

CMS Perspective:

Enhanced Medication Therapy Management (MTM)

Third Annual Evaluation Report and Next Steps in MTM

August 2021

For information on the Enhanced MTM model and to download the independent evaluation report discussed in this document, please visit

<https://innovation.cms.gov/innovation-models/enhancedmtm>



**U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
Center for Medicare & Medicaid Innovation
Research and Rapid Cycle Evaluation Group & Seamless Care Model Group
2810 Lord Baltimore Drive, Suite 130
Baltimore, MD 21244**

The Part D Enhanced Medication Therapy Management (MTM) model tests whether providing Part D sponsors with additional payment incentives and regulatory flexibilities promotes enhancements in the MTM program, leading to improved therapeutic outcomes, while reducing net Medicare expenditures. The model is an opportunity for stand-alone basic Part D plans to right-size their investments in MTM services, identify and implement innovative strategies to optimize medication use, improve care coordination, and strengthen health care system linkages. The Enhanced MTM model test began January 1, 2017 with a five-year performance period ending on December 31, 2021.

Six Part D Sponsors participate in the Enhanced MTM model: Blue Cross and Blue Shield of Florida, Inc.; Blue Cross and Blue Shield Northern Plains Alliance; CVS Health; Humana Insurance; UnitedHealthcare; and WellCare Prescription Insurance Co.

The third annual independent evaluation report assessed the Model's impact through its first three years of implementation, ending in December 2019. It analyzes the impact for enrollees served by the participating sponsors above and beyond that achieved by comparable enrollees served by sponsors offering traditional MTM. It finds that Sponsors utilized the Model's flexibilities to broaden the eligibility of its enrollees to receive medication therapy management. The Sponsors deployed more advanced analytics on a broader set of patient data sources to better identify enrollees who could benefit from MTM interventions tailored to their needs. Sponsors refined their interventions in the third year of the model, modestly increasing the number and proportion of enrollees who received MTM services relative to the second year.

The report did not find that the Enhanced MTM Model generated meaningful impacts on Medicare's overall expenditures. Medicare Part A and B spending by enrollees in the Model declined by a small, not statistically significant amount. However, Medicare's prospective and performance-based payments to sponsors were larger than the reductions in Medicare Part A and B spending. After factoring in these payments, Medicare's expenditures on the model increased and resulted in a net loss to Medicare of \$147 million over the first three years of implementation.

While we did not observe overall net savings, there were statistically significant impacts in some utilization measures and in setting-specific expenditures. The model did reduce spending for inpatient and skilled nursing facilities, which offset increases in outpatient spending. Further, there were reductions in readmissions and inpatient admissions and expenditures related to ambulatory care sensitive conditions. These conditions are sensitive to influence through improved access to appropriate MTM services. The evaluation also examined the impact on select measures of patient safety and drug use. There was an improvement in the use of diabetes drugs, and while drug-drug interactions and concurrent use of opioids and

benzodiazepines improved for both model participants and beneficiaries not exposed to the model, the improvement was not as great for model participants.

From the inception of the Part D Program, the importance of MTM was recognized and consequently incorporated into the Part D Program. With financial incentives and regulatory flexibilities permitting Sponsors to tailor interventions to individual populations, the Enhanced MTM Model demonstrates that Sponsors are willing to take the existing MTM program and offer it to a broader population. However, given that the Model has not resulted in net savings for CMS, it is unlikely that the financial incentive structure used in this Model will be incorporated into future initiatives. CMS is exploring lessons learned about the implementation of the performance based premium benchmark methodology and the applicability to future models. This includes understanding the implications of rebasing the historical baseline and the relationship of risk score trends to savings.

Lessons learned from the Enhanced MTM model will inform future model design and financial calculations. The next evaluation report to be released will include data for the first four performance years of the Enhanced MTM model. In future reports, we anticipate providing an analysis of the impact of the Enhanced MTM Model on beneficiaries receiving the low-income subsidy (LIS), in keeping with CMS's commitment to examining issues of equity in its models. We also anticipate providing an analysis of enrollees targeted for Enhanced MTM services.