

Compliance Today – January 2022 Improve member experience with real-time benefit tools and drug price transparency

By Michael S. Adelberg and Jeffrey A. Lewis, JD, CIPP/US

Michael S. Adelberg (michael.adelberg@faegredrinker.com) is Principal at Faegre Drinker Consulting in Washington, DC. **Jeffrey A. Lewis** (jlewis@rxss.com) is Director of Compliance at Rx Savings Solution in Overland Park, KS.

With nearly half of all Americans using prescription drugs^[1] and drug costs rising at a rate exceeding national inflation,^[2] vulnerable Americans are made more vulnerable by high drug costs. Most of the time, patients do not know the cost of their drugs until they are charged at the drug counter. Several studies document that patients are prone to abandon their prescriptions^[3] or underdose themselves in order to have money for other important expenses, such as food and rent. In 2019 alone, Americans collectively paid \$67 billion out of pocket for prescription medications,^[4] with 45% of people abandoning their scripts when out-of-pocket costs exceeded \$125. Unfilled prescriptions and patient underdosing are not only dangerous to patients—they create considerable compliance risks for providers and health plans.

As out-of-pocket expenses increase, medication adherence decreases, especially for those on multiple medications and of lower socioeconomic status.^[5] The long-term benefits of medication adherence—improved clinical outcomes and decreased costs—are blunted when drug affordability trumps drug adherence. Unfortunately, providers who prescribe medications rarely have drug cost information to consider when prescribing, and the pharmacist who sees the cost rarely has the ability to easily change the prescription to a therapeutic equivalent.

Real-time benefit tools

Over the past few years, the federal government has attempted to address one of the largest factors driving overall healthcare costs—prescription drugs^[6]—by creating measures to increase the power of market forces in the drug supply chain and to establish drug price transparency. The Trump administration proposed a number of ambitious initiatives, including the removal of the safe harbor protection for drug rebates, establishing an international price index for Part B drugs, drug importation from Canada, and requiring a drug maker to list a drug's list price in television ads.^[7] For a variety of reasons, these ambitious drug-pricing reforms have not been implemented.

Ultimately, it may be one of the less prominent drug-pricing reforms from the last administration that proves the most consequential. Per regulation, the Centers for Medicare & Medicaid Services (CMS) Contract Year 2022 Medicare Advantage and Part D final rule requires Medicare Part D stand-alone plans and Medicare Advantage plans offering Part D to offer a real-time benefit tool (RTBT)—a web-based platform that displays lower-cost and therapeutically equivalent options for any on-formulary prescribed drug.^[8] RTBTs can be viewable to prescribers and beneficiaries. Already in effect as of January 2021, plans offering Part D must have adopted a



**Michael S.
Adelberg**



Jeffrey A. Lewis

provider-facing RTBT that furnishes complete, accurate, timely, clinically appropriate, patient-specific formulary and benefit information to the prescriber in real time.^[9] This permits a provider to consider pricing when making prescribing decisions. While the rule only requires the platform to be integrated with a singular network prescriber's electronic health record or electronic prescribing system, this is the first step in providing drug transparency at the point of care.

The second step in RTBT implementation may prove more important. The beneficiary drug price transparency tool goes into effect January 1, 2023.^[10] Plans must provide a beneficiary-facing RTBT that gives beneficiaries access to their formulary and benefit information via a portal or computer application. The RTBT must include cost-sharing options so beneficiaries can view lower-cost, clinically appropriate therapies within their plan's formulary. This will empower a cost-sensitive beneficiary, for the first time, to discuss financial concerns with prescribers at the moment the prescription is written. Medicare beneficiaries, millions of whom continue to incur cost sharing even after reaching the "catastrophic threshold" in the Part D benefit,^[11] can now know their costs before reaching the pharmacy counter and can request cheaper alternatives from their prescribers. Subject to certain standards, the Part D sponsor may provide rewards and incentives to enrollees who use the beneficiary RTBT—an important departure from long-standing Part D policy.^[12]

This document is only available to members. Please log in or become a member.

[Become a Member Login](#)