

**The University of Florida**

**College of Pharmacy**

**Department of Pharmaceutical Outcomes & Policy**

**Syllabus for PHA 6935 – *Managed Care Pharmacy Operations***

**[Fall A 2021]**

***Class Discussions on Sundays 7:00 – 9:00pm ET***

**Faculty:**

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352-246-3846

Office hours by appointment.

Please initially contact the instructor by e-mail for class related issues/questions.

Should you experience any technical issues with course media or content,

email: [popsupport@ahc.ufl.edu](mailto:popsupport@ahc.ufl.edu)

**Textbook** (**purchase not required**, as PDFs of chapters will be provided where applicable):

Navarro, Robert P, *Managed Care Pharmacy Practice* [2<sup>nd</sup> ed], Jones and Bartlett Publishers, Sudbury, MA (2009) ISBN-13: 978-0763732400 ISBN-10: 0763732400

**Course Description:**

The purpose of this course is to build upon managed care pharmacy principles to introduce students to the related applicable operations of managed care organizations (MCOs) and pharmacy benefit managers (PBMs). This will include insight on both day to day activities and strategic aspects of these organizations. There will be a focus on industry practices such as performance/quality measures, compliance, pharmaceutical pricing/discounts, and claims system functionality. The course will attempt to incorporate recent market events into the learning and discussion structure.

**Learning Objectives:**

Cognitive Objectives

Upon successful completion of this course, the student will be able to:

- List some of the main components consultants use to compare competing PBMs
- List some of the more common requests for customization of a pharmacy benefit
- Describe how ASO, FI, and the individual markets differ in pharmacy benefit strategy
- Describe the relationship between PBM and plan sponsor (employer group or health plan).
- Identify the membership of a P&T committee
- Describe the process through which a new drug is evaluated
- Discuss how the launch of a new generic drug might affect the formulary strategy
- Describe how monitoring the new drug pipeline might enable a PBM to make effective long term strategic decisions
- Describe a situation that might involve the opportunity for a drug rebate
- Describe the concepts of preferred products, market basket, price protection, and evergreen clause
- Discuss how negotiations might occur between a PBM and pharmaceutical manufacturer
- Discuss how use of a drug exclusion list might enable a PBM to leverage better contracted rates from a pharmaceutical manufacturer
- Identify differences between retrospective drug utilization review (DUR), concurrent DUR, and utilization management
- Discuss why drug exclusion lists have expanded in recent years and how they relate back to drug rebate contracting
- Describe how outcomes research can identify opportunities for the implementation of new clinical programs
- Describe some of the reports that PBMs use to gauge the ROI of various clinical programs
- Discuss how the maximum allowable cost (MAC) pricing for generics can affect claim adjudication
- Define various industry measures that plan sponsors might use to evaluate the ongoing performance of a PBM, such as generic utilization rate and plan paid per member per month
- Describe various scenarios where PBMs use point of sale messaging to inform pharmacies in an attempt to reduce member burden
- Identify how a member can review their pharmacy benefits and drug coverage using online tools
- Describe the end to end experience of a PBM member navigating a utilization management program
- Discuss the challenge of preparing a call center to handle all member and pharmacy related issues

### Skill Objectives

Upon successful completion of this course, the student will be able to:

- Design a utilization management program
- Develop insight for use in a member contact center related to a claim rejection
- Analyze a performance/quality report
- Estimate a cost impact related to the launch of a new drug

### **Evaluation Techniques:**

Midterm Exam	30%
Final Exam	30%
Topic Papers (4)	20%
Class Participation	20%

**Class Participation:** Full credit for class participation requires attendance at every class (though one absence is permitted), adequate preparation for class, and appropriate participation in class.

**Topic Papers:** 1-1.5 pages in length; 12 point Times New Roman font; Topic(s) related to the respective content presented in both the reading and lecture.

### **Grading:**

A:	93.0 - 100
A-:	90.0 – 92.9
B+:	86.6 – 89.9
B:	83.3 – 86.5
B-:	80.0 – 83.2
C+:	76.6 – 79.9
C:	73.3 – 76.5
C-:	70.0 – 73.2
D+:	66.6 – 69.9
D:	63.3 – 66.5
D-:	60.0 – 63.2
S:	<60

UF Grading policies at <https://catalog.ufl.edu/UGRD/academic-regulations/grades-grading-policies/>

Please contact the instructor as early as possible for consideration of any extenuating circumstances that may require a late delivery or a make-up assignment.

Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, [www.dso.ufl.edu/drc/](http://www.dso.ufl.edu/drc/)) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>. Evaluations are typically open during the last 2 or 3 weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>.

