Managed Care Pharmacy: The Plan Pharmacists' Perspective
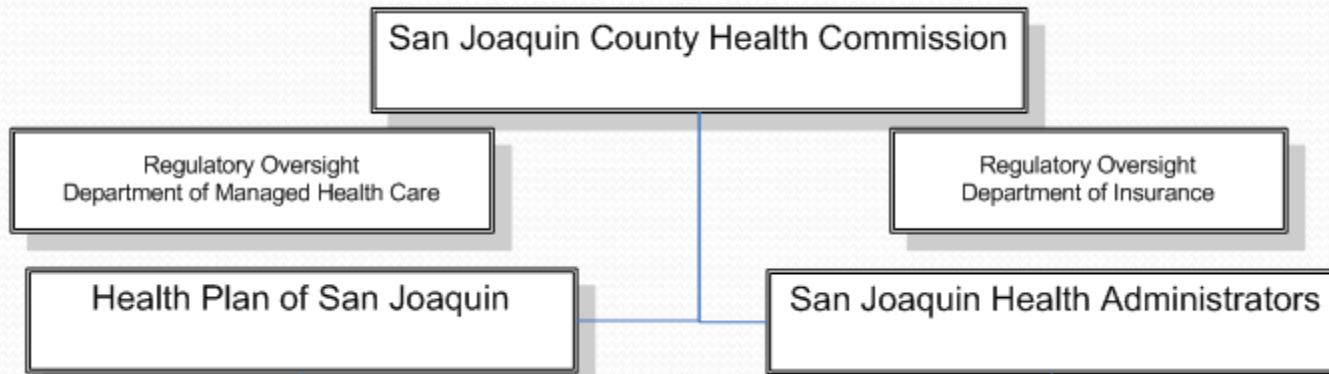
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Goals

- Provide a flavor of a non-traditional job for pharmacists
- Propose the question to you: Can the lofty goal of healthcare reform be achieved through Managed Care?

Health Plan of San Joaquin (HPSJ)

- Local Initiative established by San Joaquin County Board of Supervisors 1/12/95
- Participates in Medi-Cal "two-plan" model
- Headquartered in French Camp
- More than 200 employees
- Approximately 245k members
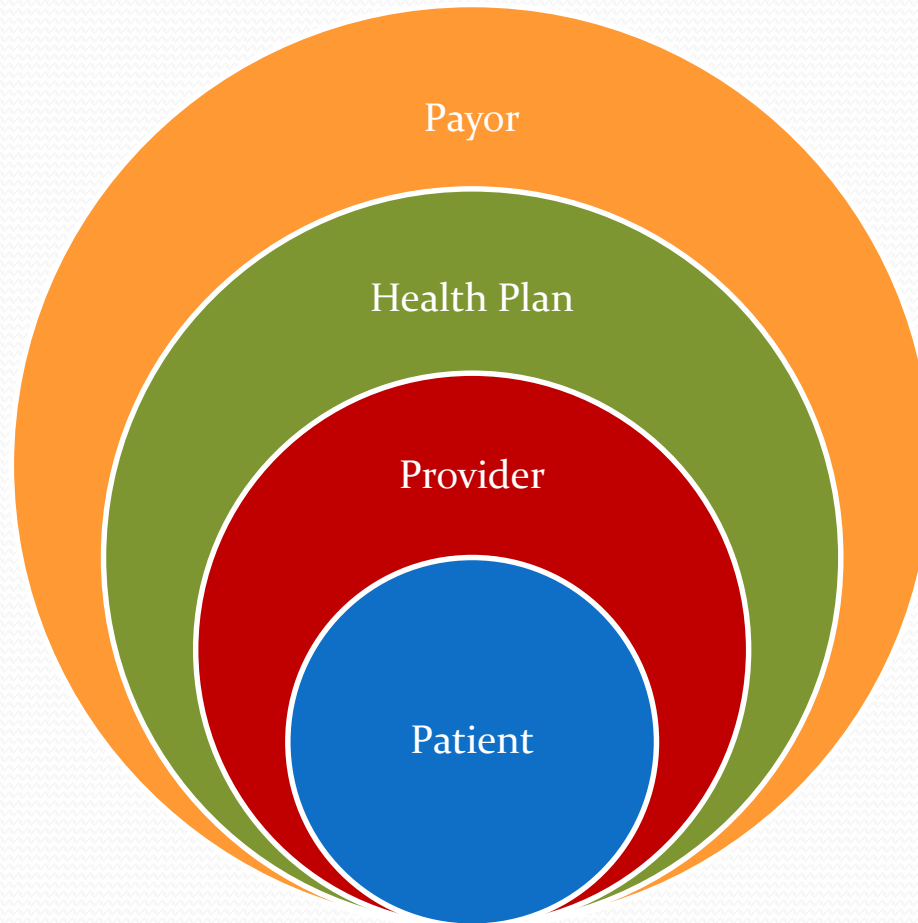
HPSJ Lines of Business

