



Testimony Before the 2017 Special Committee On Health
Concerning Telehealth Technologies
Kansas Legislature
October 19-20, 2017

Chairperson Hawkins and members of the Special Committee on Health, thank you for the opportunity to testify on a technology application to the delivery of pharmacy products and pharmacist services through the use of telepharmacy technologies. The adoption of the practice of telepharmacy by pharmacists will provide greater access and pharmacist's care to the citizens of Kansas.

My name is Michael A Mone, I am a pharmacist and Vice President and Associate General Counsel for Cardinal Health and am a regulatory attorney for TelePharm, a Cardinal Health Company. I am currently a member of the Ohio State Board of Pharmacy having just completed my second term as its President.

Cardinal Health is a healthcare solutions company with more than 50,000 employees committed to working together to reduce the total cost of healthcare and improve the lives of patients. We serve customers across the entire healthcare continuum, including: hospitals, surgery centers, pharmacies, physician offices. We also ultimately serve the patient and consumers in need of medical, pharmaceutical and wellness support.

It is in this context that Cardinal Health testifies today given our long promotion of the benefit of access to pharmacies and pharmacists in communities. The acquisition of TelePharm and ultimately the use of telepharmacy technologies in communities is one way in which a pharmacist can further their reach or provide continuous access to pharmacy products and pharmacist services when otherwise considering shutting down the pharmacy in a remote, rural area. By saving the pharmacy, just delivering the care through telepharmacy, the pharmacist maintains providing healthcare services to medically underserved areas. Telepharmacy can improve medication adherence and provide local access to a pharmacist where there may otherwise not be access to another healthcare provider.

Access to prescription medications and pharmacist consultations in settings that are convenient to Kansas citizens will improve the health of your constituents and their communities. Cardinal Health is committed to supporting thoughtful and effective legislation that aligns with our mission of making healthcare safer and more cost effective.

The handout provided to the Committee provides greater detail of the Telepharmacy technology in use in many other states. We thank you for the opportunity to testify today and I welcome any questions that the Committee may have.

Telepharmacy

The Pharmacy Solution for Underserved Residents

Background

Access to a pharmacist has been shown to be highly effective in improving outcomes¹, and the closing of rural pharmacies is having a devastating effect on critical health-care services for residents living in rural areas. According to the Rural Policy Research Institute (RUPRI) 924 independent rural pharmacies closed and 490 communities lost the only pharmacy in their community between 2003-2013.

Seventy-seven percent of rural counties in the United States are designated as primary care health professional shortage areas. Residents in these areas, typically elderly, have to travel long distances to pick up their prescription medications and see their pharmacist. These patients already face a number of challenges related to healthcare services close to home, including weather, geography, and social barriers. Patients see their pharmacist more often than any other healthcare professional², so making them more readily available should be a top priority.

Need for Alternative Delivery

In response to the escalation of rural pharmacy closures across the United States, North Dakota State University conducted a federally-funded study from 2002-2008 to look at the safety of telepharmacy in providing pharmacy services to areas where it was no longer economically feasible to have a pharmacy. They found that telepharmacy is a safe and effective solution to this problem. In fact, the rate of dispensing errors was less than 1 percent, compared to the national average of ~2 percent.³

By eliminating the barrier to accessible pharmacy services and increasing rural access to a pharmacist, there is an opportunity to decrease state healthcare costs, while improving patient outcomes. Additionally, keeping funds from health care spending in a community increases the feasibility of local health clinic services and allows the local economy to flourish. When a community loses their pharmacy, these funds disperse (some of which leaves the state) and there is an increased risk of also losing their local health provider(s). Local pharmacies and clinics are crucial in maintaining the health of citizens in smaller rural communities.

¹ Improving Patient and Health System Outcomes through Advanced Pharmacy Practice; A Report to the U.S. Surgeon General 2011. Rev: 5/2011, 8/2011, 12/2011. US Public Health Service.

http://www.accp.com/docs/positions/misc/improving_patient_and_health_system_outcomes.pdf

² George E. MacKinnon III, PhD, RPh, FASHP. [*Recognizing pharmacists as healthcare providers—a solution for the Patient Protection and Affordable Care Act roll-out.*](#) August 13, 2013.

³ The North Dakota Experience: Achieving High-Performance Health Care Through Rural Innovation And Cooperation. May 2008

Benefits of Telepharmacy

Telepharmacy is the pharmacy solution for rural America, and has benefits for all stakeholders. These benefits extend beyond the patients to the healthcare providers and the community.

