

URAC & AMCP

QUALITY MANAGEMENT NEWS AND INFORMATION FOR PHARMACY

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AMCP | Academy of
Managed Care
Pharmacy®



Revisions to PBM and DTM Standards PBM and DTM Version 2.0 Is Now Available

Pharmacy Benefit Management Accreditation, v2.0 Revised Standards and New Performance Measures

Drug Therapy Management Accreditation, v2.0 Revised Standards and New Performance Measures

URAC revised two accreditation programs in its Pharmacy Quality Management® suite of products: (1) Pharmacy Benefit Management (PBM) and (2) Drug Therapy Management (DTM), which were approved

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URAC's PBM & DTM Measures Allow for Objective Comparisons

In 2009, URAC added new performance measures to its accreditation programs for Pharmacy Benefit Management and Drug Therapy Management. These measures, which evaluate consumer engagement, cost effectiveness and consumer and client satisfaction, allow organizations to share quantitative results with employers and purchasers that demonstrate whether they meet or exceed value-based purchasing expectations.

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U.S. Employers Effectively Manage Pharmacy Benefit Costs

By Dana H. Felthouse, MBA, President, Pharmacy Benefit Management Institute

Prescription drug benefit management indicators are trending in the right direction as a result of multi-faceted approaches to controlling costs and utilization. Employers are continuing to keep their rate of drug

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Pharmacy Accreditation Updates

Quality Corner

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LOOKING AHEAD...

NEW REVISIONS ARE COMING SOON! Hard to believe, but it has been two years since the launch of Mail, Specialty, and Workers' Comp PBM Pharmacy standards. That means it's revision time for these all important standards! Look for a sneak preview of proposed changes to Mail Service Pharmacy v2.0, Specialty Pharmacy v2.0 and New Performance Measures being considered as well as changes to Workers' Compensation and Property and Casualty Pharmacy Benefit Management v2.0.

Revisions to PBM and DTM Standards

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by URAC's Board in July 2009 and effective January 2010. These revisions include new performance measures designed to collect data on pharmacy organization processes and outcomes—considered critical for the evolution of pharmacy. URAC also revised its Pharmacy Core Organizational Quality standards.

All accreditation program standards and measures within the Pharmacy Quality Management® (PQM) suite were developed to protect and empower consumers, improve quality, and assist health care purchasers in determining pharmacy services purchase decisions. These pharmacy accreditation products were developed by URAC's Pharmacy Accreditation Advisory Group (PAG) and Focus Groups, which include a wide range of stakeholders: employers, consumers, pharmacy consultants, health plans, retail pharmacy, pharmacy benefit management organizations, pharmacy professional organizations, labor, and large public purchasing groups. As part of the standards revision and measures development processes, URAC continues to enhance its programs following the principles promoted by the U.S. Department of Health and Human Services "Four Cornerstones" for health care improvement and value-based purchasing concepts. Specifically, URAC added new standards to the pharmacy programs, since information and education are key to empowering consumers.

URAC is committed to having the broadest possible input into its standards development process and strives to ensure that its accreditation is meaningful across the health care spectrum, including consumers, purchasers, providers, regulators and the industry.

The newly revised PBM and DTM v2.0 accreditation guides include PHARM Core v3.0 and other pharmacy modules. The new standards and measures include:

New Standards:

PHARM Core

- Emergency management and business continuity
- Employment background screening
- Client Satisfaction
- Information confidentiality and Security
- Coordination with External Entities
- Consumer Rights and Responsibilities
- Employment Background Screening

Pharmacy Benefit Management

- Integration and coordination with existing benefits
- Communication process

- Electronic prescribing (e-prescribing)
- Distribution channel management

Drug Therapy Management

- Drug therapy periodic reassessment process
- Periodic consumer reassessment process
- Evidence-based research and practices—Promote goals established for consumers, including health outcomes
- Customize education materials and counseling
- Integration and coordination with existing benefits
- Information regarding other resources and providers
- Program evaluation process and outcomes (3 standards)

New Performance Measures:

These are the first revisions of the PBM and DTM standards to include performance measures. The measures are designed to collect data on PBM and DTM processes and outcomes considered critical for the evolution of professional practices in these areas. The release of these measures continues the work URAC began in 2008 with the inclusion of measures in its new Wellness

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URAC's PBM & DTM Measures Allow for Objective Comparisons

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Ultimately, purchasers will be able to make objective comparisons across organizations when they are evaluating pharmacy service vendors.

