An Evaluation of the Impact of Rite Aid Pharmacy Closures on Member Adherence, Out-of-Pocket Spending, and Access to Pharmacies

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Background

- In 2023, Rite Aid Pharmacy filed for Chapter 11 bankruptcy, announcing the closure of hundreds of stores nationwide, including more than 200 stores in Michigan
- Serving as a pharmacy in the preferred network to Blue Cross Blue Shield of Michigan (BCBSM) and Blue Care Network (BCN) Medicare members, Rite Aid Pharmacy closures caused disruption in access to medications
- Reduced pharmacy access may impact medication adherence, increase out-of-pocket (OOP) costs if members transition to out of network pharmacies, and delay medication access
- CMS evaluates Medicare Part D plans using Star ratings, which include medication adherence measures for diabetes (DIA), hypertension (HTN), and cholesterol (CHO) medications
- In addition to these direct impacts, there is concern that members impacted by these closures may reside in or near pharmacy deserts, limiting access to medications

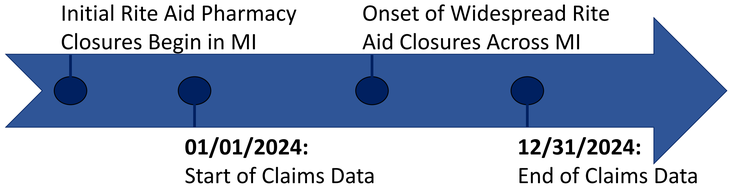
Objective

To assess the impact of Rite Aid Pharmacy closures on Star adherence measures, OOP spending, and changes in pharmacy utilization

Methods

- Retrospective cohort study evaluating 21,782 Medicare Advantage Prescription Drug (MAPD) plan member's pharmacy claim data from 1/1/2024 to 12/31/2024
- Inclusion Criteria
  - Members who indexed in at least one medication adherence Star measure (DIA, CHO, or HTN) in the 11/2024 Acumen report
  - Members must have had their most recent fill of a Star adherence medication at a Rite Aid location, confirmed by 06/2024 data
  - Members must have maintained eligibility in the plan through 12/31/2024
- US Census Data was utilized to determine whether members were based in rural or urban zip codes
- Adherence is defined as a proportion of the days covered (PDC) greater than or equal to 80%, captured at year end
- A member-level propensity score matched control group was developed with support from a proprietary vendor
- Data was analyzed using descriptive and chi-squared analysis

Timeline of Rite Aid Closures and Claims Analysis Window



Results

Table 1: Member Demographics

	Rite Aid Cohort n=21782 (%)				Control Cohort n=27147 (%)			
Mean Age in Years ± SD	75 ± 7.7				75 ± 7.5			
Gender								
Male	10747 (49.3%)				13631 (50.2%)			
Female	11035 (50.7%)				13516 (49.8%)			
Line of Business (LOB)								
BCN	5158 (23.7%)				6661 (24.5%)			
BCBSM	16,624 (76.3%)				20,469 (75.4%)			
Adherence (ADH) Gaps By LOB								
	DIA	**HTN**	**CHO**	**Total Gaps by LOB**	**DIA**	**HTN**	**CHO**	**Total Gaps by LOB**
BCN	1049	3326	3961	8336	927	3085	3764	7776
BCBSM	3407	10,379	12,201	25,987	3048	9662	11309	24019
Total Gaps by Measure	4456	13705	16162	**34323**	3975	12747	15073	**31795**
Geographic Distribution								
Urban Zip Code	17174 (78.85%)				21900 (80.67%)			
Rural Zip Code	4604 (21.15%)				5247 (19.33%)			

Figure 1. (Left): Member's Distance to Nearest Pharmacy in Urban Zip Codes; (Right): Distance to Nearest Pharmacy in Rural Zip Codes