Objectives

- Define Managed Care
- Overview of a Health Plan
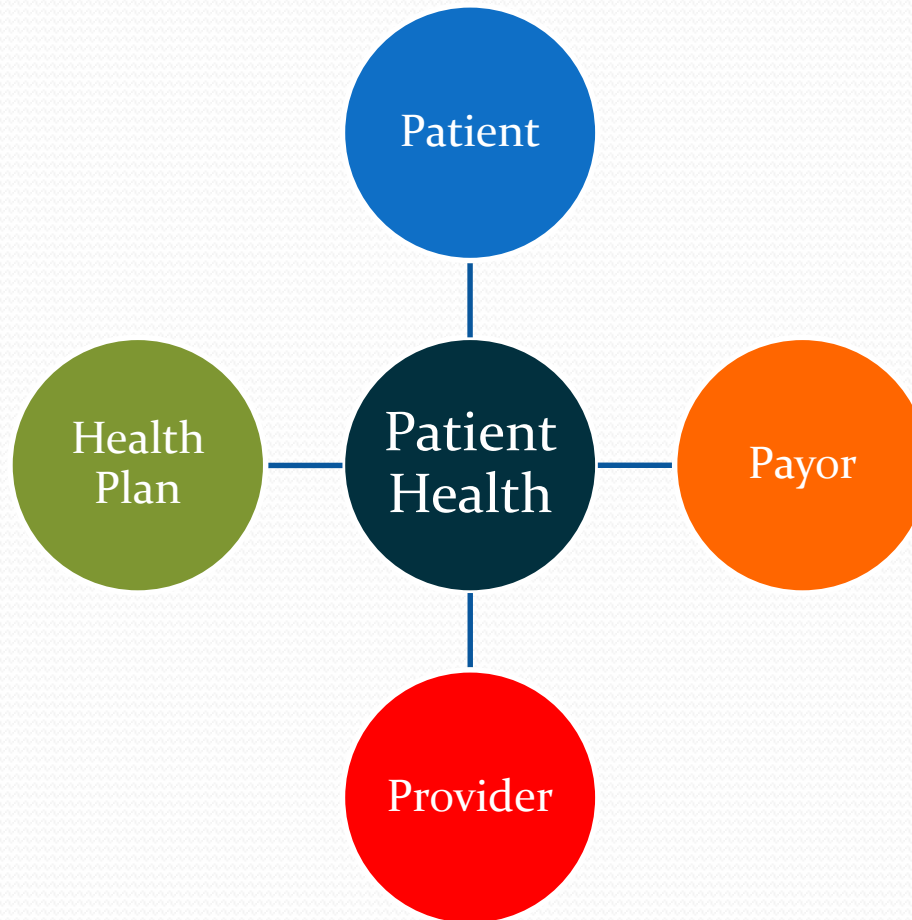- Pharmacists roles in a Health Plan
- Disease Management

Components of Health Care – View 1

Components of Health Care – View 2

Scarcity and The Tragedy of the Commons

- Common land
- Group of Cow Herders
- Each Cow Herder has shared-use rights to graze their cattle
- Each herder is motivated to graze their own cattle as much as possible to benefit themselves
- Eventually the Common land is damaged
- The entire group of Cow Herders share in the damage

Scarcity and The Tragedy of the Commons

- Does this situation occur in healthcare?
- What does it mean for the cow?

