Managed Care 101: Three Roles of Managed Care Pharmacists

AMCP | Academy of Managed Care Pharmacy®

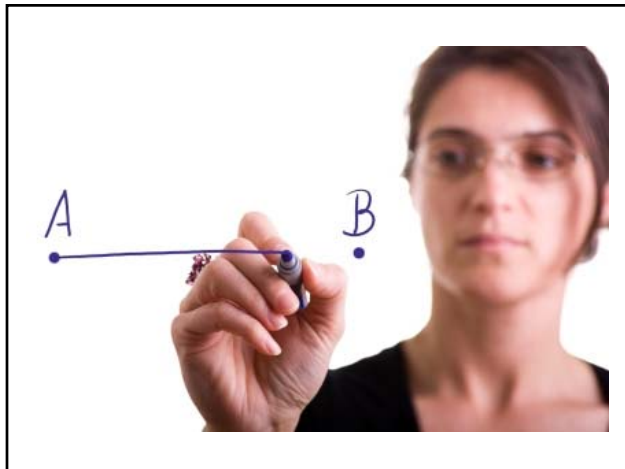Annual AMCP Western Regional Conference
Napa, CA

June 28, 2015

Presented by: Rodney J. Gedey, PharmD, BCPS
Manager of Clinical Pharmacy Services
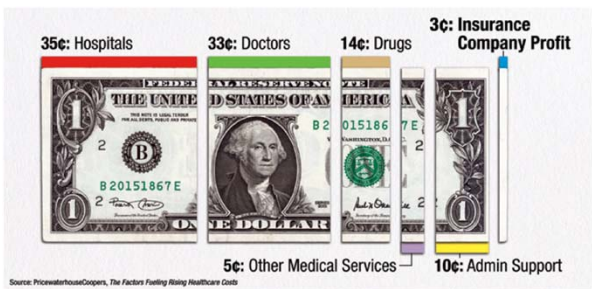Health Net Pharmaceutical Services

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Managed care is an integrated system that manages health services for an enrolled population
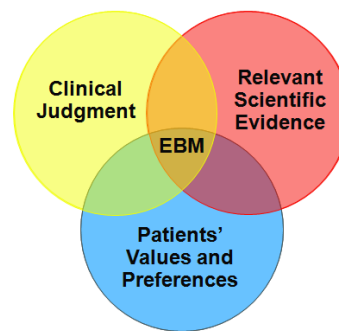

You want to learn more about managed care

kNOWledge

A   B

Pharmacists manage the cost of health care

Pharmacists manage care through evidence based medicine

Pharmacists improve care for patients with chronic illnesses by improving quality

Managed care is an approach to healthcare that efficiently uses resources to optimize patient care

National Health Expenditures Per Capita, 1990-2019

Pure group model HMOs contract with a large multispecialty physician groups

A network model contracts with more than one multispecialty physician group

An independent practice association (IPA) contracts with multispecialty physician groups and independent physicians

