

Pharmacy Benefit Management

Holland Code: EIC

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?

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.

Adapted from the American Pharmacists Association