

## **Appendix 1. Course Reading List**

### **Overview of managed care**

**Carroll**

Campbell WH, Newsome LA: The Evolution of Managed Care and Practice Settings, in Ito SM (ed): A Pharmacist's Guide to Principles and Practices of Managed Care Pharmacy. Alexandria, Va., Foundation for Managed Care Pharmacy; 1995:1-14.

### **Rising cost of drugs**

**Carroll**

Berndt ER. The U.S. pharmaceutical industry: Why major growth in times of cost containment? *Health Aff* 2001;20:100-114.

### **Pharmacy Benefit Management**

**Carroll**

Health Policy Alternatives. Pharmacy benefit managers (PBM's): tools for managing drug benefit costs, quality, and safety. Washington DC: Pharmaceutical Care Management Association; 2004.

### **Health Insurance Theory**

**Holdford**

Schafermeyer, K. Chapter 10: Private Health Insurance, *Introduction to Health Care Delivery: A Primer for Pharmacists*. Aspen Publishers 1998.

Wysocki, B and Zimmerman A. Wal-Mart Cost-Cutting Finds Big Target in Health Benefits. *WSJ* Sept 30, 2003.

Abelson, R. "States Are Battling against Wal-Mart over Health Care," *New York Times*, November 1, 2004.

Zimmerman, A, Matthews, RG, Hudson K, "Can Employers Alter Hiring Policies to Cut Health Costs?" *The Wall Street Journal Online*, October 27, 2005.

### **Consumer Driven Health Care**

**Holdford**

Lieber, R. "New Way to Curb Medical Costs: Make Employees Feel the Sting," *Wall Street Journal Online*, June 23, 2004.

Leland J. "When Health Insurance Is Not a Safeguard," *New York Times*, October 23, 2005.

## Issues Associated with a Medicare Drug Benefit

Holdford

"Understanding Medicare reform: what pharmacists need to know," Monograph 4: Final regulations for Medicare part D. APhA, undated.

## The basic tools: formularies, prior approval, step therapy, and therapeutic interchange

Carroll

Health Policy Alternatives, Inc.. Pharmacy benefit managers (PBM's): tools for managing drug benefit costs, quality, and safety. Washington DC: Pharmaceutical Care Management Association; 2004 – read p. 6 – 8, 12. (This reference will be referred to as HPA/PBM for the rest of this document)

add for next year - Burton, the ethics of pharmaceutical benefit management, health affairs, 1386 one reference manager

Optional --- AMCP. Principles of a Sound Drug Formulary System. Academy of Managed Care Pharmacy, October 2000.

## Problems with using the basic tools in outpatient settings

Carroll

Health Policy Alternatives, Inc.. Pharmacy benefit managers (PBM's): tools for managing drug benefit costs, quality, and safety. Washington DC: Pharmaceutical Care Management Association; 2004 – read p. 9 – 10..

Glabman, Wish List: 10 Things You Want from Your PBM, Managed Care, July 2004. – **good overview of PBM problems in implementation**

Carroll NV. Formularies and therapeutic interchange: the health care setting makes a difference. Am J Hosp Pharm 1998;467-472.

DiChiara R, Pesanello P, Cappellino E. Tug-of-war over rebates. Am Drug 1997;214:44-48.

Russell, S. Drug firm plan would pay HMO to favor 5 of its medications: proposal for 'rebate' of \$1 million per month. San Francisco Chronicle , A1. 1998.

PBMs begin to embrace transparency. PBM News 8 (3): 1-2, Fall Winter, 2003.

PBMs hit with fresh setbacks. NCPA e-newsweekly, January 13, 2004.

Garis,R.I., Shining the Light on Nontransparent PBM Cash Flows,

America's Pharmacist, November 2004, 20-25

“PBM ‘self-dealing’ could cost Medicare \$30 billion,” America’s Pharmacist, 125(10):12, October 2003.

**Tiered and value-based (or benefit-based) formularies**

**Carroll**

HPA / PBM p. 8 -9.

Sipkof, M. “Bad tiered formulary designs yield poor outcomes, high cost” Managed Care Magazine, august 2004 ([www.managedcaremag.com/archives](http://www.managedcaremag.com/archives))

Fendrick et al. “A benefit-based copay for prescription drugs: patient contribution based on total benefits, not drug acquisition cost,” American Journal of Managed Care 7: 861-867, 2001. Note: the section entitled "Derivation" can be briefly skimmed.