More control usually means fewer benefits and lower cost

Group HMO

IPA/Network

• Lower Costs
• Fewer benefits

PPO

• Higher Cost
• More benefits

Capitation reimbursement is one way to manage financial risk
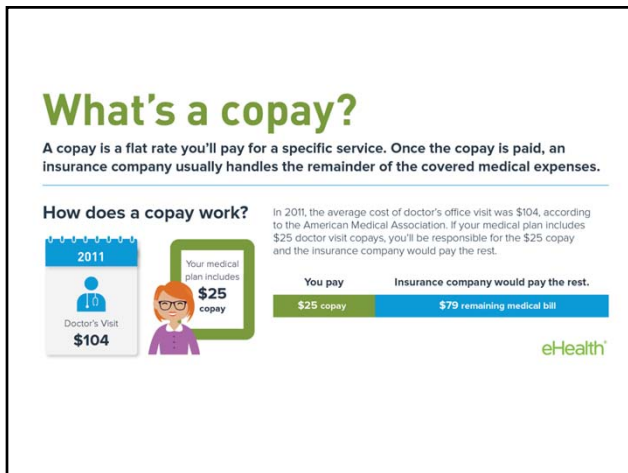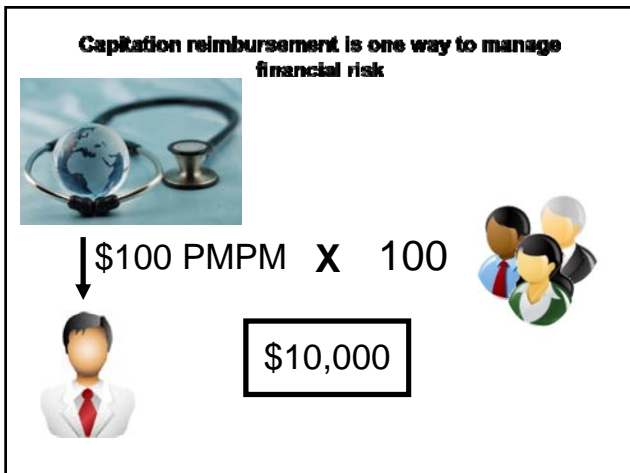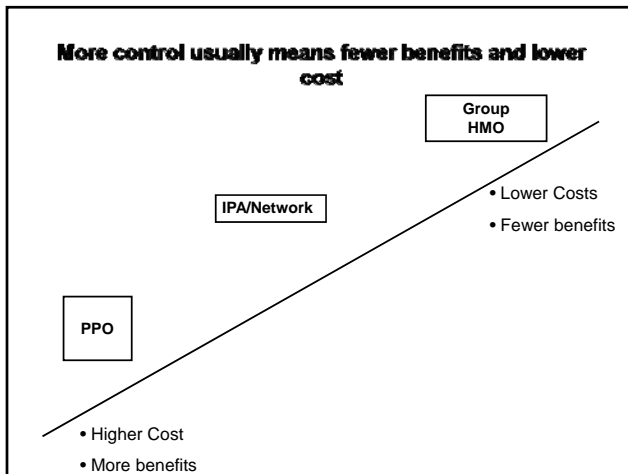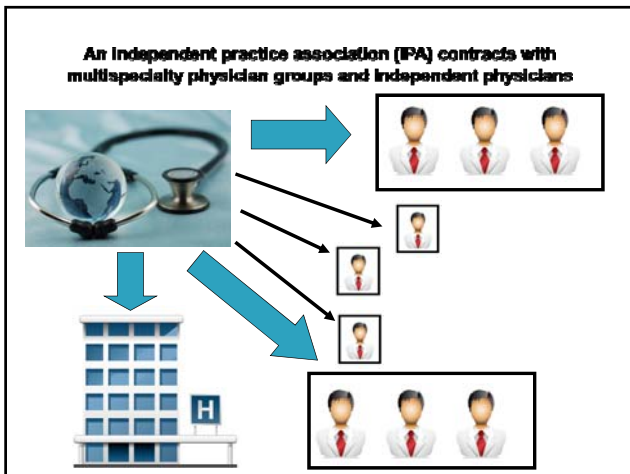
$100 PMPM   **X**   100

$10,000

What's a copay?

A copay is a flat rate you'll pay for a specific service. Once the copay is paid, an insurance company usually handles the remainder of the covered medical expenses.

How does a copay work?

In 2011, the average cost of doctor's office visit was $104, according to the American Medical Association. If your medical plan includes $25 doctor visit copays, you'll be responsible for the $25 copay and the insurance company would pay the rest.

2011

Your medical plan includes
$25 copay

Doctor's Visit
$104

You pay   Insurance company would pay the rest.

