

# Nesbitt College of Pharmacy and Nursing



Department of Pharmacy Practice

PHA 398  
Managed Care Pharmacy

Spring 2014

**Instructors:**

Dr. Steven Kheloussi

Dr. Eric Wright

**Course Title:** Managed Care Pharmacy (2 credits)

**Course Number:** PHA 398

**Course Credit:** 2

**Class Time:** Thursdays, 5:30 PM - 7:10 PM

**Class Location:** Capin 103

**Course Description:** Managed care pharmacy is an important and growing field of practice. This course will aim to provide a strong foundation in the principles of managed care pharmacy and public health to help future practitioners understand the implications and complexity of managed health care and its effects on other areas of pharmacy practice.

The course will cover among other topics:

- Health Economics;
- Utilization Management;
- Specialty Pharmacy;
- Quality;
- Government programs; and
- The roles of pharmacists in managed care

**Prerequisites:** P-2 or P-3 student at Wilkes University in good standing

**Course Outcomes:**

- 1.1.7 Demonstrate knowledge of pharmacoeconomics.
- 1.1.9. Describe the regulatory process for prescription and non-prescription pharmaceuticals as well as dietary and alternative medicine products.
- 1.3.2. Efficiently retrieve information and evaluate it for relevance and validity.
- 1.3.3. Synthesize and apply the information in context of the situation or question/need.
- 1.3.4. Use the information gathered to formulate evidence-based answers.
- 2.6. Recognize the importance of quality assurance and quality improvement to promote safe medication use and systems management.
- 3.1. Identify and evaluate at risk populations which may benefit from public health initiatives.
- 3.2. Provide broad-based educational programs regarding the prevention and treatment of diseases.
- 3.5. Advocate, develop and participate in programs to improve public health outcomes.

**Learning Objectives:**

See individual classroom handouts for specific learning objectives for the topics.

**Course Assessment:**

The final grade of this course will be based on:

Homework/Participation	15%
Quiz(zes)	5%
Group Topic Presentation	40%
Final Exam	40%

**Course Grade Scale:**

93 – 100 =	4.0	87 - 92 =	3.5	80 - 86 =	3.0
75 - 79 =	2.5	70 - 74 =	2.0	<70 =	0.0

- 1) In and out of class activities are designed to help the student in the application of information relevant to the class. It is the responsibility of the student to complete the assignments satisfactorily and on time. Failure to participate in or complete any assignment will result in no credit on the assignment and the **loss of 0.5 grade point** for each late or unsatisfactory assignment from the final course grade.
- 2) In class quizzes will be announced at least one week prior to the date of the quiz.

**Required Text:** None

**Recommended Text/Readings:**

1. Kongstvedt, PR. Essentials of managed health care. 6<sup>th</sup> ed. Burlington: Jones & Bartlett Learning;2013.

**Other Text:**

1. Kongstvedt, PR. Managed care: what it is and how it works. 3<sup>rd</sup> ed. Burlington: Jones & Bartlett Learning;2008.
2. Navarro, RP. Managed care pharmacy practice. 2<sup>nd</sup> ed. Burlington: Jones & Bartlett Learning;2008.

**Attendance Policy:**

Attendance will not be taken but is strongly encouraged.

**Examination Policy**

Prior to the exam, no student may enter the examination room. Upon entry into the exam room there will be no talking. All personal items (i.e. book bags, pagers, cellular phones, personal calculators, etc.) must be kept at the front or side of the room. Students will not be allowed to wear any type of hat during the examination and will be given assigned seats. The examination paper should not be turned over until instructed to do so by the proctors. The student should check that the examination is complete and read all the instructions. After the first test is returned to the proctor, tardy students will **not** be allowed to enter the room and start the exam. That student will get a zero for the test. Only questions related to typos or obvious errors in the examination that the student feels may require a general announcement to the entire class will be answered by the proctors.

- There will be no makeup of exams or quizzes for unexcused absences. A grade of **zero** will be given.
- In the case of an unusual circumstance in which the absence is excusable, the student must contact Dr. Kheloussi **AND** Dr. Wright at least one-half hour before class. Make-up exams or assignments for these cases will be given at the discretion of the instruction team. Students who are too ill to take an exam must see student health or their private physician for a written excuse.
- Instructors have the right to give different make-up quizzes or exams at their sole discretion.

