CORE CONCEPT

Pharmacy Benefit Management Course for Payers: Formularies, DUR and Specialty Drug Spend

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Introduction:

Pharmacy benefit management for payers, covering formularies, DUR and specialty drug spend, is a 1-week course for pharmacy benefit, formulary and pharmacy network units at insurers, third-party administrators and public purchasers, ending with a Pharmacy Benefit Management Plan for a case payer. Drug spend climbs when tier placement ignores net cost, pharmacy reimbursement drifts above benchmarks, generic and biosimilar uptake stalls and specialty therapies enter without criteria. Nominees already manage drug benefits, pharmacy contracts or prescription data, and work through case studies on claims extracts, rebate statements and formulary files. CoreConcept Training Center delivers this pharmacy benefit management course.

Course Objectives:

- Decompose outpatient drug spend into utilisation, unit cost and mix effects and trace list price, rebate and net price flows
- Design an open, closed or tiered payer formulary and place medicines on tiers using clinical value and net cost
- Write prior authorisation, step therapy and quantity limit criteria with a medical exception route for non-formulary requests
- Structure pharmacy network contracts using ingredient cost benchmarks, maximum allowable cost lists, dispensing fees and pass-through terms
- Run prospective, concurrent and retrospective drug utilisation review and turn findings into prescriber and pharmacy actions
- Set generic substitution, biosimilar switching and specialty drug policies that contain high-cost therapy spend

Target Audience:

- Pharmacy benefit management units that design outpatient drug cover, tiers and member cost-sharing for payers
- Formulary and clinical pharmacy units that write utilisation management criteria and review exception requests
- Pharmacy network units that contract retail, mail-service and specialty pharmacies and set reimbursement terms
- Drug spend analytics units that monitor pharmacy claims, rebates and utilisation trends
- Specialty drug and high-cost therapy units that manage biologics, biosimilars and patient adherence services

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Course Outline:

Day 1: Outpatient Drug Benefit Landscape and Pharmacy Spend Baseline

- Pharmacy Benefit Value Chain From Manufacturer to Member Copayment
- List Price, Net Price and Rebate Flow Mapping
- Drug Spend Trend Decomposition by Utilisation, Unit Cost and Mix
- Pharmacy Benefit Design Options for Insured and Self-Funded Schemes
- Pharmacy Spend Baseline Dashboard and Leakage Inventory

Day 2: Payer Formulary Design and Utilisation Management Criteria

- Open, Closed and Tiered Formulary Structure Selection
- Tier Placement Matrix Using Clinical Value and Net Cost
- Prior Authorisation Criteria Sets for Outpatient Medicines
- Step Therapy Protocols and Quantity Limit Rule Writing
- Medical Exception Route for Non-Formulary Drug Requests

Day 3: Pharmacy Network Reimbursement and Drug Utilisation Review

- Retail, Mail-Service and Specialty Pharmacy Network Tiering
- Ingredient Cost Benchmarks and Maximum Allowable Cost Lists
- Dispensing Fee, Spread Pricing and Pass-Through Contract Models
- Prospective and Concurrent DUR Edits at Point of Sale
- Retrospective DUR Screening of Pharmacy Claims Against Prescribing Criteria

Day 4: Generic, Biosimilar and Specialty Drug Cost Containment

- Generic Substitution Policy and Generic Dispensing Rate Targets
- Biosimilar Switching and Interchangeability Policy Options
- Specialty Drug Pipeline Forecast and High-Cost Therapy Watchlist
- Specialty Pharmacy Channel, Cold-Chain Handling and Adherence Service Terms
- Manufacturer Rebate Contract Review and Outcomes-Based Agreement Terms

Day 5: Case Study on a Payer Pharmacy Benefit Management Plan

- Case Payer Drug Spend Diagnosis From Pharmacy Claims Extracts
- Case Formulary Tier Revision and Utilisation Criteria Package
- Case Pharmacy Network Reimbursement Renegotiation Scenario
- Case Specialty Drug and Biosimilar Savings Scenario Comparison
- Pharmacy Benefit Management Plan Completion and Peer Defence

Skills You Will Gain:

- Net Drug Cost Analysis
- Formulary Tier Design
- Utilisation Criteria Writing
- Pharmacy Reimbursement Benchmarking
- Drug Utilisation Review Analytics
- Biosimilar Uptake Planning
- Specialty Drug Forecasting
- Rebate Contract Review

Why Attend This Course:

- Present a Pharmacy Benefit Management Plan for a case payer to the head of pharmacy benefits and the medical director
- Decide which medicines move tier, which need prior authorisation or step therapy and which pharmacy contracts to renegotiate
- Avoid paying above benchmark ingredient costs, missing biosimilar savings and admitting specialty therapies without use criteria
- Equip colleagues with the tier placement matrix, DUR screening criteria and reimbursement benchmark worksheet used in class

Conclusion:

Back at work, the participant hands the head of pharmacy benefits and the medical director a Pharmacy Benefit Management Plan that sets tier changes, utilisation criteria, network reimbursement terms, generic and biosimilar targets and a specialty drug watchlist. The formulary group uses it to approve criteria, the network unit to open contract talks and finance to set the outpatient drug budget. After the first quarter, the unit should compare net cost per member, generic dispensing rate, biosimilar share and exception volumes with the baseline and adjust the plan.

Frequently Asked Questions FAQ:

What should participants know before a pharmacy benefit management course for payers?

Participants should already work with outpatient drug benefits, pharmacy contracts or prescription claims data and understand basic drug classes. Bringing an anonymised pharmacy claims extract, current formulary file or pharmacy contract summary lets them apply each case study to their own scheme.

How does pharmacy benefit management for payers differ from a hospital pharmacy management course?

It works from the payer side: outpatient formulary tiers, member cost-sharing, pharmacy network reimbursement, rebates and claims-based DUR. A hospital pharmacy course runs an inpatient department, covering stock, dispensing systems and controlled drugs, and treats payer topics only lightly.

Why does DUR matter to pharmacy benefit management for payers?

DUR checks prescriptions before, during and after dispensing for interactions, duplication, dosing problems and over-use. For a payer it prevents avoidable harm and waste, and its retrospective findings guide prescriber feedback, formulary changes and pharmacy network actions.

What do participants take back from a pharmacy benefit management course for payers?

Participants take back a Pharmacy Benefit Management Plan for a case payer, with a tier placement matrix, utilisation criteria, a reimbursement benchmark worksheet, DUR screening criteria and a specialty drug watchlist ready to adapt to their own organisation.