unaffiliated pharmacies with a drug wholesaler in areas with only one pharmacy within ten or more miles from an Express Scripts customer. This includes enhancing performance- and incentive-based programs that pay pharmacies more when they drive better outcomes, such as prescribing 90-day supplies of prescription drugs that may improve adherence. In addition, all independent rural pharmacies will have increased opportunities to participate in Express Scripts' retail pharmacy networks.

Expanding pharmacy care services to drive growth: Express Scripts, in collaboration with other Evernorth Health Services businesses, will increase access to specific routine, preventive, and chronic care services at independent pharmacies – driving new business growth opportunities for pharmacy owners and providing convenient care options for consumers. This includes reimbursing independent pharmacists for a variety of health screenings, testing, and clinical services, such as:

- COVID-19 and other routine vaccinations
- Oral contraceptives
- PrEP for HIV prevention
- Training to empower pharmacists to recognize and combat substance use disorders, including opioid addiction and naloxone administration.
- Additional prescriptions for acute infections
- Acute condition testing (e.g., influenza, strep A, A1C, blood pressure assessments)
- Lifestyle counseling, such as nutrition and smoking cessation
- Annual behavioral health screenings

Enhancing engagement with the new independent pharmacy advisory committee: Express Scripts will establish the industry's first Independent Pharmacy Advisory Committee. The newly established committee will convene a diverse group of pharmacy leaders across rural, urban, and suburban areas – all focused on continuing to drive competitive reimbursement practices, learning from each other's business models, and creating new solutions that leverage independent pharmacists to alleviate provider shortages across the health care delivery system.

What Managed Care Pharmacy is Doing *(continued)*



U.S. Department of Health and Human Services Healthy People 2030¹⁷

Mission: Sets nationwide, data-driven objectives to improve health and well-being over the next decade.

AHS-08: Increase the proportion of adults who get recommended evidence-based preventive health care.

- The number of people getting preventive services has increased in recent years; however, disparities still exist by age, race, and ethnicity. Strategies like providing team-based care and reducing copays can help people get preventive care services.
- Medicaid zero costs still have a problem with preventative care services. These programs can potentially contribute to removing barriers to care.

AHS-06: Reduce the proportion of people who cannot get prescription medicines when they need them.

- Most effective approaches for reducing delays in access to prescriptions involve addressing financial barriers and increasing insurance coverage.

ECBP-D07: Increase the number of community organizations that provide prevention services.

- No reliable baseline data is available; once baseline data is available, it may become a core Healthy People 2030 objective.

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