Pharmacy Benefit Managers May Be Hazardous to Your (Patients’) Health*

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The following e-mail exchange recently occurred between a patient and a pharmacy benefit manager (PBM). The patient wrote:

The prescription for order number [x] was for [8 packages], and the shipping information [from your web site] says you are shipping [6 packages]. Please explain.

The PBM replied:

Prescription order number [x] was originally written to dispense 8 packages. Your physician was contacted via fax regarding this medication. When the response was received from your physician’s office, the quantity had been reduced from 8 to 6 packages. Thank you for allowing [us] the opportunity to be of service.

PBMs act as intermediaries for health care plans and seek to reduce the costs of prescription drugs paid for by the health plans. PBMs can reduce health plans’ costs in a number of legitimate ways. They can substitute a generic drug for a more expensive brand name drug. They can establish formularies of approved drugs and either charge a higher patient co-pay for drugs not on the formularies or simply not cover such drugs. They can negotiate lower prices from retail pharmacies or charge a lower patient co-pay when a patient fills prescriptions at an approved mail order pharmacy associated with the PBM. They may convince physicians to prescribe a less expensive drug. They may limit coverage to a particular quantity of a drug.

PBMs have now found an additional way to reduce costs. In the example noted in the e-mail exchange above, the PBM reduced the health plan’s cost by 25% by contacting the physician directly and apparently suggesting that the physician reduce the quantity of the prescription. My most likely theory (unsupported by any facts since the PBM did not disclose the content of the facsimile exchange with the physician) is that the PBM told the physician something like “our studies indicate that the average patient with this condition is usually prescribed X number of pills over Y period. Your prescription exceeds this average by Z percent. May we reduce the amount by 25 percent?”

The patient in the example above suffers from frequent migraine headaches, and the prescription was for a rather expensive drug (Zomig®) used to treat her headaches. Neither a generic equivalent or cheaper effective drug was available, the patient was already ordering from the PBM’s mail order pharmacy, the drug was on the approved
formulary, and the quantity ordered was covered by the health plan’s guidelines. Therefore, the only way the PBM could save money on the order was to reduce the quantity.

Is it ethical for a pharmacist to contact a patient’s physician and seek to have the quantity of a pain-relieving drug reduced? The Code of Ethics for Pharmacists promulgated by the American Pharmacists Association provides that “a pharmacist respects the covenantal relationship between the patient and pharmacist” which “means that a pharmacist has moral obligations in response to the gift of trust received from society.” The code also provides that “a pharmacist promotes the right of self-determination and recognizes individual self-worth by encouraging patients to participate in decisions about their health.” Also, “The primary obligation of a pharmacist is to individual patients.” See http://www.aphanet.org/pharmcare/ethics.html.

The problem is that patients (and physicians) may assume that a pharmacist working for a PBM is representing the patient’s best interests, when in fact her primary loyalty may be to the PBM or the PBM’s client. It may be difficult for the patient or physician to distinguish between a filling pharmacist (working for a “bricks and mortar” pharmacy or the mail-order pharmacy associated with the PBM) and a drug utilization review (DUR) pharmacist (working for the PBM).

The patient’s relationship with the DUR pharmacist is entirely different than the pharmacist-patient relationship established when the patient visits her local “bricks and mortar” pharmacist. The economic incentives also differ. A retail pharmacist would presumably make more money by selling a larger quantity of drugs, while pharmacists working for the PBM will save money for their clients (and make money for the PBM) by selling a smaller quantity.

Patients and physicians need to recognize that PBMs may not always act in the patient’s best interest.