



SHIELDS

HEALTH SOLUTIONS



Health-System Specialty Pharmacy Exchange: COVID-19

May 22, 2020

Discussion Objectives

- To provide updates on how COVID-19 is impacting the health-system specialty pharmacy landscape
- To provide actionable insights on operational changes required
- To review a real-world experience dealing with COVID-19 on the front lines of health-system owned specialty pharmacy

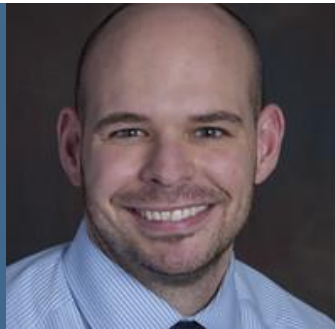
Meeting Format and Flow

- Casual sharing environment
- Insights gathered from our guest speaker, internal Shields experts, and our partner health-systems will be shared
- Use the chat feature to ask a question or provide additional insight into a topic area
- Meeting is being recorded and a transcript with chat based additions will be made available and shared

Health-System Strategy Team, Shields Health Solutions



Erin Hendrick



Chris Paciullo



Stephen J. Davis

With significant input and support provided by our expert peers within Shields Health Solutions

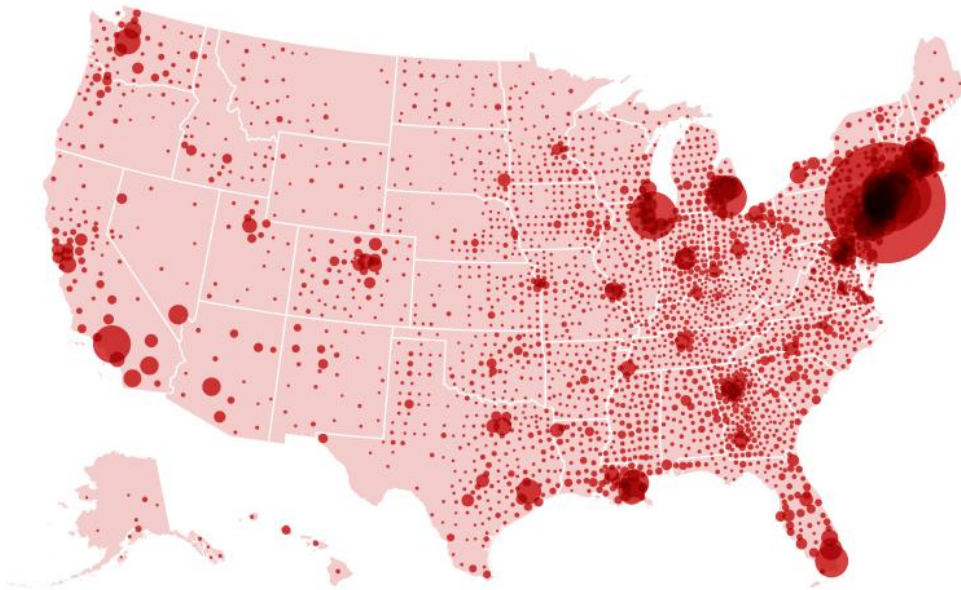
Gary Kerr
Chief Pharmacy Officer, Baystate Health



COVID-19 in the United States













Confirmed cases: 1,577,584 (+25K)

Deaths: 94,724 (Today: +1262)



- Many states remain under stay-at-home guidance while others are easing restrictions significantly
- Case volumes continue to rise though the slope of the line appears to be flattening; “counting” of cases continues to be refined
- A second wave, possibly more severe, has been predicted by the CDC in early winter 2020
- Over 39M have filed for unemployment since March 15
 - Tenuous summer insurance outlook
- Hospital operating margins dropped to -29% in April, a 282% decline
- Over 250 hospitals have furloughed workers

Specialty Pharmacy Has Demonstrated Significant Resiliency to Date

	March	April	May
Operating Revenue (Rx)*	25% 	5% 	6% 
Average Days Supply Dispensed*	10% 	10% 	8% 
Total Specialty Appointments (Health System)*	15% 	30% 	17% 
New Patient Starts (Rx)*	20% 	40% 	30% 

*compared to January/Feb run rate
 ^ as of EOD 5/20/202

- In March, revenues outpaced the increase in “average days supply dispensed” by a significant amount. This appears to have normalized in April and May
- Specialty appointments have dropped significantly across all partners. We anticipate some normalization as telehealth gains greater traction and processes such as pulling the appointments through to the schedule are integrated fully.
- New patient starts have dropped precipitously but the existing patient base has been strong

Outlook

- Return of clinic volumes
 - May appears to be a significant improvement over April
 - Unclear how to budget visit volumes for next 12 months
- Deferral of care impact
 - Just how sick will our patients become
- Payer impact
 - With over 36M unemployed and COBRA coverage starting to wane, self pay and Medicaid anticipated to take a huge swing