**Assignment Policy:**

- Out of class assignments and other tasks will be distributed and collected through D2L. Assignments that are to be submitted online are due before class begins on the dates announced by the instructor. Assignments will not be accepted after the due date.
- All assignments and quizzes will be announced during class.

### **Academic Honesty:**

Any student who violates the Intellectual Responsibility and Plagiarism Policy as stated in the most recent copy of the University Student Handbook will be subject to disciplinary action which may include failure of the course.

### **Professionalism** (*adapted from Purkenson D. University of Washington*)

As consistent with expectations of the practice environment, professional behavior and attitudes are expected for all students enrolled in professional practice courses. Professionalism is demonstrated by a student who:

- uses appropriate use of verbal & non-verbal communication
- is punctual
- is reliable, dependable, accountable for one's actions
- behaves in an ethical manner produces quality work
- accepts constructive criticism and modifies behavior if necessary
- is cooperative – i.e. non-argumentative; willing and helpful
- is non-judgmental – student demonstrates an attitude of open-mindedness towards others and situations; does not “stereotype” others or prejudge situations
- communicates assertively – actively and appropriately engages in dialogue or discussion
- is self-directed in undertaking tasks, self-motivated
- is respectful – demonstrates regard for self, standardized patients, peers, faculty, staff and university property
- is empathetic – demonstrates appreciation of others' positions; attempts to identify with other with others' perspectives; demonstrates consideration towards others
- handles stress – remains calm, levelheaded, and composed in critical, stress or difficult situations
- is an active learner – seeks knowledge; asks questions, searches for information, takes responsibility for own learning
- is confident – acts & communicates in a self-assured manner, yet with modesty and humility
- follows through with responsibilities – if task is left incomplete or problem is not resolved, student seeks aid
- is diplomatic – is fair and tactful in all dealings with patients, peers, faculty and staff.
- is appropriately attired
- demonstrates a desire to exceed expectations – goes “above and beyond the call of duty”, attempts to exceed minimal standards and requirements for tasks/assignments/responsibilities
- utilizes time efficiently – allocates and utilizes appropriate amounts of time to fulfill responsibilities; utilizes others' time wisely

Everyone has a right to be heard and should be able to express their constructive comments without ridicule. When expressing opinions, etc. “I” phrases should be used. Lack of respect for other students, professors or staff as demonstrated by comments, tone of voice, disruptive behavior or absenteeism will **not be tolerated**. Additionally, there is to be no disruptive eating in the classroom.

Students who violate the professionalism policy can be dismissed from class. Re-entry into the class (including taking exams or quizzes) can only occur after the student writes an essay on professionalism and civility; the essay must be deemed acceptable by the Dr. Kheloussi and Dr. Wright.

### **Cell Phones, Pagers & Other Communication Devices**

All cell phones, pagers, etc. are to be on **silent mode** during class or **turned off!** Use of cell phones, pagers, etc. including texting is not allowed and will not be tolerated.