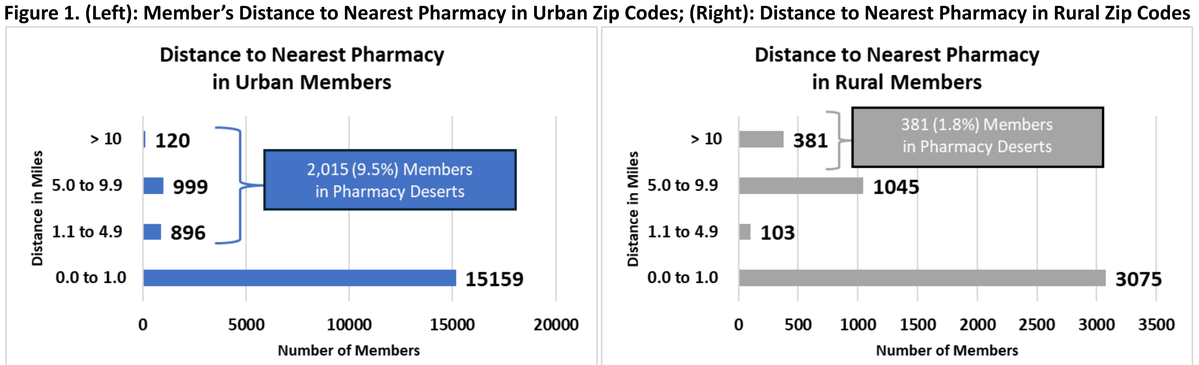


Table 2: Adherence Rates by Geography

ADH Gap	Urban Zip ADH Rate	Rural Zip ADH Rate	P Value
DIA	79.52%	81.11%	p = 0.35
HTN	85.25%	84.68%	p = 0.41
CHO	81.46%	83.86%	***p < 0.05***

Table 3: Closure Impact on OOP Costs

ADH Gap	Average Pre-Closure OOP Cost	Average Post-Closure OOP Cost	% Increase in Cost	P Value
DIA	$36.00	$36.78	2.14%	***p < 0.001***
HTN	$1.23	$2.00	47.68%	***p < 0.001***
CHO	$1.18	$1.87	45.25%	***p < 0.001***

Table 4: Impact of Closures and Pharmacy Access on Adherence

ADH Gap	Rite Aid Cohort ADH Rate	Control Cohort ADH Rate	% Difference in Rate	P Value	Found a Pharmacy ADH Rate	Did Not Find a Pharmacy ADH Rate	P Value
DIA	78.17%	84.77%	-6.60%	***p < 0.001***	87.20%	13.93%	***p < 0.001***
HTN	82.66%	90.41%	-7.75%	***p < 0.001***	91.33%	24.20%	***p < 0.001***
CHO	79.29%	88.36%	-9.07%	***p < 0.001***	88.83%	19.93%	***p < 0.001***

Table 5: Impact of Pharmacy Network Status on Adherence Rates

	DIA Adherence Gap			HTN Adherence Gap			CHO Adherence Gap		
	ADH Rate	% Difference in Rate	P Value	ADH Rate	% Difference in Rate	P Value	ADH Rate	% Difference in Rate	P Value
Switched to Preferred	87.21%	0.06%	p = 0.97	91.76%	2.70%	***p < 0.001***	89.19%	2.25%	***p < 0.001***
Switched to Standard	87.15%			89.06%			86.94%		

Discussion

- Efforts towards promoting pharmacy access are often targeted towards rural areas, but there are more members in urban areas living in pharmacy deserts
  - There is a relationship to uncover with pharmacy network status, proximity to pharmacy, and end of year adherence rates
- There is no statistical significance in DIA gap adherence rate whether members switched to a preferred or standard pharmacy
  - DIA branded medications are often more expensive than CHO and HTN medications
  - DIA traditionally has worse adherence than CHO and HTN measures
  - May be a result of the sample size
- As alternative methods to medication delivery, changes in policy, and reimbursement change occurs, pharmacy closures may continue to rise
  - The research sheds light on the importance of health plan consideration in tier design, pharmacy network status, and future strategy implementation as closures occur

Conclusions

- The widespread Rite Aid Pharmacy closures worsened MAPD members' medication adherence and increased OOP costs
- Members who switched from Rite Aid Pharmacy to a standard pharmacy had lower adherence
- Future directions include
  - Exploring adherence rates based on distance based to pharmacy network status
  - Further stratifying the data in the DIA adherence gap to evaluate differences in adherence and OOP costs between branded and unbranded diabetes medications
- Limitations
  - Social determinants of health (SDOH) factors like access to transportation and health literacy were not accounted for
  - Limited time-frame, resulting in difficulty in capturing long-term adherence trends
  - The study was not designed to perform a detailed analysis on unattained members
    - Lack of refill could be attributed to discontinued medications, difficultly in obtaining pharmacy access, motivation

REFERENCES

1. Guadamuz, Jenny S et al. "Assessment of Pharmacy Closures in the United States From 2009 Through 2015." *JAMA internal medicine* vol. 180,1 (2020): 157-160. doi:10.1001/jamainternmed.2019.4588

DISCLOSURES

Noreen Jabiro, Amy Pallisco, Amy Alexander: Nothing to Disclose