**OBRA '90 rebates and Medicaid Formularies**

**Carroll**

Pollard and Coster, "Update -- Legislation -- Savings for Medicaid drug spending," Health Affairs, Summer 1991. Read p. 196 – 200 especially the section entitled “Rebate Requirements”

Krause, B. “Issue Brief: Preferred Drug Lists and Supplemental Rebates: Managing Care and Containing Costs.” NGA Center for Best Practices, March 2003.

**Influencing Physician Behavior**

**Holdford**

Butler, CC, Rollnick S, Pill R, Maggs-Rapport F, Stott N. "Understanding the Culture of Prescribing: Qualitative Study of General Practitioners’ and Patients’ Perceptions of Antibiotics for Sore Throats," BMJ 317: 637-642, September 5, 1998.

**State Initiatives for Controlling Drug Costs**

- TBA

**Drug importation**

**Holdford**

"Understanding Prescription Drug Importation," Supplement to Pharmacy Today:

Topics in Patient Care, 2003, APhA.

**Quality improvement**

**Holdford**

Helmreich RL, "On error management: lessons from aviation," BMJ 320:781785, March 18, 2000.

Reason JT, Carthey J, de Leval MR, "Diagnosing "vulnerable systems syndrome": an essential prerequisite to effect of risk management," Quality in Health Care 10 (supplement II):ii21-ii25, 2001.

Ukens C, "How to Create the Worst Possible Pharmacy," Drug Topics, June 7, 2004.

Quality terminology - handout

**Drug Utilization Evaluation / Review**

**Holdford**

HPA / PBM, p. 11-12

Lyles A, Sleath B, Fulda TR, Collins TM, Ambulatory Drug Utilization Review: Opportunities for Improved Drug Use, American Journal of Managed Care 7:75-81, January 2001.

**Disease Management**

**Holdford**

HPA / PBM p. 13-14.

Holdford DA,. "Disease Management and the Role of Pharmacists." Disease Management & Health Outcomes. 3(6):257-270, (1998).

**Mail order pharmacy**

**Carroll**

HPA / PBM p.4 – 6

Carroll, et al., "Comparing the Costs of Mail-order and Retail Pharmacy", J Am Pharm Assoc 45(3): 336-343, May / June 2005. (concentrate on intro, results, and discussion)

~~Lewin Group, Mail-service pharmacy savings: a ten-year outlook for public and private purchasers, prepared for PCMA, August 2, 2005.~~

**Electronic Prescribing**

**Carroll**

Papshev, et al, "Electronic Prescribing in Ambulatory Practice: Promises, Pitfalls, and Potential Solutions," AJMC,7:725-736, 2001

**Specialty pharmacy:**

**Carroll**

Hargis, "Biotechnology As a Pharmacy Specialty," Journal of Managed Care Pharmacy 14 (5), 1998.

Ukens, "Specialty Pharmacy: the battle for the specialty drug market accelerates as community pharmacists seek a larger market share," Drug Topics 144 (11): 40-47, 2000.

Anand, "As biotech drug prices surge, US is hunting for a solution," The Wall Street Journal Online, December 28, 2005.

**Measuring PBM Performance & Effectiveness**

**Carroll**

HPA / PBM, p.16-17, 20-21

"Employers Generally Satisfied with PBM Performance," Drug Benefit Trends 16(12): 584, 2004.

GAO, "Federal employees health benefits: effects of using pharmacy benefit managers on health plans, enrollees, and pharmacies," GAO – 03-196, United States General Accounting Office, January 2003.

Merx, "U-M's changes cut drug expenses," Detroit Free Press, May 18, 2005.

**Regulation of PBM's**

**TBA**

**Responses of the Pharmaceutical Industry and  
Retail Pharmacy to PBMs**

**Carroll**

Carroll, N.V., "The Effects of Managed Care On the Retail Distribution of Pharmaceuticals ", Managed Care Interface, 11(11):105-113, 1998.

Holubiak, M., "Marketing and Selling to Managed Care: Pharmaceutical Industry Perspective," Ch. 18 in Wertheimer and Navarro, eds, Managed Care Pharmacy.

## **Appendix 2 - Assessment of Class Participation for PHAR 628**

Daily class participation will be graded on the following scale:

0 = unexcused absence

1 = present, but did not participate

2 = present with some participation (answered question, asked question)

3 = present and made significant contribution to class (asked particularly insightful question, answered difficult question)

For calculation of the final participation grade, the student's average daily score will be multiplied by 50 with a maximum grade of 100 allowed. This means that a student who is in class every day and participates receives the maximum participation grade. This grade may be adjusted by the instructors if they feel that such adjustment is needed. For example, grades may be adjusted upwards for students who are always present, participate much of the time, and exhibit particular insight when they do participate.

