

Pharmacy Benefit Management

Background

Historically, a pharmacy benefit manager (PBM) is a third-party administrator of prescription drug programs. PBMs are primarily responsible for developing and maintaining the formulary, contracting with pharmacies, negotiating discounts and rebates with drug manufacturers, and processing and paying prescription drug claims. For the most part, they work with self-insured companies and government programs striving to maintain or reduce the pharmacy expenditures of the plan while concurrently trying to improve health care outcomes.

Today, PBMs also offer programs that provide value and flexibility to participants to help control prescription costs. Some of these areas include information about tablet splitting, lower-cost therapeutic alternatives, tiered trial of specific medications in a therapeutic class, evaluating clinical programs for large populations, medication therapy management programs, and mail order service.

PBM companies can be very diverse, ranging from small to large in size. Pharmacists who are employed as PBMs spend 23% of their time on data management followed by 17% on project/case management. Thirteen percent of their time is spent on business/organization/department management and 12% on both medication management and “other”. The remainder of their time is divided among a variety of areas.

Characteristics

Forty-two pharmacists from PBMs responded to the 2012 *APhA Career Pathway Evaluation Program* survey. Among the respondents, 65% had earned a PharmD degree. Thirty-five percent had earned an advanced degree (MS, MBA, or “other degree”). Twenty-five percent had completed a residency, 10% had completed a fellowship and 20% had earned a certificate.

The mean age of respondents was 44 years old. Forty-five percent were male. Less than half (45%) identified themselves as being in management.

Only 6% of these pharmacists reported that they earn less than \$100,000. The remaining 94% reported annual income in excess of \$100,000 with 24% indicating they earn \$150,000 or more. PBM pharmacists work an average of 44 hours per week.

Forty-six percent reported that they are “extremely satisfied” in their positions with 37% indicating they are “somewhat satisfied.” Similarly, 56% report being “extremely challenged” with their work and 37% report being “somewhat challenged.”

Insider’s Perspective

What aspects of the job are most appealing?

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Responses to this question were widely variable. Some examples are: “Client interaction,” “constantly changing issues and challenges; flexible schedule,” “researching and evaluating clinical studies and other peer-reviewed literature,” and “the opportunity to change pharmacy to a provider profession.”

What aspects of the job are least appealing?

Some respondents didn’t enjoy “sitting at a desk for 8-10 hours a day,” “the day-to-day functions – answering emails,” “statistics,” and “paper work.”

One respondent said “we do not have patient contact, I miss working with patients helping provide them solutions.”

A respondent from Wisconsin stated concern about “long hours.” While a Connecticut pharmacist listed a least appealing aspect stating, “There is no direct contact with patients, but there certainly is patient impact.” This was reinforced by a pharmacist from Washington who indicated the “lack of patient/provider contact” as a concern.

What advice should students or practitioners consider when selecting the option of working in pharmacy benefit management?

Many of the respondents indicated that someone considering a career as a PBM pharmacist should have an understanding of economic principles and pharmacoeconomics. One pharmacist stated that colleagues interested in PBM “must have a strong interest in pharmacoeconomics and understanding of business practices.”

Additionally, many indicated the importance of not having an uninformed bias about the role that PBMs play in cost control because the work is much broader than this area.

Collaboration with Other Professionals

Communication with physicians is often limited to new prescription orders by telephone. Often both the pharmacist and the physician's office are engaged in discussions regarding the formulary and/or treatment protocols that are established by the PBM company.

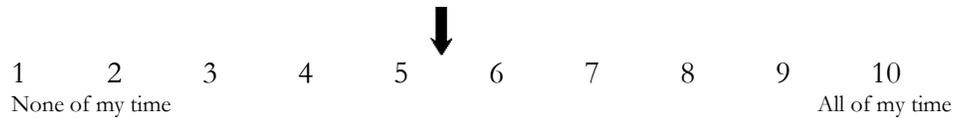
= 6.3



Educating Other Professionals

Typically, PBM pharmacists engage in educating other professionals when they provide information about the services provided by the pharmacy. Some pharmacies choose to educate physicians, nurses, and other related staff about the reasons for the protocols in place for specific therapeutic areas.

= 5.3



Variety of Daily Activities

As mentioned earlier, respondents are involved in a number of different roles. The challenges often arise in resolving therapy and other prescription-related issues.

= 6.8



Multiple Task Handling

The nature of their work requires PBM pharmacists to work on multiple tasks at one time. Respondents rated this factor in the upper mid-range at 7.5.

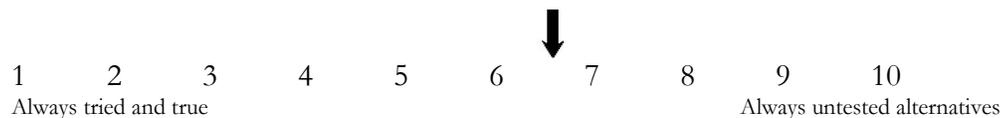
= 7.5



Problem Solving

The problems facing PBM pharmacists are complex in many situations taking into account the large patient populations for which they are responsible. With a rating of 6.6, respondents indicated that they tend toward using untested alternatives to solve problems, but also use tried-and-true solutions.