$25 copay $79 remaining medical bill

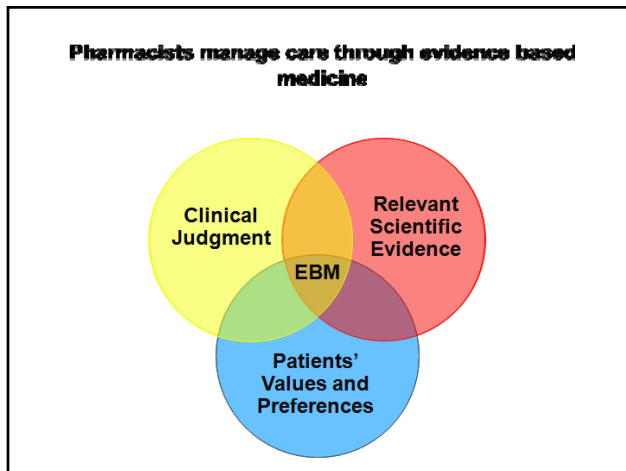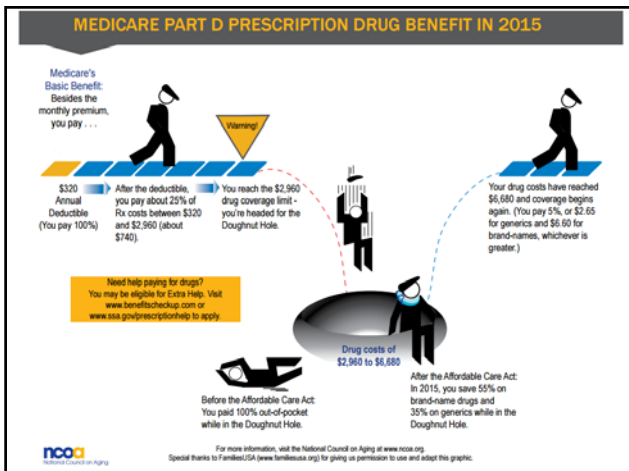eHealth

What's Coinsurance?

Coinsurance is the amount you are required to pay for a medical claim, apart from any copayments or deductible.

How does coinsurance work?

Let's assume you have health plan with a $1,000 deductible, **20% coinsurance**, and a $6,000 out-of-pocket maximum.

You Pay / Insurance Pays
$5,000
$20,000

$1,000 Deductible | 20% Coinsurance | $6,000 Out-of-Pocket Maximum

If you incur a $50,000 medical bill, you will first need to pay your $1,000 deductible. With 20% coinsurance, you would pay $1,000 for every $4,000 paid by your insurance company. That means, for the next $25,000 in covered medical expenses you would pay $5,000 and your insurer would pay $20,000.

eHealth

MEDICARE PART D PRESCRIPTION DRUG BENEFIT IN 2015

Pharmacists manage care through evidence based medicine

The goal of the formulary system is to provide a decision-making process leading to the selection of medications necessary for the treatment of any disease states likely to be seen in that institution.
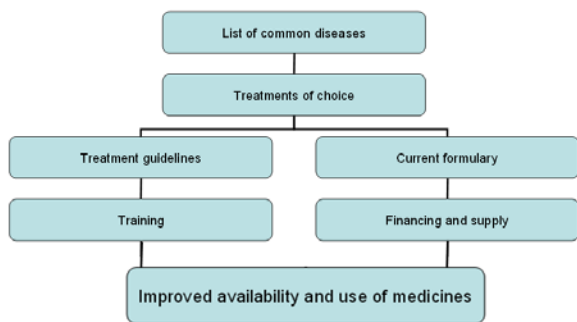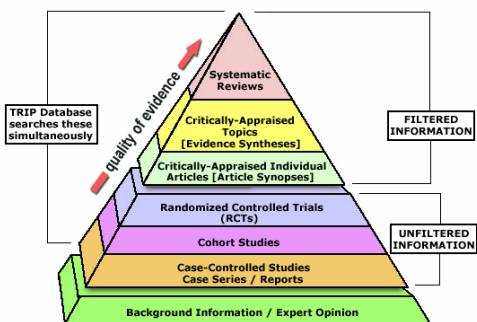

