Internal Marketing: Essential Challenge for Managed Care Pharmacy

Sometimes the most difficult marketing job is the one needed inside the managed care organization. Described here are the efforts made in four MCOs to assure that the talents of pharmacists are made available to plan members.

ELAINE ZABLOCKI

ELAINE ZABLOCKI is a freelance medical writer in Arlington, Virginia. She is a contributing editor of *The Quality Letter for Healthcare Leaders* and writes regularly for many health care publications.

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Pharmacy directors must feel like the Cinderellas of managed care these days. As health care organizations face increasing pressure on costs, top managers think of pharmacy as just another cost center, and they search for ways to limit the pharmaceutical budget. Many health plans track the number of prescriptions per patient per month, or the dollars spent on pharmaceutical care per member per month, in an effort to limit pharmaceutical costs.

But resources used for pharmaceutical care can cut vastly the amount of money spent on high-cost services such as surgery, emergency room visits, and inpatient hospitalizations, making this a short-sighted and counter-productive strategy. But when will the prince come and elevate pharmacy to its rightful place?

In this issue, I describe the marketing problem faced by pharmacy and de-

STUDIES SHOW PHARMACEUTICAL CARE CUTS COSTS, BOOSTS OUTCOMES

Recent studies strongly suggest that effective pharmaceutical care could cut costs and improve outcomes throughout the health care system.

A one-year study¹ at Walter Reed Army Medical Center in the nation's capital found that health care teams that included a pharmacist had shorter lengths of stay and lower drug costs per admission than teams without a drug expert. No difference in mortality was identified. The average cost savings for teams with a pharmacist were \$377 per inpatient admission, and the benefit-to-cost ratio was 6.03:1.

The authors noted, "In our study, pharmacists reduced morbidity, as measured by LOS. We believe that our results can be generalized to other institutions. We are confident of the value added by clinical pharmacists, since sensitivity analysis showed our model to be robust."

Another study² estimated that preventable drug-related morbidity and mortality probably costs \$76.6 billion annually in the ambulatory setting in the United States. Using varying assumptions, predicted costs ranged from \$30.1 billion to \$136.8 billion, and the largest single component of these costs was drug-related hospitalizations.

"Preventable drug-related morbidity and mortality represents a serious medical problem that urgently requires expert attention," the authors wrote in the *Archives of Internal Medicine*. "Pharmaceutical care may provide the basis on which health care professionals can... [reduce] this inappropriate behavior... Pharmaceutical care holds tremendous opportunity for pharmacists to realize their full potential as members of the health care team."

scribe several different ways pharmacy directors can educate top managers, physicians, and other health care professionals about the meaning and benefits of pharmaceutical care. Pharmacy directors at four leading health plans describe a variety of strategies to publicize the value of pharmaceutical care within their own organizations.

EDUCATING COLLEAGUES WITHIN THE MCO

Deep-rooted reasons are at the heart of this problem, says Judie Vermilyea, a consultant at Scott-Levin, in Newtown, Pennsylvania. "There is an enormous need for education. Historically, physicians have tended to look at pharmacy as being on a lower level, somehow—after all, pharmacists are not physicians. However, I believe this attitude is starting to change."

Kim Babbitt, Pharm.D., a consultant and national practice leader for Towers Perrin, agrees. "Pharmacists face a challenge in making people understand the value of the pharmacy benefit and of pharmaceutical care. Typically, the pharmacy department reports to two different chiefs—both the medical director and the chief financial officer. Ironically, both the medical director and the CFO are looking for similar sorts of information. For example, they both want data on the cost-effectiveness of

the products they are considering for the formulary."

Alan Barreuther, pharmacy manager at Healthpartners Health Plans of Arizona, in Tucson, has been working to educate health plan managers on the value of pharmaceutical care. "One of the things we've been able to do fairly well in our plan is to continuously educate the medical directors and all the financial people on how we can increase value and member satisfaction and also contain costs. To tell you the truth, this sort of internal education is a major effort—sometimes it may be even harder to do internally than it is externally."

