To the Editor:

I read with great interest “Filling a Void” by Mike Mahoney and Mike Bishop (Best’s Review, May 2011). The authors raise excellent points regarding the talent crisis affecting not only claims, as they correctly note, but other functions in the property-casualty insurance industry. I would like to expand on two points raised for addressing this talent crisis: “hire well” and “embed longevity.”

If insurance organizations are to truly “hire well,” they must attract high-quality people. Professional development and career paths are two methods attractive to high-potential hires. These methods succeed when professional development is deployed in a strategic manner—that is to say, professional development efforts must be directly tied to organizational goals for maximum impact for both the potential hire and for the organization. For example, a common insurer goal is improving customer service and reducing costs by settling claims quickly and efficiently. There are certain technical job competencies (technical knowledge, skills and behaviors) essential to achieving that goal, including correctly analyzing a policy form, employing proper investigation techniques and so forth.

High potentials like to know what is expected of them. Periodically assessing an employee’s knowledge against a proven set of technical job competencies allows the person and the company to understand the current state and deliver the professional development needed to bring knowledge, skills and behaviors into line.

Another key point to solving the talent crisis is “embed longevity.” Too often, succession planning is limited to upper-level executives—which leaves firms
vulnerable when key people with institutional knowledge depart. For an organization to remain financially healthy and prepared for the challenges presented by an unpredictable and potentially volatile marketplace, succession planning must occur at every level of the organization.

An effective way to embed longevity into this process is to link any prescribed professional development (courses, designation programs and so forth) to the employee’s annual objectives. All too often, organizations fail to link professional development to employee goals and miss the opportunity to provide employees with a clear path to success. Properly executed, professional development prepares employees for the future. Moreover, this type of holistic succession planning carries the additional benefit of improving retention rates by increasing employee engagement in the organization.

Professional development tied to organizational and individual goals provides an effective path for succession planning and achieving overall company goals. Firms with holistic professional development and succession planning have a competitive advantage in retaining and attracting talent.

Sincerely,

Anita Z. Bourke, CPCU, AINS
Executive Vice President
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To the Editor,

The National Community Pharmacists Association (NCPA) agrees that increasing the appropriate use of generic drugs is the most effective means for health plans to achieve pharmacy savings (“Savings in a Bottle,” and sidebar “Mail Call,” February 2011), but we take issue with the assertion that mail order pharmacies are major contributors to cost savings.

While major pharmacy benefit managers (PBMs) may claim that PBM-owned mail order facilities increase generics utilization, the facts seemingly dispute this conclusion. Based on data from the SEC Form 10-K reports of the “Big Three” PBMs — CVS Caremark, Express Scripts and Medco Health Solutions — from 2007 through the first nine months of 2010, the Generic Dispensing Rate (GDR) for their mail pharmacies lag significantly behind those achieved by community pharmacies, with the discrepancies ranging from 10.3% to 12.8%. Quite simply, this means PBM-owned mail order pharmacies dispense fewer generics and more expensive brand-name drugs than retail pharmacies do, thereby driving up costs for plans and patients.

At play here is the profit influence of brand drug rebates at PBM-owned mail pharmacies — a clear conflict-of-interest for an entity charged with acting in the employer’s best interest. Any discussion of PBM practices or initiatives should mention...
transparency. In Managed Care Magazine, expert Linda Cahn argues that PBMs even reap huge brand drug rebates on generics by manipulating drug definitions. PBMs retain a greater share of generic savings than they should through practices such as “spread” pricing — paying the pharmacies a lower price while charging the health plan a higher price.

Your readers should also know that mail order pharmacies don’t necessarily increase medication adherence, or patients taking their medications as directed. Simply put, there is no substituting the face-to-face interaction and counseling provided by community pharmacies. All too often, PBMs conflate increased Medication Possession Rates (MRP) with actual increased adherence. In fact, studies have found a variety of reasons for nonadherence and concluded that the mere possession of medication was just one factor.

Additionally, studies have noted that mail order programs can result in 3.3 to 3.5 times more medication waste than at a retail pharmacy – further eroding the perception of mail order “savings.”

When it comes to mail order, it must be noted that cost shifting is not the same as cost savings. When dispensing fees or co-pays are reduced or waived the health plan is forced to fill the gap. In other words, some of the perceived savings on the front end of the process don’t materialize on the back end. In contrast to impersonal mail order pharmacies, community pharmacies are providing expert medication counseling and other cost-saving services that help mitigate, according to NEHI, the estimated $290 billion that’s wasted annually as a result of patient nonadherence and medical errors.

Community pharmacists are vital to promoting the proper use of medication and maximizing appropriate generic drug utilization — a winning, cost-saving strategy for plans, employers and patients.

Sincerely,

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