



## **POST GRADUATE YEAR ONE (PGY1) MANAGED CARE PHARMACY RESIDENCY PROGRAMS**

***“DO U FIT?”***

**PUBLISHED BY THE AMERICAN SOCIETY OF HEALTH-SYSTEM PHARMACISTS (ASHP) AND THE ACADEMY OF MANAGED CARE PHARMACY (AMCP)**

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### **Background:**

This document has been developed by AMCP and ASHP to assist residency program directors, and their organizations, who are considering developing a PGY1 Managed Care Pharmacy Residency Program to undertake a self-assessment to help identify whether or not the operational functions and pharmacist practice environment in the organization is aligned with the unique settings, functions, and practice environment for which the PGY1 Managed Care Pharmacy Accreditation Standard and the associated Outcomes, Goals and Objectives were developed and intended. The self-assessment ensures that the sponsoring organization has the capacity to provide the necessary learning experiences for the graduate resident. These experiences will ensure that the graduate resident receives adequate training and experience in those essential areas of managed care pharmacy’s responsibilities and functions that would be characterized as part of a managed care pharmacist generalist’s practice. Contemporary expectations are that graduates from PGY1 Managed Care Pharmacy residencies will have the requisite skills, knowledge, abilities, and attitudes to meet entry-level requirements for real jobs within the mainstream managed care pharmacy world of employment.

Both ASHP and AMCP encourage the development of PGY1 Managed Care Pharmacy Residency Programs as a way to provide training for pharmacists who have chosen to pursue that career path. However, recent events have shown that not all organizations that desire to sponsor such a residency can provide the full range of learning experiences necessary to meet the requirements of the accreditation standard.

### **Definition:**

The PGY1 Managed Care Pharmacy Residency is designed to be an organized, systematic, directed postgraduate training program that centers on developing the knowledge, skills, and abilities needed to achieve professional competence in the delivery of patient-centered care and in pharmacy operational services in managed care organizations (MCOs) and settings.

The [PGY1 Managed Care Pharmacy Residency Accreditation Standard](#), and its associated [Outcomes, Goals and Objectives](#), are designed specifically for the unique practice environment and responsibilities of pharmacists within managed care organizations, such as, a staff or group model health maintenance organization (HMO), a pharmacy benefit management company (PBM), a health plan and/or indemnity insurance carrier, an independent practice association (IPA), a business coalition formed to address health care utilization, or a multispecialty physician practice.

### **Self-Assessment Questions:**

The self-assessment questions that follow may be used as a guide for organizations considering the sponsorship of a managed care pharmacy residency program. It is imperative that the residency site be able to provide the depth and breadth of learning experiences for which the PGY1 Managed Care Pharmacy Residency Accreditation Standard was designed.

The organization considering sponsorship of a PGY1 Managed Care Pharmacy Residency does not need to answer “yes” to all of the self-assessment questions; meaning that answering “no” to a few questions does not preclude it from sponsoring such a program. However, due to the requirements for the site to either be accredited by an appropriate body (e.g., National Committee for Quality Assurance [NCQA] or URAC), and/or overseen by a regulator (e.g., Centers for Medicare & Medicaid Services [CMS]), or be able to demonstrate substantial compliance with the laws, regulations and standards

applicable to MCOs, it is difficult for a site to comply with these requirements if not an MCO in this context (see the [ASHP/AMCP Accreditation Standard for PGY1 Managed Care Pharmacy Residency Programs](#), Sections 6.1, 6.2, and 7.4). If further assistance is needed, contact information for AMCP and ASHP staff members may be found at the end of the document.

The definitions for several terms mentioned in the self assessment questions can be obtained from the [AMCP Glossary of Managed Care Terms](#).