Patients	<ul style="list-style-type: none">● Prevents traveling long distances to get prescriptions● Provides readily available access to a pharmacist● Establishes or maintains over-the-counter medication access● Potentially increases medication adherence
Communities	<ul style="list-style-type: none">● Increases economic development by keeping business local● Helps attract patients to the local clinic● Makes it easier to attract local businesses & residents
Independent Pharmacy Owners	<ul style="list-style-type: none">● Significantly reduces operating costs● Makes it possible to save existing or open new locations in underserved areas● Reduces dispensing errors
Local Clinics	<ul style="list-style-type: none">● Easier to attract/retain patient base● Can provide full primary care services on a local level● Ability to collaborate with the pharmacist on patient care

Pharmacy Deserts

The USDA, in the 2008 Farm Bill, defines a rural food desert as any area within a 10-mile radius without ready access to fresh, healthy, and affordable food. TelePharm uses the same methodology as the USDA to define a pharmacy desert, only with a reduced radius of 5 miles. This reduced radius is utilized because of the commuting challenges faced by the senior population predominantly served in these areas.

Kansas Rural Health Landscape

Kansas has 164 designated health professional shortage areas, meaning there is a lack of primary medical care, according to the U.S. Department of Health and Human Services.

- 60 pharmacy deserts (10+ miles to the nearest pharmacy)
- 86 “at-risk” communities (only one pharmacy)
- 50 communities without any healthcare access
- 53,500+ residents live in pharmacy deserts

As evidenced by the Zearing case study (shown below), care providers in rural communities benefit greatly and become more self sustainable when they have a local retail pharmacy.

Case Study: Zearing, IA

Zearing, Iowa is a community located in central Iowa with about 560 residents, and is committed to medical services in town. For almost 2 decades, the Story Medical Clinic located in Zearing, IA operated without a pharmacy, and patients had to drive more than 20 minutes each direction to fill their medications.

Mary O'Connor, the Nurse Practitioner at the clinic, realized how difficult this was making things not only for her practice but also for the overall health of the patients. Many patients simply left town anytime they had a medical need instead of visiting the local clinic - all because they couldn't get their prescriptions filled locally.

O'Connor finally connected with NuCara Pharmacy who agreed to open a telepharmacy in Zearing. To help speed up the process and assist with the success of the pharmacy, they invited the new pharmacy to set up and operate out of one of the exam rooms in the clinic for the first year of operation.

After the pharmacy was open for approximately one year, the space in the adjacent building had been completed and the pharmacy was able to relocate to its own storefront.



With the addition of the pharmacy to town, O'Connor has been able to attract those patients who used to leave town to come to her clinic. Not only has it been a boost to her clinic, adding an additional partner, Kelli Holland ARNP, it has also helped to re-establish a storefront on Main Street and has led to other buildings on the block being renovated.

"It's meant a lot to the people in this town," said Alyssa Young, a Certified Technician who works at the NuCara Pharmacy powered by TelePharm. "Now that the pharmacy is here they've been renovating other buildings on Main Street. In small towns like this usually you see them moving backwards in terms of growth. This was an impetus for the town to continue their growth."

Rural Independent Pharmacy Studies

One Year In: Sole Community Rural Independent Pharmacies and Medicare Part D

- Concerned about their ability to sell their stores upon retirement
- Decreasing profit margin might make the idea of owning an independent pharmacy less enticing to potential buyers
- One pharmacist stated that he believes owning a rural independent pharmacy is no longer financially viable and that “he would discourage anybody from going into the field.”
- One is considering trying to sell both his physical location and book of business to a chain, while the other is considering selling only her book of business to the nearest chain located 25 miles away (physical location would close). Both pharmacists were very concerned that these alternatives would be detrimental to their customers’ well-being.
<http://www.shepscenter.unc.edu/rural/pubs/report/FR92.pdf>

The Key Role of Sole Community Pharmacists in Their Local Healthcare Delivery Systems

- Most sole community pharmacists (83%) provided important services for other health care providers and facilities in their communities.
- Almost all (92%) of the communities served by a single independent retail pharmacy are also served by at least one other type of inpatient or outpatient health care organization.
- Almost half of all pharmacists (42%) offered additional clinical and educational services to community residents including blood pressure checks, screening for cholesterol and osteoporosis, glucose screening and diabetes counseling, tobacco cessation programs, and immunizations.
<https://www.public-health.uiowa.edu/rupri/publications/policybriefs/2009/KeyRoleofSoleCommPharms.pdf>

North Dakota

- In 2001, North Dakota was the first U.S. state to establish Pilot Telepharmacy Rules in response to increasing rural community pharmacy closures.
- September 2002, received a federal grant from the Department of Health and Human Services to implement a statewide telepharmacy program.
- June 2003, due to enormous success of the pilot project the North Dakota State Board of Pharmacy established permanent rules allowing for the utilization of telepharmacy.
- As of 2012, 53 retail pharmacies were involved with the ND Telepharmacy Project
 - 73% of North Dakota’s counties have access to a pharmacy within county lines
 - Approximately 80,000 rural citizen have had pharmacy services restored, retained, or established
 - Added an estimated \$26.5M in economic development to the local rural economy
 - 60+ new rural community jobs added

