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Payor Coverage of Prescription Delivery Can Cut Costs, Help Millions of Americans

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Executive Summary

- Patients with transportation insecurity are at higher risk of medication non-adherence, hospitalization, and poor health outcomes because accessing healthcare services is immensely difficult for Americans who do not own a vehicle.

- Even though transportation is a social determinant of health, the only large-scale solution has been Medicaid's non-emergency medical transportation (NEMT) benefit, federally mandated in 2020.

- While NEMT helps Medicaid members access their care and prescriptions, it still doesn't meet the needs of many patients (e.g. housebound people). After all, it is only widely available to Medicaid beneficiaries.

- Furthermore, millions of Medicaid members who currently depend on NEMT will be removed from the Medicaid rolls due to ineligibility when the COVID-19 public health emergency ends. These patients will need to switch to Marketplace and employer health insurance plans.

- Home prescription delivery can bridge many of the gaps left by NEMT.

- To better serve new members, reduce expensive over-utilization of services, and improve medication adherence, commercial health insurance payors can lead the way by making prescription home delivery a benefit.

- ScriptDrop is well-positioned to work with payors to deliver this benefit in all 50 states. With our hard-won experience, proprietary APIs, and broad network of pharmacies and couriers, our system is both flexible and robust enough to meet payors' specific needs.

Introduction

In the United States, transportation is a social determinant of health.

That means that a patient's ability to get from one place to another is essential to their health outcomes. Despite the rise of virtual care, some healthcare services cannot be delivered via computer or smartphone. Those services could be something as involved as surgery, as simple as an X-ray, or as mundane as going to the pharmacy to pick up a prescription.

Even though most Americans either own at least one car or live in a household with someone who does, the 2019 Census records found that almost 9% of American households do not have any access to a vehicle.[1] For people struggling with transportation insecurity, simple actions that affect health outcomes, like picking up a prescription refill, can be incredibly time-consuming, expensive, and effortful. Vast areas of the country aren't structured for the carless and don't offer good public transportation alternatives.

Access Option	Obstacles
Use telehealth, home healthcare, and hospital-at-home services	• Services cannot provide all types of care a patient needs • Services are not available in all areas • Services may not be covered by insurance • Patient may not be eligible for home services, or patient's home may lack needed resources (clean water, etc.)
Ask family, friends, or community members for rides	• Drivers may not be available when needed • Personal vehicles may not accommodate patient's needs
Use public transportation	• Area may not have reliable public transportation • Local bus stops or train/subway stations may not be accessible due to distance, weather, construction, etc. • Destinations may be too far by public transportation
Use a taxi or transportation network company (TNC), like Lyft or Uber	• Patient may not be able to afford taxis or TNCs • Patient may not have a smartphone or credit card with which to access TNC rides • Location or time of appointments may not be compatible with on-demand rides
Skip appointments and abandon medications	• Patient's health outcomes will worsen, eventually increasing their utilization of healthcare resources and worsening healthcare disparities

In addition to these logistical issues, patients may also be homebound and struggle physically, mentally, or emotionally to leave their homes and travel to a healthcare destination. A Mount Sinai study found that 13% of older adults were considered homebound in 2020, a substantial increase from 5% in the previous decade.[2]

Case in Point: Medicaid Members and Transportation Insecurity

While transportation insecurity happens to people regardless of their healthcare coverage, it hasn't been a topic of discussion for commercial health insurance payors. Therefore, to illustrate the scope of the issue and possible solutions, we'll use Medicaid data for the following examples.

Medicaid members struggle the most with transportation insecurity. A survey of patients conducted at the beginning of the pandemic found that Medicaid members were 25% more likely to "miss doses of medication" than patients with other coverage.[3, 4] A study by Evidation in collaboration with Lyft completed in late 2020 showed that compared to Medicare members, Medicaid and dual-eligible members were more likely to struggle with transportation insecurity, miss doctor's appointments, and run out of their medications.[5]

But these are recent examples. Even before the pandemic it was clear that Medicaid members needed consistent access to transportation.

For that reason, in 2020 the federal government mandated that non-emergency medical transportation (NEMT) must be a benefit under all state Medicaid programs.