URAC is taking a multi-year, multi-phase approach to measure development and reporting:

Phase 1: Organizations report mandatory measures to URAC, with a focus on internal performance improvement and oversight activities.

Phase 2: Mandatory measures are externally audited or verified, and URAC makes de-identified measurement data available to participating organizations and interested third parties.

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Revisions to PBM and DTM Standards

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accreditation product and the addition of measures to its existing Case Management accreditation product.

To date, each measurement effort has identified a conceptual framework of measurement domains. The pharmacy measurement conceptual domains include:

- Medication Possession Ratios (Consumers/Engagement)
- Complaint Resolution Timeliness (Consumers/Experience)
- Overall Consumer Satisfaction (Consumers/Satisfaction)
- Call Center Performance (Consumers/Experience)
- Overall Client Satisfaction (Client Satisfaction)
- Therapeutic Outcomes (Clinical Outcomes)
- Generic Dispensing Rates (Cost Effectiveness)

URAC has worked and will continue to work with other organizations to avoid redundancy and increased reporting burden whenever possible. One of the particular challenges of the measurement work in the pharmacy area concerned the unit of analysis problem.

Much of the work in pharmacy performance measurement has been done at the prescriber, pharmacist and retail pharmacy levels, not at the PBM or DTM levels. Furthermore, some existing pharmacy measures are not accessible in the public domain for adoption into regulatory, accreditation, pay-for-performance, or other purposes. Where URAC was able to access and consider other organizations' measure development work, the URAC measure specifications acknowledge the sources that informed the development of particular measures. The specifications also identify other organizations that have developed content that may be of interest to readers.

URAC's accreditation programs strive to recognize and further the health care quality enhancement work of consensus driven organizations. This is particularly important to URAC in its measures development work. URAC thanks the DMAA: The Care Continuum Alliance and the Pharmacy Quality Alliance (PQA) for their support and encouragement in the development of measures that are conceptually consistent with their efforts.

See the article on new performance measures for PBM and DTM in this issue. ●

ABOUT URAC



URAC is an independent, non-profit organization whose mission is to promote continuous improvement in the quality and efficiency of health care management through the processes of accreditation and education. To support this goal, our Board of Directors represents the full spectrum of stakeholders interested in our health care system, including consumers, employers, health care providers, health insurers, purchasers, workers' compensation carriers and regulators.

Incorporated in 1990, URAC pioneered utilization management accreditation by creating a nationally recognized set of standards to ensure accountability in managed care determinations of medical necessity. As the health care industry evolves, URAC continues to address emerging issues: we now offer 27 accreditation and certification programs across the health care spectrum.

Many states have found URAC accreditation standards helpful in ensuring that managed care plans and other health care organizations are meeting quality benchmarks. Forty-one states and the District of Columbia currently reference one or more URAC accreditation programs in their statutes, regulations, agency publications or contracts, making URAC the most recognized national managed care accreditation body at the state level.

At the federal level, four federal agencies recognize URAC accreditation. The Centers for Medicare and Medicaid Services recognize URAC Medicare Advantage Health Plan Accreditation for the Medicare Advantage (formerly Medicare+Choice) Program; the Office of Personnel Management recognizes all URAC accreditation programs under the Federal Employee Health Benefits Program; TRICARE/Military Health System recognizes URAC's Health Network Accreditation; and the Department of Veterans' Affairs recognizes URAC's Health Call Center Accreditation. ●

URAC's PBM & DTM Measures Allow for Objective Comparisons

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Phase 3: URAC publishes unblinded public reports on its website.

Organizations are required to begin reporting measures after they are accredited by URAC. An organization's first measurement period is the calendar year after it receives accreditation, and the measures are due to URAC by April 30th of the following year.

For example, if a PBM is accredited in 2010, it will report measures on calendar year 2011 to URAC by April 30, 2012. PBMs and DTMs will be able to enter their performance data through URAC's web-based AccreditNet platform. URAC will review an accredited organization's measurement reports as

a component of ongoing monitoring and of re-accreditation.

URAC collects aggregate data that includes all of the organization's eligible program participants for each measure. However, to foster transparency and dialog between organizations and their clients, URAC strongly encourages organizations to provide each of their group purchasers with client-specific rates as well, so that clients can compare the results for their participants with the organization's aggregate results.