The formulary decision making process has three major steps

Evaluate the Literature

Compare to drugs on the formulary

Get physician input

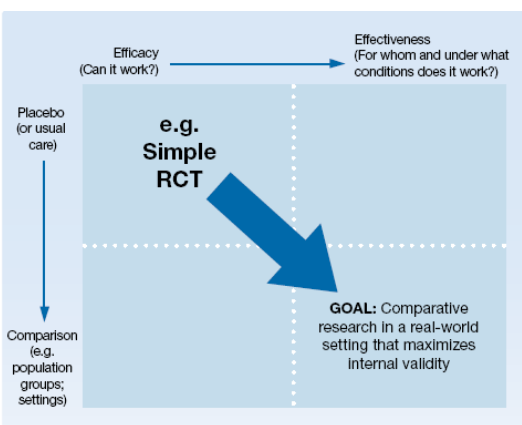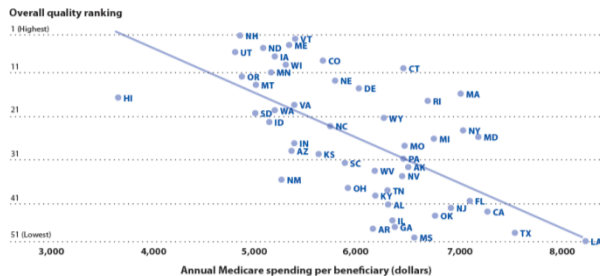The recommendation must be supported by the evidence

The drug evaluation monograph reviews the major features of a drug product

▸ Efficacy

▸ Risk

▸ Cost

▸ Comparative effectiveness research

Comparative effectiveness research is the conduct and synthesis of research comparing the benefits and harms of different interventions and strategies to prevent, diagnose, treat and monitor health conditions in "real world" settings.

Relationship Between Quality of Care and Medicare Spending: As Expressed by Overall Quality Ranking, 2000–2001

Overall quality ranking

Annual Medicare spending per beneficiary (dollars)

Efficacy (Can it work?) → Effectiveness (For whom and under what conditions does it work?)

Placebo (or usual care)

e.g. Simple RCT

GOAL: Comparative research in a real-world setting that maximizes internal validity

Comparison (e.g. population groups; settings)

Number 14

Effective Health Care

Comparative Effectiveness, Safety, and Indications of Insulin Analogues in Premixed Formulations for Adults With Type 2 Diabetes

Executive Summary

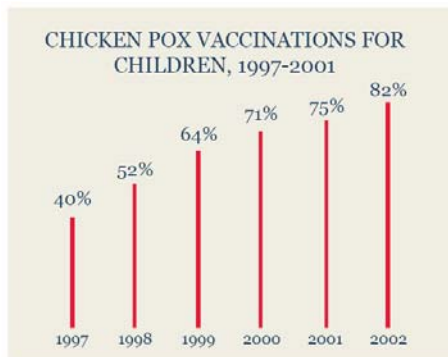| Outcome and comparison agent		Strength of evidence	Summary
Fasting glucose			
Long-acting insulin analogues		Moderate	Premixed insulin analogues are similarly effective as long-acting insulin analogues alone in lowering fasting glucose.
Rapid-acting insulin analogues		Low	The evidence was too weak to make a conclusion.