Described below are the successes and challenges of internal marketing at four MCOs.

HARVARD PILGRIM HEALTH CARE

Pharmacists at Harvard-Pilgrim Health Plan (HPHP) have a special opportunity to educate physicians in-house, because the plan is a staff- and group-model HMO, says Timothy Birner, R.Ph., M.B.A., director of pharmacy. Pharmacists attend a regular monthly meeting with the group plan's 15 medical directors; about half an hour is reserved for a presentation by the pharmacy department. "As pharmacists, we try to point out opportunities to physician leaders who hopefully will take it

back to other clinicians. We discuss situations in which they may be able to prescribe more prudently or more cost effectively—or may be able to use drugs to optimize outcomes."

In addition, HPHP owns and operates 19 health centers serving 500,000 members. Each health center has pharmacists working on site, and they meet continuously with the physicians practicing in the building. "When I worked as a staff pharmacist in one of the health centers, I ran into physicians constantly, in the cafeteria, on the floor, picking up prescriptions—I talked with them non-stop. We function as a team of clinical people working together: nurses, pharmacists, and doctors."

When new, expensive drugs become available, Birner considers it his responsibility to educate physicians about indications for appropriate use for that particular medication. Recently he used one of his half-hour monthly presentations to discuss alendronate sodium (Fosamax), the new Merck agent for osteoporosis. "We explained that estrogens still should be considered first-line therapy. However, for women who are at high risk for osteoporosis and who cannot tolerate estrogen for various reasons, we said that physicians might want to consider using this drug, despite its expense."

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Similarly, when sumatriptan (Imitrex) became available last year—offering effective therapy for migraine headaches at \$70 per course of therapy—HHP checked its computerized medical database and learned its patients had quite a few emergency room visits, and even inpatient hospitalizations, because of migraine headaches. “It’s actually a very costly disease. So we reviewed the records and gave physicians a list of their patients who had this sort of history; we suggested they might want to discuss this new drug with those patients.”

When cimetidine became available generically, its cost went down. HHP conducted an intervention directed at physicians, inviting them to consider the generic histamine H₂ antagonist when they were choosing a first-line drug for dyspepsia. “We actually put together a marketing packet, very similar to what the pharmaceutical industry does, and mailed it to all our physicians. It was called ‘Cimetidine Makes Sense,’” Birner explains. “Sometimes when a medication becomes available generically, the manufacturer stops promoting it, and we wanted our physicians to continue to have information available—especially from unbiased sources.”

Birner emphasizes that pharmacy, like every other department, must live within a responsible budget. To aid patients and improve the quality of their lives by using expensive but valuable new medications, the pharmacy department must keep a tight watch on other, more controllable expenses.

“Often several drugs produce similar outcomes but vary considerably in cost. In those instances, the pharmacy manager has to work with physicians to use the most cost-effective prescriptions. We don’t have unlimited resources. If we can save a few dollars in one place, maybe we can put that money into new drugs that are better in other areas.”

COMMUNITY HEALTH PLAN

Pharmaceutical managers must be able to explain the value of pharmaceutical care to top health plan management, says Michael Dillon, M.S., R.Ph., director of pharmacy operations for Community Health Plan, based in Latham, New York. “You should be able to understand and speak the same language as the marketing manager or the finance manager,” he says.

The implication? As Dillon considers major changes in pharmacy operations, he is always aware of the marketability of various features. “Since we operate our own health center pharmacies, we constantly have a pharmacist on site, available to meet with our members; that is a marketing advantage we can publicize.”

The pharmacy director must also always be aware of costs, and operate within a fixed, per-member-per-month budget. “You have to position the pharmacy within the global constraints of the plan’s financial situation. By using pharmaceuticals judiciously, we can control—or even lower—health care costs. The classic example is asthma management, in which appropriate medications can clearly cut costs for emergency room use and hospitalizations.”