URAC's measures were developed and refined with input from key stakeholders in the PBM and DTM industries. The table below provides a summary of each measure. ●

Measure 1 Medication Possession Ratios (Consumer Engagement)

Medication possession ratios serve as a proxy for patient adherence to medication regimens. Using prescription claims data, organizations, in conjunction with prescribers and pharmacists, can help patients improve their medication adherence which may lead to better health-related outcomes.

Measure 2 Generic Dispensing Rates (Cost Effectiveness—PBM Only)

Generic medications offer consumers a less expensive alternative, which may help improve patient adherence. Using prescription claims data, organizations, in conjunction with prescribers and pharmacists, can help guide consumers to safe and effective generic alternatives.

Measure 3 Complaint Response Timeliness (Consumer Experience)

Even with the best organizations, consumer dissatisfaction can occur. Timely response to complaints by the organization improves consumers' and clients' experience.

Measure 3 Overall Consumer Satisfaction (Consumer Satisfaction—DTM Only)

Measuring and reporting consumer satisfaction rates lets organizations improve the services they offer existing consumers and demonstrate value to potential clients.

Measure 4 Call Center Performance (Consumer Experience)

Organizations provide a full range of telephonic services to consumers and providers. An efficient, responsive call center enhances the consumer and client experience.

Measure 5 Overall Client Satisfaction (Client Satisfaction)

Measuring and reporting client satisfaction rates lets organizations improve the services they offer existing clients and demonstrate value to potential clients.

Measure 6 Therapeutic Outcomes (Clinical Outcomes—DTM Only)

For each condition they manage, DTMs are asked to report to URAC the key outcome measures they use to assess program effectiveness, and the rationale and methodology for each outcome measure.

URAC has just released for public comment performance measures for its Specialty Pharmacy and Mail Service Pharmacy accreditation products.

U.S. Employers Effectively Manage Pharmacy Benefit Costs

By Dana H. Felthouse, MBA, President, Pharmacy Benefit Management Institute

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cost increases to an average of 4.4%, the lowest rate of cost increase since 1995, according to research published by the Pharmacy Benefit Management Institute (PBMI).

The *2009–2010 Prescription Drug Benefit Cost and Plan Design Report* reviews data collected from 417 U.S. employers representing 7 million members. The study provides trending information on drug plan design and utilization for retail, mail-service and specialty pharmacy prescriptions. Highlighted below are some of the key findings:

- 96.7% of employers offer access to mail-service pharmacy to dispense maintenance medications used to treat chronic conditions. A total of 17.4% of employers require maintenance medications to be dispensed through mail-service, with nearly 84% of employers using retail pharmacies. This is an increase of 52.3% since 2008. Data show 66.5% of employers using retail pharmacies to dispense maintenance supplies are not restricting dispensing to select pharmacies.
- On average, members paid 25.2% of a retail prescription and 19.2% of a mail prescription. There has been little change in these numbers since 2007 when PBMI began capturing these data.
- 86.9% of employers with a formulary include multiple tiers. Closed formularies have almost disappeared.
- Three or more tier plan designs are used by 84.7% of employers. As in prior years, the most commonly used approach is a three-tier plan design for generics,

preferred brands and nonpreferred brands. The trend toward increasing use of more three- and four-tier designs continues for a third year as shown in Table 1.

- Negotiated discounts for retail brand and generic prescriptions continue to increase resulting in the decrease of ingredient costs and dispensing fees. Specialty pharmacy reimbursement for 2009 is similar to retail brand rates with a slightly higher average dispensing fee. Cost sharing data do not show broad adoption of a specialty drug cost sharing tier.
- Generic dispensing rates have increased in both retail and mail since 2008. The range of generic dispensing rates continues to expand as increased numbers of generic drugs become available for medications commonly used by commercially insured drug benefit plans.

Planning for the Future

The use of multi-tiered cost sharing payment structures creates incentives for members to select the lowest net cost drug that is medically appropriate. When paired with education and clinical management, the rate of increase in prescription drug expenditures slows. Creating an economically sustainable drug benefit is critical as more specialty drugs reach the marketplace.