North Dakota Articles

- <https://www.ndsu.edu/telepharmacy/history/>
- https://www.ndsu.edu/fileadmin/telepharmacy/Rural_Monitor-pharmacies_struggle_-_Copy.pdf
- https://www.ndsu.edu/fileadmin/telepharmacy/Alumni_News2009Telepharmacy_Project_models_coop.pdf
- <https://www.ndsu.edu/fileadmin/telepharmacy/RuralElectricMagazineTelepharmacyFeature.pdf>



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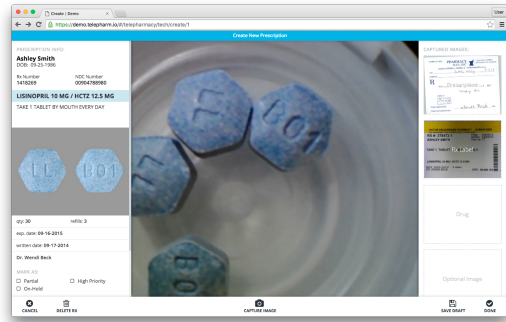
TelePharm is a retail telepharmacy software application that enables remote prescription verification and live-video counseling with patients. The safe and secure platform is HIPAA-compliant, cloud-based and user-friendly. With TelePharm, healthcare organizations can provide convenient access to quality pharmaceutical care at a local level, regardless of geographic location. Brick-and-mortar telepharmacies are staffed by certified pharmacy technicians, while a pharmacist reviews prescriptions and counsels patients from a managing pharmacy, or host site.

Features:

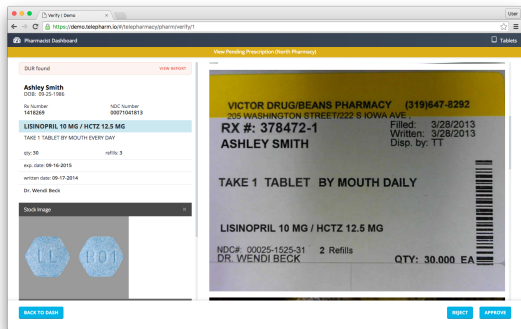
- Patented telepharmacy multi-site prescription workflow
 - Barcode driven multi-site prescription workflow with built-in hard halts
 - Queue-based prescription workflow management
- HIPAA and HI-TECH compliant data storage (up to 10 years)
- Readily available audit logs that includes:
 - User ID, timestamp, prescription data and user action
- Military-grade security including SSL 256-bit AES and two-step user authentication
 - User identification for each prescription submission and verification
- Two-way interfacing with many Pharmacy Management Systems
- Secure audio-visual link with instant connection to all stores and pharmacists
- Any-to-any architecture for multi-site pharmacist availability
- Pharmacist authorization of will-call prescriptions
- Detailed patient education prior to counseling with pharmacist



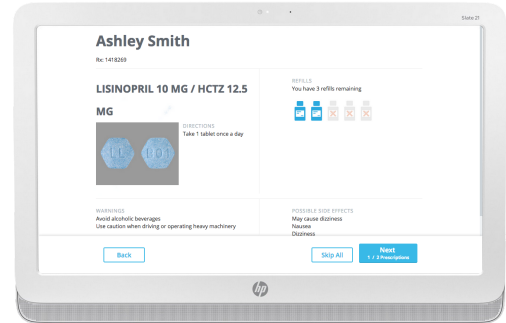
1. The technician enters the prescription into the Pharmacy Management System.



2. The technician captures images of the prescription as it's being filled. User identification is required on submittal.



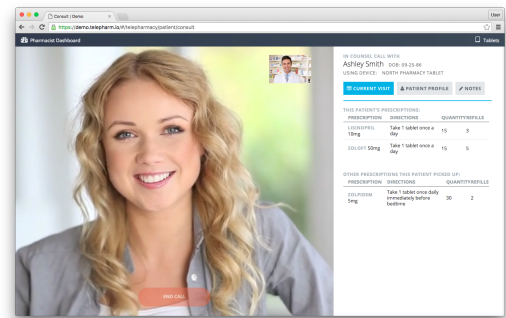
3. The pharmacist verifies the prescription through the captured images. User identification is required to approve.



4. The patient arrives to pick up the prescription and reviews side effects and warnings.



5. The patient is counseled by the pharmacist via a live-video interaction.



6. The pharmacist counsels the patient and has all prescription and patient information available for review.