Many students have remarked they would participate more frequently, but other students ask the questions they would otherwise have asked. Others remark that once they get to class they cannot think of any questions. To prevent these situations, the instructors suggest the following. Before coming to class, and as part of preparation for class, the student should compile a list of four to six questions about the readings. Once they are in class, the student has a ready-made list of questions which they can ask at the appropriate times.

### **Appendix 3. Guidelines for the Review Paper**

The paper required for this course is to be a research paper, and more specifically, a research review paper. This means that the content of the paper should be based on references from the published literature, not on your opinion.

The topic of the paper must be approved by the instructors. This is to make sure the student selects a topic on which there is a reasonable amount of literature on which to base a paper and to make sure the topic is appropriate for the course.

#### **Structure and Organization**

The typical structure for research review paper is as follows:

1. Introduction – in this section you introduce the topic and explain why it is important. It is a good idea to present your topic in the form of a research question. For example, what effect does cost-sharing have on patient compliance with medicines? Or, what impact will drug discount cards have on community pharmacies? Alternatively, you can state the purpose of the article and its objectives. For example, the purpose of this article is to describe specialty pharmacy. The objectives are to define specialty pharmacy, show how it differs from traditional community pharmacy, identify the major specialty pharmacy operations, and discuss the potential for growth in this area.
2. Methods – here you explain the strategy and methods you used to identify the articles that you will discuss in the results section. The basic idea is that you should include sufficient detail that someone else could duplicate your search and find the same articles. The methods section should include the search terms you used and the computer databases (such as Medline or International Pharmaceutical Abstracts) that you searched. It should also explain how the search terms were combined. For example, specifying "compliance and medication and cost-sharing" would give you a much smaller number of articles than would specifying "compliance or medication or cost sharing". If you use references that were not identified by the computer search, you should specify how you found these references. You should also specify the inclusion and/or exclusion criteria that you used to select articles (from all those identified by your search) to be included in your review. For example, you might specify that articles had to be published in peer-reviewed journals, or that they had to have sample size of more than 100, or that they had to be studies which were conducted in the United States.
3. Results – in this section you discuss the articles which you have selected. You should present the basic details of the article, such as sample size, where the study was conducted, and the type of research design. If you have a large number of articles it may be more efficient to present the details in a table and to discuss articles more generally in the text.
4. Discussion – here you attempt to synthesize the results of all the studies to answer

your research question. You may also need to specify further research that needs to be done to adequately answer the question .

The number of pages of the paper will be left to the discretion of the student, although each topic should be explored in depth. Somewhere between seven and 15 typed, double spaced, 12 point font pages of text would be appropriate for most topics.

## References

Papers must be typed and the material presented in a scholarly manner suitable for publication. References should be formatted in the American Journal of Health-System Pharmacy style. A description of this style is available (when I typed this) at <http://www.ajhp.org/>. If the link has changed, search for the American Journal of Health-system Pharmacy, then look for a link for "instructions for authors". Then look for the section that explains the proper format for references in the text and at the end of the article.

Frequently, you will find articles that cite and provide references to other relevant articles. If you want to use one of the other relevant articles in your review paper, then you should get a copy of it, read it, and provide the reference to it in your paper. It is not acceptable to simply provide the reference for the paper that referenced the paper you are referring to. The reason it is not acceptable is that the author who cites the paper may not have read it well and may provide incorrect information. This should not happen, but it occasionally does.

As a general guide, the paper should include a minimum of 5 references from peer-reviewed journals such as Journal of the American Pharmaceutical Association, Journal of Managed Care Pharmacy, or the American Journal of Managed Care or from well known trade journals such as Drug Topics or U.S. Pharmacist. The student can find many of these references in on-line sources such as Medline or International Pharmaceutical Abstracts (IPA). Use of some Internet citations is acceptable, but most of the references should come from well-respected journals. (This is somewhat confusing because many well-respected journals are now available on the Internet. As a general rule, if a journal shows up in a Medline or IPA search, it is a well-respected journal within the scope of this assignment.) **Do not exclude applicable and relevant journal articles from your review simply because they are not available online.** The library has a large number of high-quality journals that are not yet available online.

## Plagiarism

With the growth of the Internet, it has become very easy to cut and paste on-line articles, or major sections of on-line articles, into Word documents. While this is easy, it is also plagiarism, which is a serious honor code violation. To protect yourself from plagiarism you should both express the contents of your research in your own words and provide references for facts, thoughts, and ideas that you have taken from other sources. A good

rule is “when in doubt, provide a reference”. It is acceptable to include short quotes – of sentence or paragraph length - verbatim from your sources. When you do so, enclose the text in quotation marks and provide a reference.