States vary greatly in how they deliver NEMT to Medicaid members, and some states have been admonished for poor performance.[6] Nevertheless, NEMT is a clear value-add for members.

But for all its benefits, NEMT is not a cure-all. Other solutions are needed to connect patients to their healthcare. Prescription home delivery is one of these.

NEMT saves money

A University of Florida study found that "if at least 1 percent of NEMT trips resulted in avoidance of an emergency room visit, the state would save $11.08 for each dollar it invested in the program." [7]

A year-long study by Lyft and AmeriHealth Caritas DC found that NEMT reduced emergency department utilization by 40%. [8]

NEMT keeps patients well

Overwhelmingly, people interviewed by the Medicaid and CHIP Payment and Access Commission (MACPAC) said that NEMT was critical to their health and without it, their health status would deteriorate – even to the point of death. [7]

Home Delivery Reduces Waste and Abandonment

Prescription delivery overcomes many of the same barriers as NEMT does and can improve the health outcomes of the majority of the same patient populations.

Adding prescription delivery has the potential to reduce prescription abandonment, thereby reducing wasted medication, packaging, and the time and effort of pharmacy staff. It can also improve health outcomes, thereby reducing utilization of hospitals, specialists, rehabilitation centers, and long-term care facilities.

The Cost of Medications to Payors

State Medicaid programs spend a huge amount per year on prescription medications, but they collectively spend less than commercial insurance payors. In 2017, private payors spent $140 billion on prescription medications, while Medicaid spent $33 billion.[9] While the top drugs by spending do differ slightly between Medicare, Medicaid, and private insurance, there is considerable overlap. In 2016, half of the top 10 drugs by spending for Medicaid and large employers were the same (Harvoni, Lantus Solostar, Humira, Truvada, and Vyvanse).[10]

Therefore it is reasonable to assume that the top drugs by spending for large employers in 2020 would be similar to the list below. After all, the top therapeutic classes by spending for all major payors are antivirals, psychotherapeutics, and anti-diabetic agents.[10]

Top 15 Medicaid Self-Administered Drugs by Spending, 2020[11]

Drug Name	Disease State(s)	Total Medicaid Spend (USD $)	Average Spending per Dosage Unit* (USD $)
Biktarvy	HIV	1,730,563,821	104.26
Humira Pen Citrate-free	Autoimmune diseases	1,693,719,640	2,686.98
Latuda	Bipolar I Disorder, Schizophrenia	1,464,852,935	42.90
Vyvanse	ADHD, Binge Eating Disorder	1,009,559,984	10.29
Suboxone	Opioid Use Disorder	855,052,111	9.48

Drug Name	Disease State(s)	Total Medicaid Spend (USD $)	Average Spending per Dosage Unit* (USD $)
Trikafta	Cystic Fibrosis	792,276,116	278.41
Lantus Solostar	Diabetes, types 1 and 2	713,482,896	27.51
Stelara	Autoimmune diseases	689,992,683	20,605.94
Genvoya	HIV	689,810,794	103.85
Flovent HFA	Asthma	687,041,939	20.82
Mavyret	Hepatitis C	629,970,534	156.43
Basaglar Kwikpen	Diabetes, types 1 and 2	607,424,292	21.30
Trulicity	Diabetes, type 2	566,168,292	384.29
Januvia	Diabetes, type 2	556,039,348	15.29
Eliquis	DVT and stroke (after surgery, i.e. joint replacement)	552,799,834	7.62

**Average spending per dosage unit reflects multiple routes of administration of the drug (e.g., intravenous, subcutaneous) which individually may have different unit pricing.*

As stated above, Medicaid members frequently struggle with a complete lack of transportation. While there are many reasons that a patient might stop taking a prescription, if they lack the means to pick it up from the pharmacy, their therapy ends before it can begin.

That's a problem.

Non-Adherence Is a No-Go

Most of the medications listed above demand a high level of adherence in order to be effective.

- HIV medications need to be taken every day. Stopping treatment suddenly can cause viral resistance and may cause flare-ups in patients with concomitant Hepatitis B virus infection. This is also the case with Hepatitis C medications like Mavyret.