Managed Care

- Definition: Managed care is a complex system that involves the active coordination of, and the arrangement for, the provision of health services and coverage of health benefits.

- The most common types of Managed Care Organizations (*MCOs*) include Health Maintenance Organizations (*HMOs*), Preferred Provider Organizations (*PPOs*) and Exclusive Provider Organizations *(EPOs)*.

http://www.mcareol.com/factshts/factover.htm

Health Plan Overview

- Claims
- Contracting
- Finance
- Information Services
- Marketing
- Medical Management
- Member Services
- Provider Relations

Pharmacists roles in a Health Plan

- Benefit Design
- Disease Management
- DUE
- Formulary Management
- Medication Distribution
- Pharmaceutical Care

Medication Distribution

- Ensure access
- Distribution channels vary by drug type:
  - Self Administered
    - Retail
    - Mail Order
    - Specialty
    - SNF, LTC
  - Home Infusion/Office Administered
- Payment varies by distribution channel
  - Self Administered = real time
  - Home Infusion/Office Administered = lag

Formulary Management

- What is a formulary?

  A list of medications that are approved for use by a managed care organization.

- Who makes formulary decisions?

  A P&T committee

- What information is used to make formulary decisions?

  A Drug Monograph

- What information is used to make a Drug Monograph?

  Clinical Information, Cost Information

Formulary Management and Healthcare Reform

- Prevent use of marginally effective medications
- Comparative effectiveness studies
  - vs Placebo, vs Other Medications
- Cost benefit
  - Perspectives: patient, prescriber, pharmacy, health plan, payor, society

Benefit Design

- Determination of what products/services are covered
- Formulary Design
  - Open, Closed, Partially-Closed
- Co-pay Structure
  - Number of Tiers
  - Cost/Tier
- Service Providers
  - Retail, Mail, Specialty

Drug Utilization Evaluation (DUE)

- Use of medication data to determine physician prescribing, pharmacist dispensing, and patient use of medication

- Can be Prospective, Concurrent, Retrospective

- IDs trends to encourage appropriate, safe, and effective use of medications
  - i.e., incorrect drug dosage, inappropriate therapy duration, narcotic abuse, fraudulent billing

Pharmaceutical Care

- Definition: to ensure appropriate use of medications to improve patient health status
- Develop systems to maximize individual patient safety
  - ST: LABAs
- Promote care coordination
  - Referrals of patient cases (i.e., gestational DM)
- Cognitive Services

Disease Management – What is it?

- Definition: improving outcomes and QOL for patients with chronic conditions

- May involve coordination of care between various members of the healthcare team

- Other overlapping themes: Population Health Management, Patient Centered Medical Home, Preventative Care, etc.

County Health Indicators (2006)

Indicator	SJ County Rate	State Rate	SJ County Ranking (of 58 Counties)
All Cancers	193	164	50
Lung Cancer	58	42	50
Breast Cancer	26	23	46
Heart Disease	228	165	57
Stroke	72	52	56
Tuberculosis	9.9	8.7	50
Infant Mortality	7.1	5.3	52
Teen Pregnancy	49	39	49
Children with Health Insurance	92	93	30

Disease Management – How do you do it?

- ID target population
- Risk-stratify
- High-risk patients receive individualized interventions
- Lower-risk patients receive population level interventions
- Measure outcomes

Recap

- Pharmacists have many career choices
- Managed Care is one terrific option
- Can Managed Care progress Health Care Reform in a meaningful way?
  - Think incentives

Questions?

Remember, you can have cupcakes and eat it too!

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