Dana Felthouse is president of The Pharmacy Benefit Management Institute (PBMI). PBMI provides research and continuing education to help health care purchasers work effectively with PBMs and other industry professionals to improve pharmacy benefit programs and control costs. Ms. Felthouse can be contacted at dfelthouse@pbmi.com. ●

Table 1: Trends in Plan Design Configurations 2007-2009

Cost Sharing Structure	2009	2008	2007
Two-tier Plan Design with Dollar Copayments	12.3%	11.0%	16.8%
Two-tier Plan Design with Coinsurance	3.0%	2.6%	7.9%
Three-tier Plan Design with Dollar Copayments	56.7%	68.4%	45.3%
Three-tier Plan Design with Coinsurance	10.5%	10.3%	14.4%
Four-tier Plan Design with Dollar Copayments	12.7%	6.5%	11.5%
Four-tier Plan Design with Coinsurance	3.7%	1.3%	4.1%
Five-tier Plan Design with Dollar Copayments	NA	NA	NA
Five-tier Plan Design with Coinsurance	1.1%	NA	NA

Source: © 2009, Pharmacy Benefit Management Institute. 2009-2010 Prescription Drug Benefit Cost and Plan Design Report. More data online at <http://www.pbmi.com/BenefitDesign.asp>.

NA=Not available because no respondents were using configuration.

AMCP QUALITY CORNER: Resources Available from the Agency for Healthcare Research and Quality

The mission of managed care pharmacy is to get the right medication to the right patient, with the right instructions for use, at the right time, at the right price, and to achieve the right outcomes. Fortunately for those in the profession of managed care pharmacy, the Agency for Healthcare Research and Quality (AHRQ) has developed resources available for use by health care professionals to improve the quality of care provided to patients. AHRQ is the lead Federal agency charged with improving the quality, safety, efficiency, and effectiveness of health care. www.ahrq.gov.

Some resources available to those in managed care pharmacy include:

- **AHRQ National Quality Measures Clearinghouse**—A web-based public repository for evidence-based quality measures and measure sets. www.qualitymeasures.ahrq.gov
- **Quality Tools through Innovations Exchange**—An Innovation Exchange program created to assist health care professionals in adopting innovations to improve the delivery of health care. A highlight of this program is the Quality Tools section. Quality Tools offers tools for assessing, measuring, promoting and improving the quality of health care. www.innovations.ahrq.gov/qualitytools/
- **Tools and Techniques of Improved Medication Use**—A tool developed for those in the health care community who design medication safety programs and/or seek information to enhance existing patient safety efforts. This site includes nearly fifty scientific studies that focus on improved medication use and patient compliance, through varied intervention strategies—implementing disease management approaches, educating patients and providers, and monitoring and providing feedback about target populations. www.aahp.org/content/navigationmenu/medcollab/medcollab.htm
- **Effective Health Care Program**—A resource dedicated to facilitating decision making by publishing researched-based guides for researchers, clinicians and consumers that provide information about safety, side effects and appropriate use of medications for certain diseases. <http://effectivehealthcare.ahrq.gov/index.cfm>

Health care practitioners in managed care pharmacy should make use of the resources developed through the AHRQ Effective Health Care Program. The goals of this program are to develop evidence on the effectiveness and comparative effectiveness of different treatments and health care interventions of importance to the Medicare, Medicaid, and State Child Health Insurance programs. However, the resources developed may be used in any practice setting.

The Effective Health Care Program produces three primary products:

1. **Research reviews:** These comprehensive reports draw on completed scientific studies to make head-to-head comparisons of different health care interventions. They also show where more research is needed. There are two types of research reviews:
 - **Comparative effectiveness and effectiveness reviews** outline the effectiveness of treatment options.
 - **Technical briefs** explain what is known, and what is not known, about new or emerging health care tests or treatments.
2. **Original research reports:** These reports are based on clinical research and studies that use health care databases and other scientific resources and approaches to explore practical questions about the effectiveness of treatments.
3. **Summary guides:** These short, plain-language guides—tailored to clinicians, consumers, or policy-makers—summarize research reviews’ findings on the benefits and harms of different treatment options. Consumer guides provide useful background on health conditions. Clinician and policymaker guides rate the strength of evidence behind a report’s conclusions. The guides on medications also contain basic wholesale price information.