Prior Authorization is an Essential Managed Care Tool

- Addresses the Need for Additional Clinical Patient Information

- Promotes Appropriate Drug Use and to Prevent Misuse

- Administration of Step Therapy

- Administration of Quantity Management Rules

- Exception Process for Closed Formulary Benefits

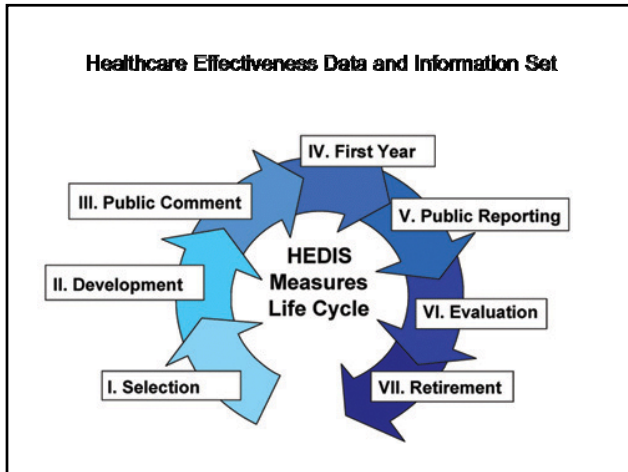## Pharmacists improve care for patients with chronic illnesses by improving quality

We measure performance because it makes organizations accountable and to encourage effective behavior

CHICKEN POX VACCINATIONS FOR CHILDREN, 1997-2001

40% 1997
52% 1998
64% 1999
71% 2000
75% 2001
82% 2002

The National Committee for Quality Assurance began accrediting managed care organizations in 1991

NCQA
Measuring quality.
Improving health care.

APPROVED

The California Public Employees' Retirement System requires contracted health plans to maintain NCQA accreditation

Healthcare Effectiveness Data and Information Set

The HEDIS measure Medication Management for People with Asthma

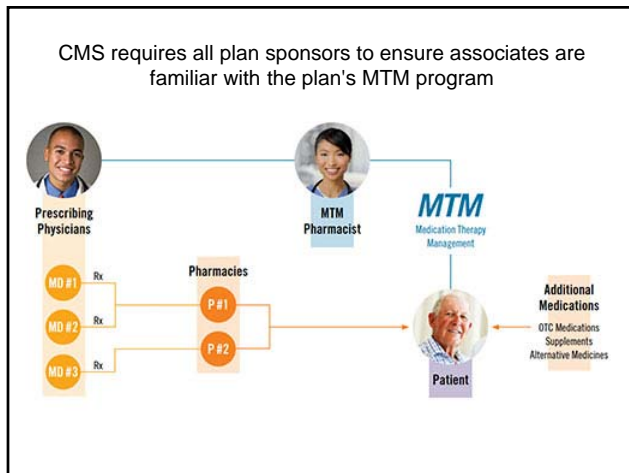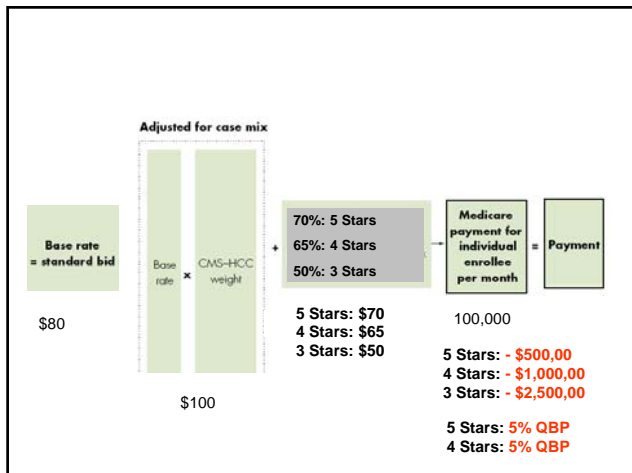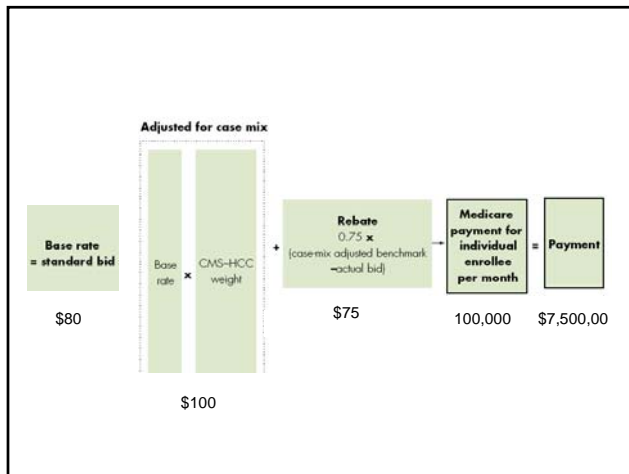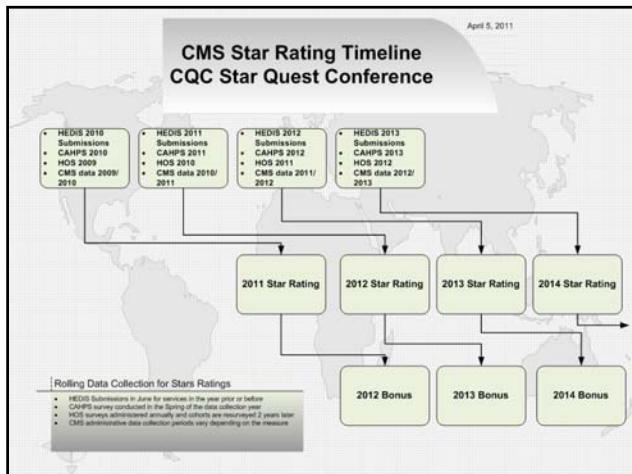$$\frac{\text{The percentage of members 5–64 years of age during the measurement year who were identified as having persistent asthma}}{\text{Prescribed a controller medication such as inhaled corticosteroids, leukotriene modifiers and mast cell stabilizers}} = \%$$