At the same time, the pharmacy director should be able to demonstrate that the pharmacy is tightly and efficiently managed according to usual business standards. For example, Community Health Plan tracks productivity ratios for employees at health center pharmacies, such as the number of prescriptions filled during a given time period. “We are able to demonstrate our need for staff based on the prescription volume generated by each health center,” Dillon says.

HEALTH PARTNERS HEALTH PLANS OF ARIZONA

Health Partners Health Plans of Arizona, based in Tucson, has 133,000 commercial and Medicare risk members; it is primarily a network-group and IPA-model HMO. Alan Barreuther,

the plan’s pharmacy manager, has a background in academic pharmacy, and he is particularly interested in working with physicians to help them improve patient care. “In my experience, it has been very valuable to bring information back to physicians about their patients—and also to invite physicians to ask questions. This is much better than coming in after the fact to say, ‘you did something wrong.’”

One recent Health Partners project on calcium-channel blockers urged physicians to switch from Procardia XL to Avala PC because the two have similar outcomes and the latter has a 20% lower cost. “When we sent letters to patients about these drugs, we actually got back notes saying ‘gee, thank you—thanks for looking out for us.’”

Recently, pharmacists at Health Partners began a regular schedule of academic detailing. Each physician gets a report on drug-use patterns once a quarter; in addition, a pharmacist visits to present a detailed graphic breakdown of all the drugs each prescribes, using a laptop computer right in the office. Physicians receive continuing medical education credit for the time they spend in this consultation. “We try to see each physician at least twice a year,” Barreuther says. “This is a very time-intensive process, but my experience is that, if you keep your interaction in the academic mode and focus on learning how to provide better care for patients, physicians will be willing to listen to you. The key is not to focus just on costs.”

Barreuther also puts a great deal of effort into educating people within the plan on how managed care pharmacy works. “We consider our operation to be a quality function, not just a cost-containment function. Recently, I spent time educating the marketing staff about the benefits of pharmacy and therapeutics committees and formularies.”

KAISER-PERMANENTE MEDICAL CARE PROGRAM

Kaiser-Permanente is a large group-model HMO divided into several

regions across the country. Carey C. Cotterell, R.Ph., pharmaceutical director of the Orange County Service Area, reports to the southern California regional pharmacy director, who reports to regional management. Unlike pharmacy directors within smaller plans, Cotterell does not have to persuade the medical director or financial officer of his department's fiscal responsibility.

In any case, since Kaiser-Permanente has many years' experience delivering care in an integrated model, fewer barriers exist within the organization, Cotterell says. "We frequently put together interdisciplinary teams—including pharmacists, physicians, nurses, and other administrators—to figure out the best way to deal with a problem such as cholesterol management, hypertension, treatment of problematic elderly patients, or home health care patients."

Kaiser employs some pharmacists whose job is to provide physician edu-

cation, using a variety of methods, including newsletters, group presentations, and feedback to individual physicians on their own prescribing patterns. Almost every Kaiser physician paycheck envelope includes a brief drug-therapy-related message. "These stuffers tend to be the size of a check, so they are small, and we tend to use them as 'refreshers' on information that has previously been discussed in more detail," Cotterell says.

Because Kaiser is such a large, fully integrated system, it has been able to use pharmacists in somewhat unusual ways. "We have many pharmacists in the region with nontraditional practices related to specific disease states. This is indeed an increased cost to the program on the labor side, but it results in better health outcomes and lower utilization, both of which reduce expenses. For example, over 1,000 patients in Orange county are currently served through an outpatient anticoagulation clinic man-

aged by a pharmacist. They do not see a physician and the physicians do not write orders for the anticoagulants."

CONCLUSION

If pharmacists' talents are not used fully to identify, treat, and prevent drug-related problems in MCO members, it is a lose-lose situation for the plan and patients. Managed care pharmacists must sometimes market the benefits of pharmaceutical care in an effort to assure availability of such services to every beneficiary of the plan.

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