Telehealth

- Use of telemedicine minimal pre-COVID-19 pandemic
 - Expanded rapidly during the crisis
- The federal government has focused on loosening restrictions on telehealth
 - Medicare program allows for patients in any location to receive care
 - HHS has waived enforcement of HIPAA for telemedicine
 - DEA has loosened requirements on e-prescribing of controlled substances
 - On a state level, many state governments have focused on expanding telehealth in their Medicaid programs relaxing restrictions on provider licensing, online prescribing and written consent
 - Many states are also mandating fully-insured private plans to cover and reimburse for telemedicine services equally to how they would for in-person care (service parity and payment parity)
- Meanwhile, many commercial insurers have voluntarily addressed telemedicine in their response to COVID-19, focusing on reducing or eliminating cost sharing, broadening coverage of telemedicine and expanding in-network telemedicine providers
- Health systems have rapidly adapted to implement new telehealth programs or ramp up existing ones
 - Requires significant financial and workforce investment, which may be more difficult for smaller or less-resourced practices
 - A number of gaps remain in ensuring access to telemedicine during the COVID-19 pandemic

HRSA

■ Immediate Enrollment

- The Health Resources and Services Administration (HRSA) has announced that, in response to the COVID-19 pandemic, it **“is allowing some entities, upon request and review, to immediately enroll into the 340B Program.”**
 - In a new notice on the 340B Drug Pricing Program homepage, HRSA notes that every Friday, beginning Friday, April 10th, it will post a supplemental **Medicaid Exclusion File** that includes a list of entities who have been approved for immediate enrollment. This list is in addition to the quarterly MEF posted on the 340B Office of Pharmacy Affairs Information System.

Abbreviated Health Records

- During this time, an abbreviated health record may be adequate for purposes of the 340B Program. The record should identify the patient, record the medical evaluation (including any testing, diagnosis or clinical impressions) and the treatment provided or prescribed. For purposes of 340B Program eligibility, the record may be a single form or note page.
- In addition, in a situation where volunteer health professionals are providing health care, emergency documentation should be generated to make the relationship between the provider and the covered entity clear and to make clear the covered entity’s responsibility for providing care. This documentation should recognize the emergency nature of the situation, the name and address of the volunteer, and his/her relationship to the clinic, and should be kept on file by the covered entity.

Telehealth

- HRSA understands that the use of technology in health care delivery during this time is critical, and that telemedicine is merely a mode by which the health care service is delivered. For the 340B Program, HRSA recommends that covered entities outline the use of these modalities in their policies and procedures and continue to ensure auditable records are maintained for each eligible patient dispensed a 340B drug.
 - ***Make sure your telehealth visits align with your splitter / location file logic***

Audits

- Based on the current COVID-19 pandemic, HRSA is moving towards conducting 340B Program covered entity audits remotely (virtually) for the next several months

Specialty Pharmacy Post COVID

Tele-Health Visits

- Logistics around pharmacy touchpoints for enrollments, counseling, messaging to providers, compliance with state laws
- Technology limitations
- Language barriers
- 340B implications

Shipping

- Likely to have more patients receiving drug by mail
- Workload, cost considerations
- URAC 4.0

Remote Pharmacist Work

- COVID19 may have long lasting effects on Health-Systems comfort with remote pharmacist work
- Infrastructure considerations – equipment, security, broadband, phone lines, conferencing software, telehealth software
- Workflow considerations – communication with providers, team members, patients
- Possible use as a recruitment tool?
- Subject to Board of Pharmacy regulations

COVID-19 Financial Impact on Hospitals

- Estimates a total four-month financial impact of \$202.6 billion in losses
 - On average \$50.7 billion per month
- Revenue declines
 - Low payment rates from government payers
 - Canceled most elective surgeries, nonessential medical, surgical, and dental procedures
 - Adjusted discharges decreased by 13% from the previous year
- 200+ hospitals furloughed staff
- Economic downturn
 - Increase in uninsured
 - Increase in Medicaid enrollment
 - Inconsistent Marketplace enrollment

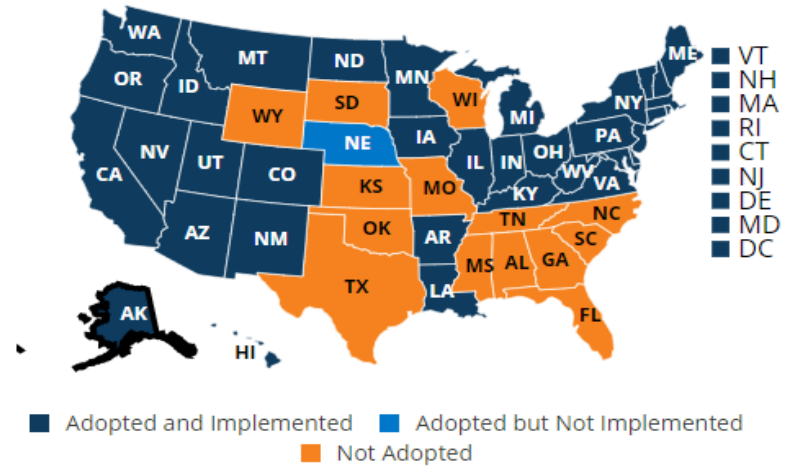


Table 1: Estimated Impact to Health Insurance Coverage due to COVID-19 Economic Downturn