## Weekly Assignments:

- Listen to pre-recorded lecture
- Read/view resources in weekly folder
- Complete the topic paper or exam for that week, if applicable
- Attend discussion class

Week	Theme
1	PBM Marketing
2	Formulary Development/Management
3	Pharmaceutical Manufacturers

WEEK 4: No learning module – Work on Midterm  
No discussion class on [Sep 19<sup>th</sup>]

Midterm Exam posted [Sep 12<sup>th</sup> 9pm] and due by [Sep 19<sup>th</sup> 7:00pm ET]

5	Clinical Programs
6	Claims Adjudication / Performance Metrics
7	Member Experience

Final Exam posted [Oct 3<sup>rd</sup> 9pm] and due by [Oct 10<sup>th</sup> 7:00pm ET]

## Course Structure & Outline

### *Course Structure*

Students prepare for discussion class by viewing a recorded lecture, reading the weekly posted resources, and are expected to conduct self-directional web and literature searches to expand their knowledge on weekly themes, focusing on contemporary and timely publications and news events. Students must also post and reply to discussions in the weekly Discussion Forum. Students will have weekly topic papers or exams.

### **Week 1**

Theme: PBM Marketing Overview

Overview:

The purpose of this module is to explore the employer group request for proposal (RFP) and sales process, with a focus on understanding various lines of business within the PBM market. It will also include insight into the various relationships between different players, including consultants, health plans, PBMs, and regulators. As you proceed through this module, consider how the sales process and these varying relationships mold the end product of a pharmacy benefit that will inevitably differ by line of business.

Learning Objectives:

- Describe the relationship between PBM and plan sponsor (employer group or health plan).
- List some of the main components consultants use to compare competing PBMs
- List some of the more common requests for customization of a pharmacy benefit
- Describe how ASO, FI, and the individual markets differ in pharmacy benefit strategy

**Week 2**

Theme: Drug formulary development and management

Overview:

The purpose of this module is to investigate how PBMs develop a formulary, manage that formulary through a Pharmacy & Therapeutics (P&T) committee, and perform ongoing maintenance of the formulary. As you proceed through this module, ask yourself what an ideal formulary might look like. Also consider how management of a formulary could be done most efficiently.

Learning Objectives:

- Identify the membership of a P&T committee
- Describe the process through which a new drug is evaluated
- Discuss how the launch of a new generic drug might affect the formulary strategy
- Describe how monitoring the new drug pipeline might enable a PBM to make effective long term strategic decisions

**Week 3**

Theme: Pharmaceutical Manufacturer Relationships and Contracting

Overview:

Drug rebates present a major opportunity for PBMs. The purpose of this module is to explore the growth and impact of drug rebate contracts on health system costs, as well as how drug exclusion lists are determined as part of the PBM's strategy to control these costs. We will discuss the components of a rebate contract, the opportunities they present, and their ability to provide benefits to the insured member, PBM, and pharmaceutical manufacturer.

Learning Objectives:

- Describe a situation that might involve the opportunity for a drug rebate
- Describe the concepts of preferred products, market basket, price protection, and evergreen clause
- Discuss how negotiations might occur between a PBM and pharmaceutical manufacturer
- Discuss how use of a drug exclusion list might enable a PBM to leverage better contracted rates from a pharmaceutical manufacturer
- Discuss why drug exclusion lists have expanded in recent years and how they relate back to drug rebate contracting

## **Week 5**

Theme: Clinical Programs

Overview:

The purpose of this module is to understand the operational aspects of the various clinical programs that have become industry standards within a PBM, as well as when each program can be used to optimize outcomes and healthcare value. We will explore how utilization management programs have been implemented as a core strategy for controlling new specialty drugs. Drug utilization review (DUR) programs and outcomes research will also be addressed.

Learning Objectives:

- Identify when each type of utilization management program may be most appropriate
- Discuss the importance of inter-rater reliability in the clinical review process
- Identify differences between retrospective DUR, concurrent DUR, and utilization management
- Describe how outcomes research can identify opportunities for the implementation of new clinical programs

## **Week 6**

Theme: Claims Adjudication and Performance Metrics

Overview:

The purpose of this module is to explore the operational aspects of a PBM claims system, as well as various topics related to reporting and performance metrics. This will include various drug product characteristics reported through 3<sup>rd</sup> party vendors, such as Medispan, and how these interface with the point of sale claims adjudication functionality.

Performance metrics will be discussed at a high level and claim level reporting will be described in terms of its use in individual queries.

Learning Objectives:

- Describe some of the reports that PBMs use to gauge the ROI of various clinical programs
- Discuss how the maximum allowable cost (MAC) pricing for generics can affect claim adjudication
- Define various industry measures that plan sponsors might use to evaluate the ongoing performance of a PBM, such as generic utilization rate and plan paid per member per month

## **Week 7**

Theme: Member Experience

Overview:

The purpose of this module is to understand the experience of pharmacy benefit management from a member (customer) perspective, and how the various activities performed by a PBM are managed in an attempt to reduce the burden/impact to members.

This will involve an exploration of distribution channels, member facing web tools, pharmacy point of sale messaging, and call center activities.

Learning Objectives:

- Describe various scenarios where PBMs use point of sale messaging to inform pharmacies in an attempt to reduce member burden
- Identify how a member can review their pharmacy benefits and drug coverage using online tools
- Describe the end to end experience of a PBM member navigating a utilization management program
- Discuss the challenge of preparing a call center to handle all member and pharmacy related issues

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