

Policy At A Glance:

Pharmacist Service Coverage (AB 317)

As California continues to face a primary care physician shortage, the role of pharmacists has increasingly shifted from dispensing medication and counseling patients to providing team-based care across a variety of healthcare settings. This brief provides an overview of AB 317 and how it allows pharmacists to be reimbursed for the services they provide.

Introduction

California is facing a primary care physician shortage – one that is already afflicting rural areas and low-income inner-city areas and is forecasted to impact millions of residents within ten years.¹ This is due, in part, to the fact that many medical students are choosing not to go into primary care while a third of the doctors currently practicing in the state are over 55 years of age and are looking to retire soon.^{1,2}

Currently, many states allow pharmacists to partner with physicians via collaborative practice agreements that allow physicians to delegate specific tasks to a pharmacist, such as initiation, titration, and discontinuation of medications. On October 7, 2023, Governor Gavin Newsom signed the Pharmacist Service Coverage (AB 317) into law, removing the barrier for pharmacists to bill commercial health plans for patient services authorized by law. As such, this change could potentially increase pharmacists' involvement in primary care in certain communities with limited access.³

This brief provides an overview of the current scope of practice for pharmacists in California and the provisions outlined in AB 317.

Relevant Dates for AB 317⁴

- | | |
|-----------|--|
| 1/26/2023 | Introduced in the California State Assembly |
| 4/27/2023 | Passed in the California State Assembly |
| 6/29/2023 | Passed in the California State Senate with amendments |
| 9/13/2023 | Senate amendments concurred in the California State Assembly |
| 10/7/2023 | Signed into law by Governor Gavin Newsom |

Bringing wholeness to individuals and communities, the Institute for Health Policy and Leadership (IHPL) strives to integrate health policy research and education with leadership development. Our goal is to improve the health of our communities by building on our strong heritage of health promotion and disease prevention.

To learn more, visit us at www.IHPL.llu.edu



LOMA LINDA
UNIVERSITY
HEALTH

The Expanding Role of the Pharmacist

Medication errors, including harmful drug-to-drug interactions, errors in drug preparation, and inappropriate or overprescribing of opioids, are highly pervasive across all settings of healthcare.⁵ Ensuring the safe prescribing and dispensing of medication to patients is a core responsibility of a pharmacist. Pharmacists ensure that patients not only receive the correct medication and dosage, but also that patients have the guidance necessary to use the medication safely and effectively.^{5,6} Furthermore, pharmacists work collaboratively as members of an interprofessional healthcare team to share important patient information such as medication history, drug allergies, and drug interactions.^{7,8}

In 2013, Governor Jerry Brown signed SB 493 into law, allowing pharmacists to provide specific healthcare services in collaboration with physicians and other members of the healthcare team.^{9,10,11} The passage of SB 493 recognized the importance of pharmacists as medication experts who can provide consultations, train, and educate patients on disease management and prevention to improve health outcomes, particularly in communities where there are shortages of healthcare providers.^{11,12} Under SB 493, all registered pharmacists are able to provide prescription medications for an array of diseases, including hormonal contraception; nicotine replacement products; travel medications; HIV pre-exposure and post-exposure prophylaxis (PrEP and PEP); and naloxone as well as administer all approved vaccinations.^{11,13}

Impact of COVID-19 on Pharmacy Practice

Post-COVID-19, the role of pharmacists in the healthcare team has expanded.¹⁴ At the start of the pandemic, pharmacies became some of the first point-of-care testing sites and, when the COVID-19 vaccines became available, pharmacies became a central hub for administering them.¹⁵ Research has shown that pharmacists provided over 350 million clinical interventions to over 150 million people in the form of vaccinations, parenteral antibodies, antiviral therapies, inpatient care, and testing.¹⁶ Furthermore, estimates show that pharmacist-led interventions averted millions of COVID-19 deaths and hospitalizations, which reduced significant strain on the healthcare system and resulted in an estimated savings of \$450 billion in healthcare costs.^{12,16} Since the onset of the pandemic, the appreciation for pharmacists has expanded, and pharmacists have had the opportunity to practice under a more clinical scope.



Reimbursements for Pharmacy Services

Background Context

As the demand for quality healthcare continues to rise, California continues to fall short on healthcare workforce in the right places to meet the needs of the state's growing population.¹⁷ Furthermore, studies have shown that California is expected to face a statewide shortfall of primary care providers in the next 15 years due to the uneven distribution of care access across the state.⁴

Although health insurance provides access to healthcare, it does not ensure that everyone will receive appropriate or high-quality care at the right time. Access to comprehensive and quality healthcare service is important for physical, social, and mental health as well as quality of life and can reduce unnecessary disability and premature death.¹⁸ Research has shown that an estimated 7 million Californians live in provider shortage areas, resulting in the lack of access to primary, dental, or mental healthcare providers.^{17,18} Forecasts indicate that California will need about 4,700 additional primary care clinicians in 2023 and another 4,100 additional primary clinicians in 2030 to meet the demand.^{18,19}