= 6.6





Exit/Re-entry Opportunities

Exit/re-entry opportunities do exist for PBM pharmacists. The difficulty is being able to re-enter the same position.

= 4.2



Parental Leave Opportunities

This factor was tied for the highest-rated factor in the profile at 7.6. Many PBM pharmacies are part of larger organizations that offer parental leave as a benefit.

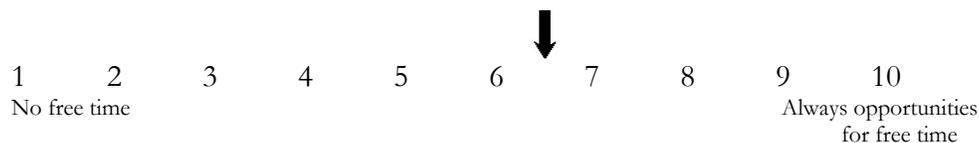
= 7.6



Leisure/Family Time

Respondents rated this factor at 6.5, indicating that many feel they have time available for leisure activities and family.

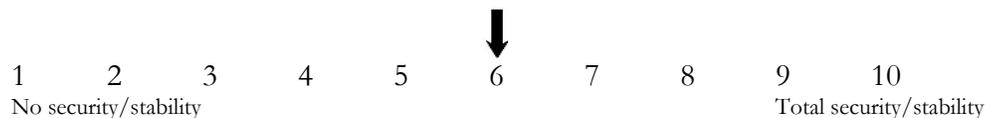
= 6.5



Job Security

With the specialized knowledge necessary, PBM pharmacists indicated a high sense of job security.

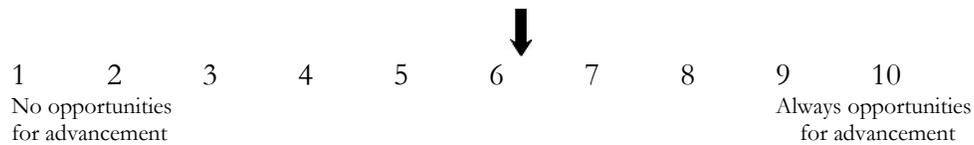
= 6.0



Opportunities for Advancement

PBM pharmacists rated this factor in the upper mid-range with respect to opportunities for advancement. Career advancement can often be limited by the size of the organization and the size of the pharmacy. In a larger company, they may have more versatility to choose the corporate ladder approach in their career.

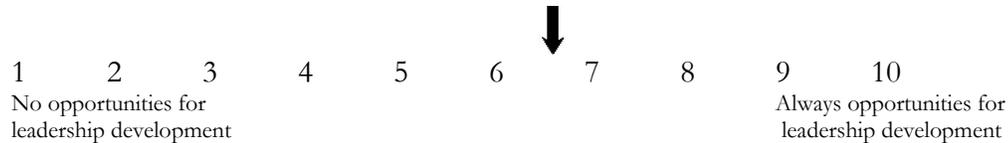
= 6.2



Opportunities for Leadership Development

PBM pharmacists see a similar opportunity for leadership development as they do for advancement.

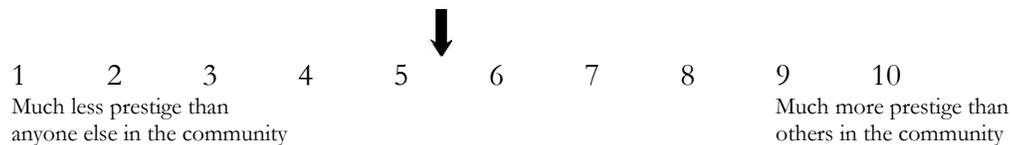
= 6.6



Community Prestige

Respondents gave this factor a 5.4 rating. Pharmacists can become well known in their community for helping individuals with health care.

= 5.4



Professional Involvement

Professional involvement of individual pharmacists is critical to the development of the profession as a whole, and pharmacists need to communicate with each other so that the profession can continue to advance in providing optimum health care for the public. PBM pharmacists rated this factor in the upper mid-range at 7.7.

= 7.7



Income

Respondents indicated that they tend toward feeling properly compensated for the work they perform.

= 7.5



Benefits (vacation, health, retirement)

Tied for the highest-rated factor in the profile, respondents rated their benefits at 8.4.

= 8.4

**Geographic Location**

Geographic location was rated in the mid-range at 7.4. PBM pharmacists indicated that there is some opportunity to relocate to many places in the United States.

= 7.4

**Working Remotely**

Autonomy in a PBM organization can depend on the size of the organization and the department in which one is employed.