- **Is your organization accredited by or eligible for accreditation by the National Committee for Quality Assurance (NCQA) and/or URAC?**  
The accreditation standard requires that sites that sponsor residency programs "... have sought and accepted outside appraisal of facilities and patient care practices. The external appraisal must be conducted by a recognized organization appropriate to the practice setting." For managed care sites, NCQA and URAC are the two primary accrediting bodies.
- **Is your organization subject to regulation and oversight by your state's Department of Insurance and/or Department of Managed Health Care?**  
The accreditation standard requires that the practice environment "... complies with all applicable federal, state, and local laws, codes, statutes, and regulations governing pharmacy practice." Many MCOs, especially health plans, are governed by their state's insurance department (or equivalent agency).
- **Does your organization design, sell, and manage commercial, self-funded, Medicare and/or Medicaid health care benefit plans to employers, individuals, labor unions, retirement trust funds and/or state or federal governments?**  
The accreditation standard states that the practice site "... must permit residents to gain experience in diverse patient populations, a variety of disease states, and a range of complexity ..." MCOs typically offer health care benefit plans to and have numerous clients who are employers, labor unions, government agencies (e.g., Medicare and Medicaid) and individual purchasers. A site that has only one or a few clients may not be capable of providing a large enough population of members to provide the diversity required in the standard.
- **Does your organization design, sell, and/or manage commercial, self-funded, Medicare Advantage or Medicare Part D and/or Medicaid outpatient prescription drug benefits for entities such as those listed above?**  
This is a critical distinguishing characteristic of the practice environment and the roles/responsibilities of pharmacists in the types of organizations for which the managed care standard was developed. It differentiates managed care pharmacy practice from those practice environments covered by the PGY1 Pharmacy and PGY1 Community Pharmacy standards and associated Outcomes, Goals and Objectives. A site cannot appropriately conduct a managed care pharmacy residency program if it does not design, offer, manage, and evaluate pharmacy prescription drug benefits for populations of patients. As above, the site must be able to provide appropriate diversity in its member population.
- **Does your organization use traditional population-based managed care tools for managing pharmacy benefits, for example:**
  - developing and maintaining formularies (Goals R2.1, R2.2)\*
  - contracting with pharmacy networks (Goal R1.1) and/or pharmaceutical manufacturers (Goal E5.1)
  - designing pharmacy benefits for populations of patients (Goal R5.2)
  - reporting drug utilization data for group plan sponsors, e.g., employers, labor unions, retirement trust funds (Goal R5.3)
  - instituting step therapy and prior authorization programs (Goal R5.5)

\*Goal numbers in parentheses refer to several specific goals from the [Outcomes, Goals and Objectives](#) for the PGY1 Managed Care Pharmacy Residency Accreditation Standard, as examples of what the resident must be exposed to, learn about, or participate in doing during the course of the managed care residency program.

- **Is your organization a member of your state's Health Plan Association(s), America's Health Insurance Plans (AHIP), the Association of Community Health Plans (ACHP) and/or similar organizations?**

The organizations listed in this question are examples of the types of trade associations/peer groups of which MCOs typically join as members. These associations advocate on behalf of MCOs on a local, statewide and/or national level on legal, regulatory and practice-related issues for the unique practice environment that is managed care.

- **Are certain employees of your organization members of the National Council for Prescription Drug Programs (NCPDP)?**

NCPDP is a standards development organization (SDO) that creates standards for the transfer of data related to medications, supplies, and services within the healthcare system. These standards have an enormous impact on healthcare delivery and administrative functions within MCOs. Because of this, key staff members of the MCO are often encouraged to join NCPDP to provide input and expertise for the standards development process.

- **Does your organization collect and report HEDIS® and/or Medicare 5-Star data?**

The accreditation standard states that residency programs must be conducted "... only in those practice settings where management and professional staff have committed to seek excellence in patient care, [and demonstrate] substantial compliance with professionally developed and nationally applied practice and operational standards ...” HEDIS® and Medicare Star Ratings are two measures of the quality of patient care services provided by MCOs.

- **Does your organization receive and respond to Requests for Information (RFIs) and/or Requests for Proposal (RFPs) from employer groups and coalitions (e.g., Pacific Business Group on Health, National Business Coalition on Health's "eValue8")?**

Potential clients of MCOs (an earlier question provides examples of the types of clients) typically submit RFPs and/or RFIs to determine if the organization can meet the client's healthcare needs. Residents' involvement in this process can help teach the resident many of the facets of managed care pharmacy practice.

#### **Discussion:**

An organization that answers only a few of the preceding questions affirmatively may not be properly positioned to sponsor a PGY1 Managed Care Pharmacy Residency Program. This does not mean that the organization cannot sponsor a residency program; it means, however, that it would be very difficult for the residency program to provide the depth and breadth of educational experiences specified in the Outcomes, Goals and Objectives and to meet the intent of the PGY1 Managed Care Pharmacy Residency Accreditation Standard. As an alternative to sponsoring a PGY1 Managed Care Pharmacy Residency Program, we suggest that the organization consider sponsoring a PGY1 Pharmacy Residency Program and include various managed care pharmacy elements.

#### **Follow-up:**

This "Do U Fit" document was developed to assist organizations who are considering the sponsorship of a managed care pharmacy residency program, and to provide guidance to those sites. Both ASHP and AMCP welcome further dialog and encourage all readers of this document to contact either of the staff members listed below for additional information, clarification, and/or assistance.

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