**Class Schedule**

Date	Topic	To be covered (subject to change)	Assigned Professor
1/16	Introduction	<ul style="list-style-type: none"> <li>- History and what is managed care?</li> <li>- Types of MCOs (DRGs, PPOs, HSA, HMO, single-payer systems, etc)</li> <li>- Roles of Pharmacists in MC and Managed Care Advocacy Organizations</li> </ul>	Kheloussi
1/23	Health Economics	<ul style="list-style-type: none"> <li>- Econ 101 review</li> <li>- Unique aspects of health care</li> <li>- The purpose of insurance</li> <li>- Who pays who?</li> </ul>	Kheloussi
1/30	Problem Solving	<ul style="list-style-type: none"> <li>- Problem definition, magnitude, key components, framework, strategies to solve, implementation, evaluation</li> <li>- Managed Care toolkit</li> </ul>	Wright
2/6	Utilization Management 1	<ul style="list-style-type: none"> <li>- PBMs, formulary management, and P&amp;T</li> <li>- Tools to manage cost (PA, tiering, contracts, ST, QL, contracting, etc.)</li> <li>- Benefit structures</li> </ul>	Kheloussi
2/13	Utilization Management 2	<ul style="list-style-type: none"> <li>- DURs</li> <li>- Prevention/Wellness and Case Management/Disease Management</li> <li>- Fraud/Waste/Abuse</li> </ul>	Kheloussi
2/20	Specialty Pharmacy	<ul style="list-style-type: none"> <li>- Definition, examples of Specialty Drugs, specialty supply chain</li> <li>- High-level overview of specialty disease states not covered in PT</li> <li>- Orphan Drugs, Biosimilars, Personalized medicine</li> </ul>	Kheloussi
2/27	Government Programs 1	<ul style="list-style-type: none"> <li>- CMS</li> <li>- Lines of Business (Medicare, Medicaid, SCHIP)</li> </ul>	Kheloussi
3/13	Government Programs 2	<ul style="list-style-type: none"> <li>- PPACA</li> <li>- Effect on other aspects of healthcare (EHR, P4P, HIE, HIE, PCMH, ACO, Medicare, Medicaid)</li> </ul>	Kheloussi
3/20	<b>Topic Presentations</b>		
3/27	Informatics, Value	<ul style="list-style-type: none"> <li>- Quality + Costs</li> <li>- Population Health Data</li> <li>- Information Dashboard and Decision Support</li> </ul>	Wright
4/3	Quality, Regulation, and Accreditation	<ul style="list-style-type: none"> <li>- NCQA &amp; HEDIS, CMS &amp; Star</li> <li>- PQS Payments</li> <li>- CAHPS, URAC, ERISA</li> </ul>	Kheloussi
4/10	MTM/Adherence	<ul style="list-style-type: none"> <li>- What it is, its purpose, health plan's role, Value of ACO</li> <li>- Government Regulation</li> <li>- Different Third Party Organizations, Cost of outsourcing</li> </ul>	Kheloussi
4/24	Population Health Research	<ul style="list-style-type: none"> <li>- Outcomes Research and Comparative Effectiveness</li> <li>- Pharmacoeconomics</li> <li>- Revisit roles of pharmacists in managed care</li> </ul>	Wright/Kheloussi
4/29	<b>Final</b>		

## Topic Presentations

### General assignment overview:

- Each group of 4 students will deliver a 15 to 20 minute presentation with additional time for questions on one of the topics below.
- Students should develop a PowerPoint presentation and a handout to accompany the presentation.
- After the presentations, each group will critically evaluate one of the presentations just seen.
- Two weeks later, the original presenting group will present a rebuttal to the critical evaluation.
- See below for more detail on each of the three steps.

### Presentation notes:

- Follow the prompt for your specific topic.
- In addition to the prompts below, **answer the following questions:**
  - o Is **society** better or worse off with the implementation/use of the object of your topic? How about the **individual patient**?
  - o What short **AND** long-term effects does your topic have on cost, quality, and access?
  - o What do you think are provider, manufacturer, health plan, and individual patient perspectives on the topic?
- **Take a stance!** Defend why you feel the topic of your presentation is beneficial or detrimental for society as a whole.
- Remember to take into account and present on basic economic principles when determining your opinion on the matter.

### Topic A – Coupons

- Provide an in depth look at the background, benefits and drawbacks of copay coupons, free samples, and coupons/gift cards for switching pharmacies.
- Do the benefits outweigh the costs? Is society better or worse off when these are used? How about the individual patient?
- Should copay coupons, free samples, and incentives for switching pharmacies be allowed?
- Provide insight on the Visante Copay Coupon study and the MCO's perspective study (provided).

### Topic B – Off-Label Medication Use<sup>1</sup>

- Provide an in depth look at the background, benefits and drawbacks of off-label prescribing.
- Should health plans cover medications for an off-label indication? Should doctors be able to prescribe medications off-label? Is it safe for patients to use medications off-label?
- Discuss, in depth, the background and potential implications of the United States v. Caronia ruling (provided).
- Should companies be allowed to promote their medications for off-label use?

### Topic C – Mail Order Pharmacy

- Provide an in depth look at the background, benefits and drawbacks of mail order pharmacy.
- What does the J.D. Power 2013 U.S. Pharmacy Study (provided) show about mail order satisfaction and the best mail order companies?
- Discuss potential issues regarding pharmaceutical waste in relation to mail order pharmacies.
- Should health plans mandate patients must use mail order services and to what extent?

