

Restore Funding For Specialized Pharmacy Residencies

ASHP Urges Congress to:

- **Restore the \$7 million Medicare funding level of postgraduate year two specialized residency programs**, a key element in post-graduate training for pharmacists serving patients with acute or chronic illness.
- **Support ASHP draft legislation** that would restore funding for these critical programs.

Background:

In fiscal year 2004, the Centers for Medicare and Medicaid Services (CMS) eliminated funding for second-year, specialized pharmacy residency programs as part of its Hospital Inpatient Prospective Payment System (HIPPS) rate setting rule. A second-year specialty residency provides training in a focused area of pharmacy practice.

- At the time, CMS left the door open for future funding of these programs if hospitals could demonstrate that completion of second-year, specialized residencies before beginning work in these specialties met the definition of “industry norm.” CMS defined “industry norm” to “mean that more than 50 percent of hospitals in a random, statistically valid sample require the completion of a particular training program before an individual may be employed in a specialty.”
- ASHP submitted survey data in July 2004 that showed 82 percent of hospitals that employ clinical pharmacy specialists have a preference that candidates complete a PGY2 residency program. Further, the industry norm set by CMS presents an insurmountable problem due to the lack of supply of specialty-trained pharmacists.
- In July 2008, ASHP conducted another survey of its membership and found that roughly 80 percent of hospitals that employ clinical pharmacy specialists

prefer or require this training. Additionally, 80 percent of respondents stated that if there were an adequate supply of specialized residency trained pharmacists, they would require this training before filling clinical pharmacist positions.

- ASHP is seeking to restore the \$7 million funding level under the Medicare pass through payment system for Graduate Medical Education (GME). This \$7 million represents an excellent investment in preparing and training pharmacists for vital patient-care services in the future.
- The Veterans Health Administration, Public Health Service, and the Department of Defense provide funding for their specialized pharmacy residency programs.

Second-year, specialized pharmacy residency programs are vital to our healthcare delivery system. The lack of federal funding for these programs has already brought about a reduction in the number of institutions providing specialized residency training. The long-term impact of CMS’s decision will be a significant reduction in the number of qualified clinical pharmacists and pharmacy practice leaders needed to ensure appropriate management of high-risk medication therapy in hospitals.

Case Study

Specialty residencies provide pharmacists with training that enables them to take on direct patient care activities, including participating on patient rounds, monitoring patient responses to their medicines, and preventing undesired drug interactions. Their involvement not only provides improved patient outcomes, it also can result in reduced costs for their institutions.

In a study published in the *American Journal of Health-System Pharmacy*, an intensive care unit clinical pharmacist saved a hospital as much as \$280,000 over a 4.5 month period by preventing potential ad-

verse drug events (ADEs) and reducing costs. The pharmacist, who had completed both a general residency and a specialized residency in critical care pharmacy practice conducted patient care rounds, chart reviews, and other interventions.

During the study period, 129 interventions were recorded, with 126 of those accepted. Sixteen of the interventions were initiated by health care professionals, other than the ICU pharmacist clinical pharmacist, soliciting information. The remaining 113 interventions were initiated by the ICU clinical pharmacist.

“According to our results, the total cost to the institution over a 4.5 month period without the ICU pharmacist would have been \$209,000-\$280,000.”¹ Of this amount, \$205,919-\$280,421 was attributed to preventing potential costs by

avoiding ADEs. Another 12 interventions individually reduced costs from a range of \$10 to more than \$1,000 per intervention.

How Congress Can Help

- **Congress can restore funding for second-year residency programs** aimed at providing vital post-graduate training for pharmacists serving our nations’ most vulnerable citizens.
- **Co-sponsor ASHP’s draft legislation that would restore funding for postgraduate year two residency programs.** ASHP is seeking to restore the \$7 million funding level under the Medicare pass through payment system for medical education programs.

1 Kopp BJ, Mrson M, Erstad BL, and Duby JJ Cost Implications of and potential adverse events prevented by interventions of a critical care pharmacist. Am J Health-Syst Pharm. 2007; 64:2483-2487.