The need for more primary care clinicians combined with the role medications play in the prevention and quality primary care treatment has created a new niche for pharmacists as clinical pharmacists are trained and qualified to fill the documented gaps in care around

medication management in the primary care setting.¹¹

Recognition for Pharmacy Services

Previously, pharmacists had the statutory authority to assist clinicians in managing patients' illnesses and provide preventive care, but health insurance companies did not recognize them as providers. This limited the utilization of pharmacists as clinicians due to their inability to bill for the patient care they provide.¹⁹

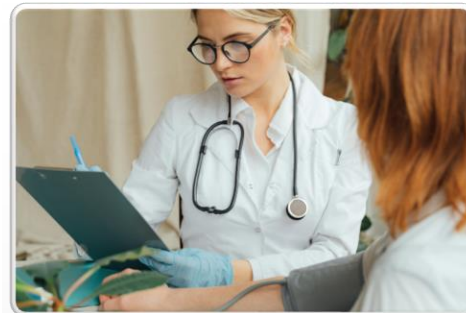
However, on October 7, 2023, Governor Gavin Newsom signed AB 317 into law, allowing pharmacists to bill commercial health plans for patient care services authorized by law.^{3,19} Specifically, this bill allows pharmacists to enroll in commercial health plan provider networks and bill insurance companies for covered patient care services within the pharmacist's scope of practice. Furthermore, commercial health insurance carriers must recognize pharmacists with the same regard as other providers, such as physicians, nurse practitioners, and physician assistants.^{3,19,20} By recognizing pharmacists as healthcare providers, AB 317 requires that health plans reimburse pharmacists for the clinical work and services they perform, which increases patient access to primary care where it is appropriate and within the scope of the pharmacists' training and creates an additional stream of revenue for pharmacists.

Conclusion

As pharmacists continue to become core members of the primary healthcare workforce, it is imperative that pharmacists are reimbursed for the care provided. Pharmacists in primary care settings are also well positioned to identify immunization needs and administer vaccines for patients.²¹ AB 317 provides further recognition of the value that pharmacists bring to the healthcare team, primarily in rural communities where community pharmacies are struggling to stay open due to unsustainable reimbursement models.^{12,22,23} Additionally, the reimbursement for services provided creates revenue opportunities for pharmacists and assists in relieving the strain on the state's healthcare system to provide access to primary care in certain communities as appropriate.

References

1. <https://calmatters.org/projects/californias-worsening-physician-shortage-doctors/>
2. https://healthforce.ucsf.edu/sites/healthforce.ucsf.edu/files/publication-pdf/UCSF%20PCP%20Workforce%20Study_Rpt%202%20-%20Final_081517.pdf
3. https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB317
4. <https://www.ucsf.edu/news/2017/08/408046/california-demand-primary-care-providers-exceed-supply-2030>
5. <https://psnet.ahrq.gov/perspective/pharmacist-role-patient-safety>
6. https://www.pharmacist.com/Portals/0/PDFS/Practice/PharmacistsImpactonPatientSafety_Web.pdf
7. <https://healthipe.utexas.edu/pharmacist-role>
8. <https://www.wolterskluwer.com/en/expert-insights/evolving-role-pharmacists-bridging-gap-healthcare-access-patient-care>
9. https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201320140SB493
10. <https://chsu.edu/governor-signs-landmark-bill-sb-493-expanding-the-scope-of-pharmacy-practice/>
11. <https://cpha.com/advocacy/ab-317-weber-pharmacist-service-coverage/>
12. <https://ihpl.llu.edu/blog/ab-317-key-step-towards-reimbursement-pharmacy-services>
13. <https://drugstorenews.com/california-new-license-expands-scope-pharmacists>
14. <https://www.pharmacist.com/Publications/Pharmacy-Today/Article/quantifying-the-heroic-work-of-pharmacists-during-the-pandemic>
15. <https://www.empr.com/home/features/how-the-pandemic-changed-pharmacies/>
16. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9387064/>
17. <https://futurehealthworkforce.org/2019/02/04/ca-looming-workforce-crisis/>
18. <https://letsgethealthy.ca.gov/goals/redesigning-the-health-system/increasing-access-to-healthcare-providers/>
19. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3058447/>
20. <https://www.ocpha.org/ab317>
21. <https://www.ashp.org/-/media/assets/policy-guidelines/docs/statements/pharmacists-role-primary-care.ashx>
22. <https://www.aamc.org/media/54681/download>
23. <https://data.hrsa.gov/topics/health-workforce/shortage-areas>
24. <https://cpha.com/about/pharmacist-101-behind-the-white-coat/>



Did you know?

There are nearly 40,800 licensed pharmacists in California, compared to the 54,000 primary care physicians.²⁴



LOMA LINDA UNIVERSITY
HEALTH

Institute for Health Policy and Leadership

11209 Anderson Street
Loma Linda, CA 92354
Phone: 909-558-7022
Fax: 909-558-5638
www.IHPL.llu.edu

Questions?

Please contact Renée Chuang, MS,
Doctoral Graduate Assistant at the
Institute for Health Policy & Leadership
(RChuang@llu.edu).