Information on AHRQ resources and other information, resources, and references in the area of quality can be found in the Quality Connections area of the AMCP website at: <http://www.amcp.org/amcp.ark?p=23E2B0DD>. For more information on the Academy of Managed Care Pharmacy’s work in the area of quality, please contact Marissa Schlaifer, AMCP Director of Pharmacy Affairs at mschlaifer@amcp.org. ●

Current List of PBM and DTM Accredited and In-Process Organizations *(grouped in alphabetical order)*

PBM

Aetna Life Insurance Company.....	Full Accreditation
APAC Customer Services, Inc.	Full Accreditation
Caremark, Inc.....	Full Accreditation
Catalyst Rx	Full Accreditation
Cigna	In Process
Envision Pharmaceutical Services/Rx Options.....	Full Accreditation
Express Scripts.....	Full Accreditation
FutureScripts/FutureScripts Secure	Full Accreditation
Humana, Inc.	Full Accreditation
informedRx, Inc.	Full Accreditation
Maxor National Pharmacy Services Corp.	Full Accreditation
MC-21 Corporation	Full Accreditation
Medco Health Solutions, Inc.....	Full Accreditation
MedImpact Healthcare Systems, Inc.....	Full Accreditation
Navitus Health Solutions.....	Full Accreditation
Pequot Pharmaceutical Network.....	In Process

Perform RX.....	Full Accreditation
Prescription Solutions.....	Full Accreditation
Prime Therapeutics LLC.....	Full Accreditation
UnitedHealth Pharmaceutical Solutions.....	Full Accreditation
US Script, Inc.....	Full Accreditation

Drug Therapy Management

Aetna Life Insurance Company.....	Full Accreditation
Caremark, Inc.....	Full Accreditation
Catalyst Rx	Full Accreditation
Diplomat Pharmacy, Inc.	Full Accreditation
Envision Pharmaceutical Services/Rx Options.....	Full Accreditation
Medco Health Solutions, Inc.....	Full Accreditation
MedImpact Healthcare Systems, Inc.....	Full Accreditation
Perform RX.....	In Process
Prescription Solutions.....	Full Accreditation
Prime Therapeutics LLC.....	Full Accreditation

The list is current as of Feb. 19, 2010. Visit www.urac.org to see the most up to date list.

ABOUT AMCP



Academy of
Managed Care
Pharmacy®

The Academy of
Managed Care
Pharmacy is a profes-
sional association of indi-

vidual pharmacists who use the tools and techniques of managed care in the practice of pharmacy. At the heart of every member is commitment to a simple goal: Provision of the best available pharmaceutical care for patients.

As an organization, the Academy strives to achieve its mission of empowering its members to serve society by providing opportunities for continued professional growth, by advancing individual and collective knowledge. Throughout the year, AMCP provides conferences, online learning access, peer-reviewed literature through its *Journal of Managed Care Pharmacy*, and leadership development seminars.

The focus of the Academy has been to create scientifically designed methodologies for making medical choices as intelligently as current knowledge will allow, supported by evidence-based clinical studies. Some of the Academy's most successful products to date are AMCP's *Format for Formulary Submissions* and the *AMCP Framework for Quality Drug Therapy*. The *Format* is a standardized methodology for assessing drugs scientifically, based on the value they provide. Widely adopted

by numerous health plans, governmental agencies such as the Department of Defense and leading pharmacy benefit management companies, the *Format* has become a de facto industry standard. Managed care organizations employing the *Format* cover approximately half of all pharmacy care beneficiaries.

Two other significant contributions to managed care practice include AMCP's *Guide to Pharmaceutical Payment Methods and Sound Medication Therapy Management Programs, V2.0*. The *Guide* is a comprehensive, factual description and analysis of alternative drug payment methods and payment systems, including a review of the history, current application, potential future utility, impact on managed care pharmacy, other stakeholders in the pharmaceutical marketplace and the overall health care delivery system. It includes a glossary of payment terms, tables showing which payers and settings utilize which methods, payment flowcharts to illustrate how the money flows with each of the payment systems and examples of payment calculations. Downloadable in a summary and a comprehensive format from the AMCP website, it is accompanied by a web-based interactive resource library.

These and all other AMCP publications, including the *Journal*, can be found on the AMCP website, www.amcp.org. ●

Boehringer Ingelheim ranks among the world's 20 leading pharmaceutical corporations. Our vision drives us forward. It helps us to foster value through innovation in our company and to look to the future with constantly renewed commitment and ambition.



Value through Innovation

We are a different kind of pharmaceutical company, a privately held company with the ability to have an innovative and long-term view. Our focus is on scientific discoveries that improve patient's lives and we equate success as a pharmaceutical company with the steady introduction of truly innovative medicines.

At Boehringer Ingelheim, we are committed to delivering value through innovation. Employees are challenged to take initiative and achieve outstanding results. Ultimately, our culture and drive allows us to maintain one of the highest levels of excellence in our industry.

Please visit our website at: <http://us.boehringer-ingelheim.com> to learn more about our growing, dynamic company, with a vision of making the world healthier one person at a time.