Pharmacists Try to Reverse CMS Refusal to Fund Second-Year Training for Residents

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It seems paradoxical that the federal agency that administers Medicare would refuse to fund advanced pharmacist clinical education less than a year before the new Medicare drug benefit goes into effect, but that is the position of the Centers for Medicare & Medicaid Services (CMS). Once again, the agency is saying—by virtue of its silence—that it will not kick in money for second-year hospital pharmacy residency programs in areas such as oncology, primary care, geriatrics, and infectious diseases, to name a few possibilities.

In the proposed rule that it issued on May 4, 2005, which concerned hospital in-patient payments for 2006, the agency ignored data and pleas from the American Society of Health-System Pharmacists (ASHP). The CMS had been contributing $8 million for these programs as recently as 2003. At that point, the agency abruptly stopped those payments, although it continues to give hospitals contributions for first-year residency programs.

The CMS stopped the second-year funding because it thought that hospitals, in the main, did not need to complete the programs as a prerequisite for hiring a pharmacist in a specialty position; it wasn’t the “industry norm,” the CMS argued. CMS defined industry norm to mean more than 50% of hospitals in a “random, statistically valid sample.”

The ASHP provided data to the CMS in an attempt to disprove the agency’s contention as recently as March 2005. From the results of a 2004 ASHP survey, 82% of hospitals that employed clinical pharmacy specialists required specialized pharmacy residency training for those practitioners. Among these hospitals, nearly 20% do not fill a specialized clinical pharmacy position with someone who has not completed such a residency. The remainder do so only if a specially-residency–trained candidate is not available.

Gary Stein, Director of Federal Regulatory Affairs for the ASHP, says that his organization has repeatedly asked to meet with CMS officials, but he has been turned down time after time.

Specialty-trained pharmacists will be needed more than ever after the Part D Medicare drug benefit is launched in January 2006 and the prescription drug plans implement medication therapy management programs. The final rule implementing Part D recognized the importance of clinical decision-making on the part of pharmacists who provide drug-management services and those who serve on the prescription drug plan’s (PDP’s) P&T committee. Medicare beneficiaries will certainly need the services of more, rather than fewer, specialty-trained pharmacists.

There is another reason—one not mentioned by the ASHP—why the CMS is being shortsighted. Since 2003, the prospective payment system (PPS) for acute-care hospitals has included a feature whereby hospitals receive higher donations if they voluntarily report data on 10 quality measures. In the proposed rule published by the CMS on May 4 (when it refused to respond to the ASHP’s pleas), the agency said that hospitals reporting these quality data in 2006 will receive an increase in contributions by an average of 3.2%. However, hospitals that decline to provide the quality data will receive an average increase of only 2.8%. The 0.4 percentage point difference might not seem like much, but it can translate into a lot of money when hospital PPS funds for a given year total millions and millions of dollars.

The quality indicators relate to care of patients entering the hospital after having a heart attack, heart failure, and pneumonia. In all three instances, there are measures related to whether a patient received a drug—and the correct drug, at that—at the right time. The physician is the major decision-maker here, of course. However, it is easy to argue that more highly trained hospital pharmacists would also have a major impact on the quality of care that patients receive, not just in those three areas and not just according to those 10 measures.

“This [$8 million for second-year pharmacy residencies] is minimal as compared to the more than $8 billion allocated for post-graduate medical education in the Medicare Program,” says Henri R. Manasse, Jr., ScD, PhD, ASHP Executive Vice President and Chief Executive Officer.

“Pharmacy specialty residency training costs [a fraction of] what is spent for similar training for physicians. The value of this training cannot be overstated. It is an absolute necessity for providing the best care to patients.”