

Highlights of the **SPSHEALTH** 2022 Long Term Care Summit

September 21-22, 2022 • Scottsdale, Arizona



The inaugural SPS Health 2022 Long Term Care Summit brought together 100 senior care executives and business partners to explore opportunities and challenges in the marketplace. Focused on value-based care solutions for post-acute care (PAC) providers as well as future opportunities, the Summit kicked off with a pre-conference Charity Golf Tournament benefitting the Friends of Long Term Care.



Inflection Points in the Long Term Care Industry

Neil Bansal, *Chief Executive Officer*
SPS Health

Neil Bansal's presentation provided an overview of SPS Health and the current long term care (LTC) environment for all stakeholders. Over the past few years, the LTC industry has experienced severe challenges due to the effects of Covid 19. The industry headwinds that facilities and pharmacies face impact operations and financial health, including labor shortages and cost increases, new regulations, and constraints on occupancy that together threaten to reduce patient access to care. SPS Health is in a position to assist with these issues by ensuring the sustainability of Part A rebate programs & developing additional innovative solutions to support the LTC pharmacy industry. SPS Health continues to engage with legal and regulatory advisors, collaborate with pharma strategy consultants, launch an internal trade relations team, and focus on partnerships with LTC associations to ensure long-term success for all stakeholders. Neil closed by encouraging all pharmacies to do their part by sharing best practices, embracing change, and advocating for their pharmacy. Working together as an industry is essential to overcome existing challenges and protect patient access to critical long-term care services.



DC Update

Mark Parkinson, *President & CEO American Health Care Association and National Center for Assisted Living (AHCA/NCAL)*

Mark Parkinson focused his presentation on the LTC sector's experience over the last couple of years and what lies ahead for 2023 and

2024. The two interrelated areas hit hardest since the pandemic began in 2020 are the census and workforce. Average occupancy hit a low of 68% in January 2021. It recovered to 75% by July 2022, and he anticipates it will increase by about 2% every six months. Facilities lost 223,700 jobs during the pandemic. Mark stated the census will come back if the workforce returns, but disincentives built into public policy and dramatic wage increases are hurdles facing facilities. AHCA has been working on key state and federal issues to support its membership. He expects the public health emergency declaration will expire in January 2023 and advises members to budget accordingly. In response, AHCA has shifted focus to its state affiliates to solicit state aid, although the amount of aid varies widely by state. At the federal level, AHCA is working to manage challenging regulations such as the proposed unfunded minimum staffing requirement. In conclusion, he said census recovery is possible in the coming years and will be aided by the "silver tsunami" of baby boomers reaching age 80 in 2025, plus a decline in the number of available SNF beds and facilities.

"The speakers were really strong because they spoke to the issues that we understand, and for folks that are newcomers to this program, I thought there was material that can help them build a program in the right way. The presenters reinforced for me the things that are important in this, the things we need to drive internally for our own business as well as how we need to deal with our customers."

- Alan Bronfein, SVP Strategic Sourcing, Remedi SeniorCare



Formulary Management and Manufacturer Requirements

Theresa C. Carnegie, JD, *Member Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC*

Theresa Carnegie opened her presentation with a discussion of the current rebate and regulatory landscape.

She drew a distinction between rebates and discounts and explained how rebates can implicate the Anti-Kickback Statute unless they meet the requirements under the Discount Safe Harbor. The key elements of all requirements under the Safe Harbor are disclosure and reporting. Medicare Part D, Medicaid, and commercial payors use formulary rebates to manage pharmacy benefits and provide cost savings for payors. Formularies and rebates have expanded beyond traditional payors to Part B drugs under MA plans and Part A hospice benefits, and she discussed how rebates work in various settings. She also covered formularies and best practices for implementing formulary rebates in skilled nursing facilities (SNFs). Next, Pharmaceutical Manufacturer formulary and Part A rebate requirements were described, with special note made to manufacturer data integrity concerns for SNF rebates and how to address them. She closed by addressing regulatory and pharmaceutical manufacturer concerns with Medicare Part A rebates and advising on ways that LTC pharmacies and their SNF clients can mitigate regulatory risks.



