Medicare wants to pull its funding from the pharmacy residency programs that are now in operation in many of the nation’s premier hospitals. The Center for Medicare and Medicaid Services (CMS) apparently views those programs as unworthy of federal support and says that they are more like certification programs, on a par with continuing education credits, rather than like traditional long-term residency programs in which graduates take their skills to a new, higher level.

“To suggest that pharmacy residency programs are ‘continuing education,’ equivalent to seminars, workshops, poster sessions, and other such instruction, is an unacceptable contention and an indication of how little CMS knows about pharmacy residency programs and how the practice of pharmacy has evolved from a purely drug-distributive function to a complex, clinical role that is focused on preventing adverse drug events,” says Henri R. Manasse, Jr., PhD, ScD, executive vice president and chief executive officer of the American Society of Health-System Pharmacists (ASHP).

Here is the technical rationale for this preliminary decision by CMS. Hospital pharmacies do not require pharmacists to go through residency programs as a condition of being hired; therefore, these one-year programs are not actually residency programs, as a certified registered nurse anesthetist (CRNA) residency program would be. CMS made this comparison in its proposed rule last May. CRNAs are one of four categories of advanced practice nurses who earn the equivalent of a master’s degree. The number of years of schooling required for a CRNA degree depends on the nursing college.

It is indisputable that Medicare’s refusal to reimburse hospitals for the “reasonable costs” of pharmacy residency programs in 2004 would have a large impact on patient care, at least in some hospitals. Approximately 10% of the 635 pharmacy residency programs in the U.S. would be affected. Of 49 programs responding to an ASHP study, 63% receive less than $150,000 per site, with no one facility receiving more than $750,000. From the survey results, ASHP estimates that these facilities would eliminate 105 (28%) of their 380 positions. This is 10% of the 1,080 pharmacists who will be graduating from residency programs this year.

“This significant reduction in pharmacy residency graduates, coupled with the estimated reduction in future residency programs, will be devastating in terms of maintaining quality health care for Medicare beneficiaries and other patients in acute care settings, as hospitals are already facing a workforce shortage of qualified pharmacists,” explains Dr. Manasse.

Think of the 49 sites in the ASHP survey that are receiving $7.7 million. It sounds like a lot of money, of course, and it is. But think of the Medicare patients cycling through those sites in a year, the total of Medicare’s spending on those patients, and the extent to which that spending might be reduced if hospital stays were shortened or prevented because of the absence of alert, better-educated pharmacists. Although it is indisputable that hospitals do not demand that all starting pharmacists complete hospital residency programs, many hospitals do require residency training for some positions—probably for an increasing number of positions.

Another ASHP survey was sent to 231 pharmacy directors of hospitals that have postgraduate pharmacy residency programs. Of the 117 respondents who answered the question “What percentage of your organization’s pharmacy positions requires residency training?”, the most common answer (17.9%) was 21% to 30%. At Johns Hopkins Hospital, for example, 25% to 30% of the 112 pharmacist positions require completion of a residency. The ASHP survey indicates, however, that 11.1% of the responding pharmacy directors say that their institutions require residencies for 41% to 50% of their pharmacist positions and 9.4% of the respondents say that 76% to 100% of their pharmacist positions require residencies.

Since 1999 and the publication of the seminal Institute of Medicine report on rampant medical errors in hospitals, the federal government has been on a mission to reduce medication errors in hospitals. Pharmacists are the front-line warriors. Why wouldn’t Medicare want to help them sharpen their lances?