### **Topic Evaluation**

- Groups will discuss their opinions on the information and opinion(s) presented by another group. They will formulate two to three discussion points critically evaluating the presenting group's position on the topic and why they feel the presenting group's opinions were valid or invalid.
- Who evaluates who?
  - o Group A will evaluate Group B's presentation;
  - o Group B will evaluate Group C; and
  - o Group C will evaluate Group A.

### **Topic Rebuttal**

- After each group has submitted their critical evaluation of another group's presentation, the original group will provide a 5 to 10 minute oral rebuttal, in which they will bring up the points of contention as discussed by the evaluating group and present their final group stance on the topic.

### **Example:**

- *Presentation*
  - o Group A presents on the value of formulary systems, but decides that limiting accessibility to potentially life-saving medications is more detrimental to society than the higher costs society will incur if formulary systems were not used.
- *Evaluation*
  - o Group C discusses and determines that based on the information presented the opinions of Group A are valid, but Group A did not take into account potential waste that can be incurred if patients are newly started on expensive, brand-name only medications that are subsequently discontinued by the provider. Based on their analysis, Group C determines that formulary systems are valuable and should continue to be implemented.
- *Rebuttal*
  - o Group A presents Group C's point of view and discusses why this is a valid or invalid concern and then presents their final stance on the topic – that is, whether their opinion has changed or if they are staying with their original position.

### **Other Assignments**

- *Weekly topic discussions*
  - o Your opinions on hot topic issues or readings will be discussed in class along with the economic and public health implications. These may come in the form of essays to be submitted on D2L.
  - o Any assigned readings will be posted on D2L at least 1 week prior to the class in which they are to be discussed/submitted.
- *Muddiest and most interesting points*
  - o At the end of each class, each student will submit an index card with the point(s) in the lecture he/she found most confusing and also the point he/she found most interesting.
  - o Not submitting these on a weekly basis will take away from your overall participation grade.

## Acronym Dictionary<sup>1</sup>

A significant number of acronyms are used in day-to-day activities in managed care. It is important students become familiar with what the acronyms stand for. This is a list of common acronyms for your reference throughout the semester. This list is not all inclusive and acronyms may be added as the semester progresses.

Acronym quizzes will be given on occasion to ensure understanding of commonly used abbreviations.

ACO – Accountable Care Organization  
AWP – Average Wholesale Price  
CAHPS – Consumer Assessment of Healthcare Providers and Systems  
CDHPs – Consumer-Directed Health Plans  
CHIP – State Children’s Health Insurance Program (also SCHIP)  
CMS – Centers for Medicare and Medicaid Services  
COB – Coordination of Benefits  
DRGs – Diagnosis Related Groups  
DUR – Drug Utilization Review  
EHR – Electronic Health Records  
EOB – Explanation of Benefits  
ERISA – Employee Retirement Income Security Act  
FDA – Food and Drug Administration  
FFS – Fee for Service Plan (also PFFS – Private Fee for Service Plan)  
HDHPs – High-Deductible Health Plans  
HIE – Health Insurance Exchange AND Health Information Exchange  
HSAs – Health Savings Accounts (also MSAs – Medical Savings Accounts)  
ICD-9 – International Classification of Disease, 9<sup>th</sup> edition  
IDSs – Integrated Delivery Systems  
IPA – Individual Practice Association  
MAC – Maximum Allowable Cost  
MAPD – Medicare Advantage Prescription Drug Plan  
MCO – Managed Care Organization  
MMA – Medicare Modernization Act  
MTM – Medication Therapy Management  
NDC – National Drug Code  
P4P – Pay for Performance  
PACE – Program for All-Inclusive Care for the Elderly  
PBM – Pharmacy Benefit Manager  
PCMH – Patient Centered Medical Home  
PCP – Primary Care Provider  
PDP – Prescription Drug Plan  
PHO – Physician-Hospital Organization  
PMPM – Per Member Per Month  
POS – Point of Service Plan  
PPACA – The Patient Protection and Affordable Care Act (also ACA – Affordable Care Act)  
PPO – Preferred Provider Organization  
TrOOP – True-Out-of-Pocket Costs  
UCR – Usual, Customary, or Reasonable  
UM – Utilization Management

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<sup>1</sup> Adapted from: Johnson, RC. Managing Rx Benefits – course syllabus. Midwestern University. 2013.