LTC Operator Roundtable

Facilitated by Matt Lewis
Executive Vice President LithiaRx

Matt Lewis facilitated a roundtable discussion with panelists Alan Bronfein of Remedi SeniorCare, Trent Blacketer of Synchrony Health Services, and Kevin Fearon

of Absolute Pharmacy. The panel focused on issues such as education and who within their pharmacies engages with SNFs when conversations about rebates arise. Discussion led to how to implement a formulary effectively, demonstrating value to a potential customer already receiving rebates by helping to lower overall cost and crucial advice on having conversations with facilities regarding the allocation of Part A rebates.



The 2023 US Economic Outlook: Implications for Long-Term Healthcare

Lee E. Ohanian, PhD
Professor of Economics, UCLA
Senior Fellow, Hoover
Institution, Stanford University

Lee Ohanian provided a review of recent US economic performance and policies in his presentation. He said the US economy's growth has been below trend for the last 15 years, and its growth will slow in 2023 due to headwinds, including labor shortages, low growth in productivity, high inflation and interest rates, lack of affordable housing, and widening political divisions. Lawmakers have failed to address budget problems with Medicare, Medicaid, and Social Security, making the solutions more challenging. A central issue is the federal budget and retirees. People are living longer, with the average lifespan increasing by 22 years between 1937 and 2050. In addition, there has been a demographic shift, with the retiring "baby boom" generation being financed by a much smaller "baby bust." In 1950 there were 40 workers per retiree. By the 1990s that number dropped to three workers per retiree, and soon it will be fewer than two workers. Social Security, Medicare, and Medicaid are projected to become 56 percent of the federal budget by the 2030s, and this is unsustainable. Possible changes include increasing the retirement age, means testing for Medicare, and lower reimbursements for Medicaid. Other suggestions to improve the economic outlook include substantially expanding high-skilled immigration, improving K-12 education, and increasing support for scientific research.

to grow in importance with the aging population and the expansion of products being used in the LTC setting. At the same time, pharmaceutical manufacturers must see the value of paying rebates to meet their market access goals. SPS Health is engaging with manufacturers to educate them on the SPS approach and demonstrate how a compliant program supports patient access to preferred formulary products.



Manufacturer Implications of the Long Term Care Part A Rebate Program

Reena Patel, Partner
Blue Fin Group

Reena Patel gave a presentation on pharmaceutical manufacturer perspectives on the LTC Part A rebate program. The insights she provided were based on interviews with pharmaceutical manufacturers and other participants in the pharmacy value chain conducted by the Blue Fin Group. Part A formulary rebate programs are still relatively new, and the space is complex due to the number of stakeholders that participate. It is critical to understand the role of each stakeholder in the program and how they interact with one another, including upstream participants (pharmaceutical manufacturers and pharmaceutical benefit managers, PBMs) and downstream participants (LTC Pharmacies and SNFs). SPS Health provides highly integrated solutions to create a compliant program that brings value to and supports the sustainability of Part A rebates. Pharmaceutical manufacturers view the LTC segment as a critical transition point for patients that will only continue



Spin-Free News of the Day From a Simple Country Pundit

Chris Stirewalt
Political Analyst, Commentator,
and Best-Selling Author

Political analyst Chris Stirewalt, a former Fox News editor whose witty style of political punditry has entertained audiences for over two decades, is highly regarded for providing his candid take on everything from the 2016 and 2020 presidential elections to the midterms and beyond. He discussed the current political climate and how the Republican and Democrat parties' tendency to be over-confident has led to bad decisions by both. Chris also discussed prospective candidates, their strengths and weaknesses, and their viability in the upcoming elections. He concluded by taking questions from the audience and offering insights and predictions. 🌐

2023 SPSHEALTH Long Term Care Summit

October 11-12, 2023 | The Cosmopolitan of Las Vegas

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