- Abruptly stopping psychotherapeutics instead of tapering off of them can cause serious worsening of a patient's mental health.

- Not taking long-acting insulin products like Lantus can lead to life-threatening diabetic ketoacidosis.

- Skipping doses of anticoagulants like Eliquis can put patients at risk of deep vein thrombosis and strokes.

- Failing to take biologic immunomodulators like Humira can cause painful flare-ups of disease and send patients to the hospital.

Clearly, non-adherence can cause serious – and expensive – harm. Patients might need an ambulance to take them to an emergency department. They might be hospitalized for an extended period of time. They may need physical therapy or a home health nurse to help them regain the activities of daily living.

But non-adherence is a multi-faceted problem. It's not just a matter of patients not taking the time to go to the pharmacy; other obstacles can stack up quickly.

Disability and Stigma

The very disease states with which the patient is suffering can make a quick run to the pharmacy feel like a marathon.

- Patients with physical disabilities, chronic pain, or breathing difficulties caused by COPD or asthma may have trouble physically getting to a pharmacy and navigating a store, especially if the pharmacy is inaccessible (due to poor ADA compliance, bad weather, parking issues, etc.).

- Patients with diseases associated with substance use or sexuality like HIV, Hepatitis B or C, cirrhosis, and Opioid Use Disorder face an immense burden of stigma.[12, 13, 14] Fear, embarrassment, and low self-esteem can make picking up medication at the pharmacy counter a stressful and triggering situation.

- Stigma also affects patients with mental illnesses like Bipolar Disorder and Schizophrenia and physically visible diseases like psoriasis.

Prior Authorizations Can Cause Abandonment

The majority of these medications also require a prior authorization at least for the first fill, if not subsequent refills as well. Prior authorizations can delay a patient's start on therapy, and sometimes the authorization requirement isn't discovered until the patient goes to the pharmacy to pick up the drug. Uncertain when to return for their prescription or confused by the prior authorization process, patients might abandon their therapy entirely.

Despite all its benefits, NEMT isn't enough to bridge these gaps between patients and their care.

How Medicaid Could Change

To meet patients' needs, it makes sense for prescription delivery to become part of the federally-mandated NEMT benefit.

- As defined throughout this paper, transportation is a social determinant of health and a major obstacle for Medicaid beneficiaries. That is why NEMT is a mandated benefit.

- However, while NEMT helps patients keep up with doctor's appointments, it is not the best choice to connect patients with their prescriptions.
  - In some states, patients are only allowed to use NEMT to go to the pharmacy in combination with a doctor's appointment.
  - In other states, patients cannot make a stop at the pharmacy after a doctor's appointment because drivers cannot "change from the agreed upon ride or route" and only one destination is allowed.[15]
  - NEMT usually does not allow patients to bring children with them, making the service almost useless for parents who need to go to the pharmacy.[7]

- Rides to and from the pharmacy already constitute some amount of NEMT instances. Unfortunately we do not know the exact percentage; the NEMT destination codes do not include one for pharmacies, meaning that pharmacy destinations are probably categorized as "physician's office."[7] Nevertheless, it would surely be more affordable and efficient to substitute home delivery for at least some of these rides.

Patients who use NEMT are often plagued by logistical issues. By converting prescription pick-up rides to home delivery, patients would no longer need to worry about:

- Vehicle accessibility
- Inclement weather
- Scheduling rides ahead of time (often required)
- Missing their ride
- Canceled rides
- Exposure to strangers

But changes to benefits at the federal level occur slowly, if at all. It seems more likely that individual state Medicaid programs could add prescription delivery to their NEMT benefits more easily, but even that may be difficult to do in a timely manner.