= 7.6

**Autonomy**

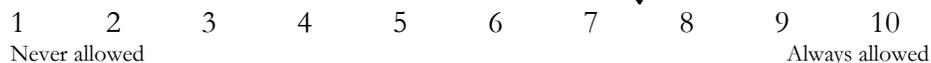
Autonomy in a PBM organization can depend on the size of the organization and the department in which one is employed.

= 7.4

**Self-Worth**

PBM pharmacists are involved indirectly with large populations. This lends itself to a feeling of self-worth, as noted by the 7.5 rating.

= 7.5

**Future Focus**

Respondents indicated that they tend toward focusing on the future versus the immediate task at hand. While there are areas where the task is immediate, for the most part these pharmacists are looking at the long-term impact of the policies and projects that they implement.

= 6.6



Professional Prestige

Professional prestige is related to the earlier rating on collaboration with other professionals. Respondents' rating of 5.3 indicates that they feel there is professional prestige.

= 5.3

**Unique Practice Environment environment**

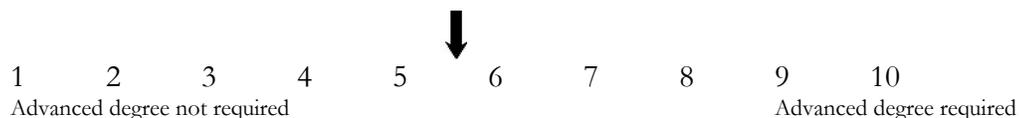
PBM pharmacists gave this factor a rating of 8.2, which indicates they feel that their work environment is unique.

= 8.2

**Advanced Degree**

Respondents rated this factor in the mid-range, indicating that advanced degrees are not typically required.

= 5.6

**Entrepreneurial Opportunity**

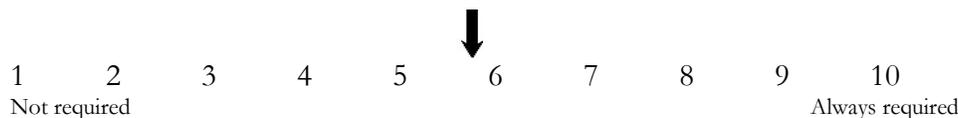
Respondents indicated that there are entrepreneurial opportunities available in PBM pharmacy.

= 3.6

**Additional Training**

Respondents rated the need for additional training at 5.8.

= 5.8

**Interacting With Co-Workers**

Respondents rated interaction with colleagues as the third-highest factor in the profile at 8.2.

Mean Scores for Critical Factors

1. Interaction with people	2.9
2. Performing physical assessments	1.9
3. Interpreting laboratory values	2.7
4. Continuity of relationships	6.6
5. Extent to which effect is direct	4.3
6. Collaboration with other professionals	6.3
7. Educating other professionals	5.3
8. Variety of daily activities	6.8
9. Multiple task handling	7.5
10. Problem solving	6.6
11. Focus of expertise	5.9
12. Innovative thinking	7.5
13. Applying scientific knowledge	6.6
14. Applying medical knowledge	7.7
15. Creating new knowledge by conducting research	4.3
16. Managing others	4.0
17. Managing business operations	4.7
18. Pressure/Stress	6.8
19. Work schedule	6.9
20. Part time opportunities	2.7
21. Job sharing	2.0
22. Exit and re-entry	4.2
23. Parental leave	7.6
24. Free time for leisure/family activities	6.5
25. Job security	6.0
26. Opportunities for advancement	6.2
27. Opportunities for leadership development	6.6
28. Community prestige	5.4
29. Professional involvement	7.7
30. Income	7.5
31. Benefits (vacation, health, retirement)	8.4
32. Geographic location	7.4
33. Working Remotely	7.6
34. Autonomy	7.4
35. Self-Worth	7.5
36. Future focus	6.6
37. Professional prestige	5.3
38. Unique practice environment	8.2
39. Advanced degree	5.6
40. Entrepreneurial opportunity	3.6
41. Additional training	5.8
42. Interacting with co-workers	8.2
43. Travel	3.2
44. Writing	5.1
45. Working with teams	7.2

Reference

Schommer JC, APhA Career Pathway Evaluation Program for Pharmacy Professionals 2012 Pharmacist Profile Survey. February 2013

Professional Organizations

American Pharmacists Association (APhA)
2215 Constitution Ave, NW, Washington, DC 20037
Tel: 800-237-APhA Fax: 202-783-2351
www.pharmacist.com

American Society of Health-System Pharmacists (ASHP)
7272 Wisconsin Avenue, Bethesda, MD 20814
Tel: 301-657-3000
www.ashp.org

National Pharmaceutical Association (NPhA)
107 Kilmayne Drive, Suite C, Cary, NC 27511
Tel: 800-944-NPhA Fax: 919-469-5870
www.npha.net

Academy of Managed Care Pharmacists (AMCP)
100 North Pitt St, Suite 400, Alexandria, VA 22314
Tel: 800-827-2627 Fax: 703-683-8417
www.amcp.org