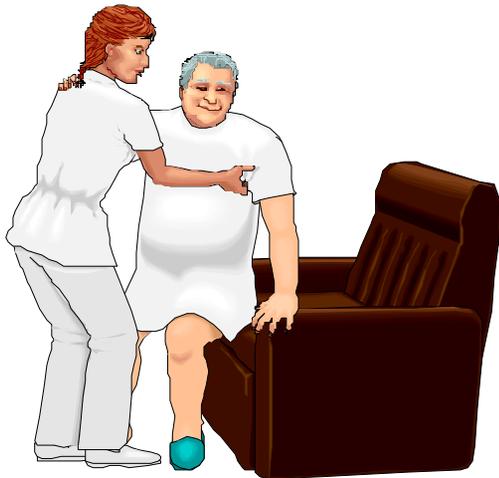


How Does Long Term Care Pharmacy Differ from Retail Pharmacy?



December 18, 2003

Objectives



- What is LTCPA?
- Comparison of the Average Medicare Recipient from the Average Long Term Care Recipient
- Describe 12 key differences between LTC and Retail Pharmacy
- Establishing Payer Eligibility
- Coordination of Benefits for LTC Recipient

What is the Long Term Care Pharmacy Alliance (LTCPA)?

- Trade Association of the largest national Long Term Care Pharmacy Providers
 - Kindred Pharmacy Services, NeighborCare, Omnicare and Pharmerica
 - Represents approximately 1.1 out of 1.6 million LTC facility patient beds



Long Term Care Pharmacy Alliance

The Average Medicare Recipient Has Very Different Needs Than the Average Long Term Care Recipient

• **Average Medicare Recipient**

- 46% male, 54% female
- 65-74 years old
- Lives independently
- Lives with spouse
- Needs assistance with up to one activity of daily living
- Typically suffers from hypertension and/ or arthritis

• **Average LTC Recipient**

- Approximately 75% female
- Typically 85 plus years of age
- Widowed - Indigent
- Often bedridden and needs wheelchair assistance
- Typically suffers from diabetes, pulmonary disease / of the circulatory system and mental impairment
- Takes an average of 10 medications per day
- Needs assistance with eating, transferring, toileting, dressing and bathing
- Reports to being in fair to poor health

Key Difference Between LTC & Retail Pharmacy

Services Provided	LTCP	Retail
<i>I.V. medications, specialized nutrition and pain management</i>	YES	NO
<i>Controlled packaging, including “unit doses” proven to reduce medication errors</i>	YES	NO

Key Difference Between LTC & Retail Pharmacy

Services Provided	LTCP	Retail
<i>1st Dose capabilities, so that residents are not kept waiting for medications</i>	YES	NO
<i>Multiple daily deliveries is essential given the diverse needs of each facility's resident</i>	YES	NO

Key Difference Between LTC & Retail Pharmacy

Services Provided	LTCP	Retail
<i>STAT (urgent) delivery, to respond immediately to residents' changing needs</i>	YES	NO
<i>24 hr / 7 day coverage, in keeping with each facility's legal and ethical responsibilities</i>	YES	NO

Key Difference Between LTC & Retail Pharmacy

Services Provided	LTCP	Retail
<i>Consultant pharmacist services required by law, to assure residents a higher quality of care</i>	YES	NO
<i>Drug utilization review, to assure accurate, cost-effective dispensing and receipt of medications</i>	YES	NO

Key Difference Between LTC & Retail Pharmacy

Services Provided	LTCP	Retail
<i>Drug regimen review, including pharmacy-maintained patient profiles to prevent medication-related problems</i>	YES	NO
<i>Formulary management, for cost containment and care assurance</i>	YES	NO

Key Difference Between LTC & Retail Pharmacy

Services Provided	LTCP	Retail
<i>Emergency supply of medications, maintained at facility</i>	YES	NO
<i>Guidance and specialization, to help meet extensive state and federal regulations</i>	YES	NO

Establishing Payer Eligibility for the LTC Recipient



- **Average Payer Type**
 - 10-15% Medicare A
 - 70% Medicaid
 - 15-20% may qualify for the Transitional Assistance Benefit
- **The LTC Facility is Responsible for Establishing Medicare A Payer Eligibility - Medicaid is Responsible for Establishing Medicaid Payer Eligibility**
 - Medicare Part A (Inpatient) qualifying stay
 - Transitional Assistance Benefit
 - Medicaid Qualification

Coordination of Benefits for LTC Recipient

- What happens when the when Medicare days run out?
 - LTC Recipient is in a “spin down” situation
 - LTC Facility is responsible for notifying the providers of the Medicaid eligibility status
 - Significant lag time and retrospective billing once eligibility has been determined
 - The LTC recipient continually change payer type depending on their medical and income status

Coordination of Benefits for LTC Recipient



- Claims Processing
 - Medicaid - electronically billed directly to Medicaid at the time of service
 - Medicare A- invoiced monthly to the LTC Facility for Medicare A

QUESTIONS