Waivers Aren't Enough

In March 2020, as the pandemic increased in severity and movement restrictions were put in place, the Department of Health and Human Services (HHS) recognized that current Medicare and Medicaid benefits might not be adequate to keep patients safe from COVID-19. As a result, HHS declared that states could request an 1135 waiver to add new benefits.[16]

1135 Waivers

In special circumstances, section 1135 of the Social Security Act can be used by the HHS Secretary to modify or waive certain Medicare, Medicaid, CHIP, or HIPAA requirements. [17]

The National Community Pharmacists Association (NCPA) and Community Pharmacy Enhanced Services Networks (CPESN) recognized that prescription delivery would be incredibly useful for members of Medicaid during this period. They recommended that state plans submit a 1135 waiver requesting coverage for the cost of prescription delivery to Medicaid members.[18] The increased costs of prescriptions would be offset by the Families First Coronavirus Response Act, so states wouldn't be on the hook for higher dispensing and delivery fees.

The Catch

Unfortunately, based on our research, it is unclear whether any state has attempted to secure coverage for prescription delivery fees during the ongoing pandemic.[19] The Ohio Department of Medicaid, after a special request from the Ohio Pharmacists Association (OPA), did agree to "Remov[e] all barriers that may exist for home or mail delivery services… in the pharmacy benefit.[20] However, we found no data regarding the impact this had on Ohio Medicaid members, or whether it was publicized to members.

Besides, 1135 waivers are only meant to be in place for the duration of the public health emergency (PHE). With more and more states lifting their COVID-19 mandates, the end of the PHE seems to be approaching. As soon as that happens, the 1135 waivers will evaporate.

In addition, when the PHE ends, states will begin an "unwinding" period of 12-14 months in which they will review every Medicaid member's eligibility.[21] Experts expect millions of current beneficiaries to be removed from the rolls. While some people will lose their coverage altogether, at least one-third of current members should qualify for subsidized private coverage through the ACA Marketplace and many others will receive coverage through employers.[22] But their transportation insecurity won't go away.

These patients will still need help getting access to their medications.

They deserve a permanent solution.

The Bellwether: Commercial Payors

The need for prescription delivery, increased adherence, and reduced utilization is present across the country. That need will only grow as more people are switched from Medicaid coverage to commercial coverage.

The option that will do the most good in the shortest amount of time is for commercial health insurance payors to subsidize home delivery of prescriptions, regardless of whether or not they currently cover NEMT.

Delivery Benefits Patients

Patients being discharged from the hospital can go straight home, without needing to stop by the pharmacy.

Patients living in areas with poor or no public transportation can get their medications efficiently, without wasting vast amounts of time and effort.

Patients gain some agency over their everyday therapy, instead of relying on family or friends for rides or prescription pickup.

Delivery Benefits Hospitals and Health Systems

Delivery improves medication adherence, which reduces poor health outcomes, thus reducing the need for emergency care or lengthy hospitalizations.

Patients with better adherence experience better quality of life, reducing the frequency of doctor's visits, the need for specialists, and increasingly expensive medications or procedures.

Patients are more likely to feel negatively about their therapy if they are not given agency over their treatment and how they receive it. Offering the option of home delivery can help patients feel empowered and can improve adherence.

Commercial payors might balk at the idea of prescription delivery, even though it would add value to their plans and could drive down over-utilization of services. They may believe that home delivery can only be achieved through mail-order (requiring a central fill pharmacy) or at the retail pharmacy level. But that's not the case.

Success Depends on the Right Partner

ScriptDrop's solution can handle on-demand or same-day delivery on behalf of payors.

ScriptDrop Delivery Solutions Benefit Payors
Proprietary software and powerful APIs: ScriptDrop can connect directly to your systems to streamline workflows
Ability to work with whichever pharmacy a patient chooses: ScriptDrop can manage deliveries even for pharmacies with whom we have no preexisting relationship
Established best practices and processes: With over 6 million deliveries to date, ScriptDrop is well-versed in the aspects of delivery that payors need and patients want
Nationwide courier network: ScriptDrop already operates in all 50 states and has the flexibility to handle both vast rural areas and densely-populated urban centers
Call center staffed with knowledgeable, friendly customer service representatives: ScriptDrop's team excels in problem-solving and aligning pharmacies, couriers, and patients

Ready to Learn More?

Let's reduce utilization rates and help your beneficiaries adhere to therapy. Reach out to ScriptDrop at sales@scriptdrop.co.

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