Scenario	Unemployment Rate	US Population (in millions)			
		Medicaid	Marketplace ¹	Employer-Sponsored	Uninsured
Pre-COVID	3%	71	13	163	29
Low	10%	82	12-13	151	30-31
Medium	17.5%	88	13-14	140	34-35
High	25%	94	13-15	128	39-40

COVID-19 Impact on Patient and Procedure Volume

- Across all service lines and in every region of the country, the number of unique patients who sought care in a hospital setting decreased on average by 54.5 percent.
 - Access to clinical care for patients with life-threatening conditions declined significantly including congestive heart failure (-55%), heart attacks (57%) and stroke (-56%).
 - Access by patients for chronic conditions also fell for patients with hypertension (-37%) and diabetes (-67%).

Estimated Volume Losses by Service Line 2019 vs 2020

Ophthalmology	Spine	Gynecology	Orthopedics	ENT	Endocrine
81%	76%	75%	74%	72%	68%
Dermatology	Gastroenterology	Rheumatology	Neurosciences	General Medicine	Urology
67%	67%	66%	66%	64%	62%
Genetics	Vascular	Hepatology	Cardiology	Pulmonology	Breast Health
60%	59%	58%	57%	56%	55%
General Surgery	Nephrology	Hematology	Allergy & Immunology	Behavioral Health	Burns & Wounds
54%	52%	49%	48%	45%	44%
Cancer	Obstetrics	Infectious Disease	Neonatology	Not Assigned	Normal Newborn
37%	30%	23%	20%	4%	2%

Model examined YoY comparison for a 2 week period (March 24 - April 6, 2019 and March 22 - April 4, 2020)

Baystate Health Experience

COVID-19: Managing Patients' Specialty Pharmacy Needs Hospital to Home



Gary Kerr
Chief Pharmacy Officer, Baystate Health

Discussion Outline

- Specialty Pharmacy Operational Overview
- First Outpatient Pharmacy Pandemic Activity in Early to mid-March
- Immediate and continual focus on Pharmacy Employees, Patients, Caregivers Safety!!
- Waxing and Waning Drug Shortages
- General Outpatient Pharmacy Operations Innovations
- Other Pearls

Staff and Patient/Family Safety

- Plexiglass Sneeze-Guards at Registers
- Distancing Floor Demarcations and Signs
- Reconfigure Waiting Room Seating
- Enhanced Cleaning-Disinfecting Processes
- 100% Entry-Way Screenings and Surgical Masks

- **Direct Pharmacist-pt care modified to telephonic outreach, similar to telemedicine strategy**
- **Redesign curbside, lobby and home delivery**
- **Remote-working Liaison shift, except Oncology and Reproductive Medicine**

Drug Inventory/Supply Topics: 5 OP Pharmacies

RA and Lupus pts on Antimalarials

- 90 days supplies/early refill overrides/growing home delivery at retail simultaneously

Albuterol

- Albuterol MDI's and the WHO guidelines on aerosol-generating procedures
- Reformulated OTC Primatene Mist as an option?

Oral Azithromycin /SC Tocilizumab

General Availability

- 24x7 cell-phone work with our GPO contacts and any/all Suppliers
- “Pharmacy enterprise-sharing”

General Operations Innovations

- Curbside and to-Lobby Rx delivery work flows established
- Waived patient signatures and cooler recycling
- Expanded messaging to drive home Rx delivery options and diminish patient foot traffic
- Critical courier collaboration
- Rx Resident direct care appointments replaced by aggressive “health reminder” telephone campaign
- BSP Adherence calls upgraded to “well-being/outreach calls” by remote staff

Other Topics

- April/May Telehealth and Rx claims analysis aimed at critical preservation of 340B value
- Sustaining Liaison support w/PA, FA and general care remotely and on-site
- BSP Temp Pharmacy License with adjacent state of Rhode Island, for shipping
- “COVID KITS” of apap/saline/cough syrup as well as food pantry items to get/keep pts at home
- Accelerating post-pandemic work: ??Telehealth, Courier logistics, volumes/staffing, expense tracking, etc. as “the new norm”

Conclusion

Thank You for the Opportunity



**Forward Questions or Comments:
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- Please reach out to us with any information you want to share or questions for the network you may have
- Summary documents will be sent out



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