The Centers for Medicare and Medicaid Services posts quality ratings of Medicare Advantage plans to provide Medicare beneficiaries

5 Stars	Excellent performance
4 Stars	Above average performance
3 Stars	Average performance
2 Stars	Below average performance
1 Star	Poor performance

CMS Star Rating Timeline
CQC Star Quest Conference

CMS requires all plan sponsors to ensure associates are familiar with the plan's MTM program

There are three CMS criteria for enrollment into an MTM program

- Eligible members must have two or three (plan sponsor's choice) chronic diseases.
  - CMS has established a list of nine core chronic diseases: Alzheimer's Disease, Chronic Heart Failure (CHF), Diabetes, Dyslipidemia, End-Stage Renal Disease (ESRD), Hypertension, Respiratory Disease (such as Asthma, Chronic Obstructive Pulmonary Disease (COPD), or Chronic Lung disorders), Bone Disease-Arthritis (such as Osteoporosis, Osteoarthritis, or Rheumatoid Arthritis), Mental Health (such as Depression, Schizophrenia, Bipolar Disorder, or Chronic and disabling disorders)
  - Of these nine, plan sponsors must select five for use in targeting MTM members.
- Eligible members must take multiple chronic or maintenance Part D covered drugs.
  - Plans may choose to target members who take as few as two drugs, but must at least target members who take eight or more.
- Eligible members must have an anticipated drug spend (member pay + plan pay amounts) of $3,138.00.
  - The plan may choose to base it on the previous benefit year, previous quarter, or the previous month.

Comprehensive medication reviews are completed annually

A targeted medication review is completed quarterly

Job Focus	Responsibilities
Sales/Client Support	Work with employer groups to find clinically appropriate ways to manage cost
Trade/Supply Chain	Contract with manufacturers, pharmacies, employers, and health plan clients
Trend Management	Evaluate and educate clients to make cost-effective drug and program choices
Formulary Design	Evaluate data to make formulary decisions for populations of patients
Clinical Program Development	Use research to develop clinical programs to enhance adherence and safety
Patient Safety	Administer and design formulary programs to enhance patient safety
Drug Distribution	Ensure quality services are provided by mail and specialty pharmacies for patients
Outcomes Research	Use retrospective claims data to analyze drug outcomes
Audit/Drug Utilization Review	Investigate inappropriate utilization of medications at the pharmacy and physician level

For more information, read the AMCP Roles of Pharmacists in Managed Care Pharmacy at www.amcp.org/roleofpharmacists.