(No Appendix 4 submitted)

## **Appendix 5. Examples of Topics for Research Paper**

### **Topics Suggested by Dr. Carroll**

PBM efforts to increase the quality and drug therapy

Medication therapy management in PBM's

Effects of cost-sharing, such as tiered copayments, on patient health

Use of pharmacoeconomics by managed care organizations and PBM's

Value or benefit based copayments

Effects of electronic prescribing on influencing physicians or on operation of pharmacies or physicians offices

The use of preferred drug lists in Medicaid

Use of prior authorization in Medicaid

Advocacy groups (public organizations that advocate on behalf of specific patient populations – such as the mentally ill, AIDS patients, or cancer patients) and formulary restrictions

The effect of the Medicare drug benefit on community pharmacy or the pharmaceutical industry or patients

Office of the Inspector General (OIG) guidance on pharmaceutical marketing and the pharmaceutical industry's interactions with managed-care organizations

Drug discount cards

Importation of prescription drugs from foreign countries

Financial analysis of the PBM industry – how profitable are they?

**Topics Suggested by Dr. Holdford:**

Overview and evaluation of strategies used by states to control drug costs.

Effectiveness of pharmacists as academic detailers

Should PBMs be permitted to use mandatory requirements for covered members?

What is (or should be) the role of pharmacists in managed care disease management programs?

Does DUE/DUR work?

Go to NPR.org and type in health insurance or pharmaceutical. You will get to hear how states are suing pharmaceutical companies for price gouging, how a consortium of 10 drug companies is going to offer low price drugs to the uninsured, and controversies over Canadian internet pharmacies. Some of these audio clips may stimulate your interest.

Tourists are now traveling to other countries for health care. In many cases, it is cheaper to go abroad for dental, surgical, and other health care. You could describe this phenomenon and explore whether this might affect pharmacy practice

## **Appendix 6. Sources of Managed Care Information**

Academy of Managed Care Pharmacy

[www.amcp.org](http://www.amcp.org)

- this is the trade group for managed care pharmacists. The site has a substantial amount of useful information about managed care pharmacy. It also provides access to the association's journal, The Journal of Managed Care Pharmacy.

Pharmaceutical Care Management Association

[www.pcmanet.org](http://www.pcmanet.org)

- this is the trade group for mail-order pharmacies and PBMs. It provides some useful information on PBMs.

Drug Topics

<http://www.drugtopics.com>

U.S. Pharmacist

<http://www.uspharmacist.com/>

American Pharmaceutical Association

[www.aphanet.org/](http://www.aphanet.org/)

Medscape Managed Care

<http://ManagedCare.medscape.com/>

Blue Cross/Blue Shield

<http://www.bcbs.com/>

Managed Care Magazine

<http://www.managedcaremag.com/>

- as the title implies this is a magazine dealing with managed care issues. It is a good place to look for current issues and concerns in managing pharmacy benefits.

Drug Benefit Trends

<http://www.medscape.com/SCP/DBT/public/journal.DBT.html>

Pharmacy Benefit Management Institute

[WWW.PBMI.com](http://WWW.PBMI.com)

- The Pharmacy Benefit Management Institute is a private institution that is not aligned with any PBM. The Institute's mission is to help corporate benefit managers better control prescription drug use in the programs which they manage. The site provides access to the Institute's quarterly newsletter. This is worth looking at to identify current issues and concerns in pharmacy benefit management.

Aventis Managed Care Digest

[WWW.managedcaredigest.com](http://WWW.managedcaredigest.com)

- this site provides access to the Aventis Managed Care Digest Data. The Digest provides basic statistics on HMOs and on the measures which HMO issues to control drug use. If you need basic statistics on drug use in HMOs, this is the first place to look.

Kaiser Family Foundation

[www.kff.org](http://www.kff.org)

- the site provides access to a prescription drug chart book which has a number of interesting statistics about prescription drug use. The site also provides access to an annual health benefits and insurance survey. Part of the survey examines insurance for prescription drugs and the types of controls, such as formularies and copays, used to control drug use.

National Public Radio

[www.npr.org](http://www.npr.org)

NPR runs a number of stories on pharmacy-related issues.

National Governors Association

[www.nga.org](http://www.nga.org)

Medicaid is a substantial, if not the largest, component of most states' budgets. Prescription drugs are the fastest-growing part of Medicaid budgets, so the states are very interested in prescription drugs. The site has a number of articles related to cost containment of prescription drugs.