



The Competitive Marketplace¹

The Academy of Managed Care Pharmacy (AMCP) believes that a health care delivery system that is based upon an open and competitive marketplace will provide greater value to patients and payers than a system that is one-size-fits-all and relies on centralized governmental controls and regulatory mandates. Operating within a competitive marketplace environment, managed care organizations have been able to design effective health benefits programs that meet the needs of their patient populations. AMCP recognizes that federal and state laws play a role in assuring equal access, non-discrimination, due process and fairness and also can aid in the prevention of fraud, waste and abuse. However, the government can monitor and enforce against anticompetitive conduct while establishing market rules to promote, rather than deter, competition.

A competitive marketplace will allow the following:

- **More choices** – A competitive marketplace allows a patient to choose the coverage and cost solution that best suits his or her needs. Not all patients require, want, or are willing to pay for unlimited access to treatment. For example, a patient may choose to become a member of a health maintenance organization (HMO) with a designated provider network offering a lower monthly premium and cost-sharing structure than a preferred provider organization (PPO) with a larger provider network, but a more expensive monthly premium and cost-sharing structure.
- **Better quality of care – Patient demand for quality has led to improved quality standards.** Quality improvement measures provide added incentives for health plans to invest in programs designed to improve patient outcomes. This often leads to a higher quality of care across all health plans.
- **New Tools for Patient Service and Access** - Competition has also resulted in health plans and pharmacy benefit managers (PBMs) developing new utilization management and clinical evaluation tools and strategies, such as tiered co-payments, prior authorization, step therapy programs and mail order services. These tools help minimize misuse and inappropriate use of medications, reduce overall prescription drug spending and promote the affordability of benefits.

Through innovative and integrated strategies that focus on patient education, quality assurance and drug utilization management, managed care pharmacy has been able to deliver a pharmacy benefit that is clinically sound, accessible and affordable. AMCP will continue to work closely with government officials, agencies and other payers to constantly refine the services and products sought through pharmacy benefits.

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The Academy of Managed Care Pharmacy (AMCP) is a national professional association of pharmacists and other health care practitioners who serve society by the application of sound medication management principles and strategies to assist patients in achieving positive therapeutic outcomes. The Academy's 6,000 members develop and provide a diversified range of clinical, educational and business management services and strategies on behalf of the more than 200 million Americans covered by a managed care pharmacy benefit. More news and information about AMCP can be obtained on its website, at www.amcp.org.

¹ See also AMCP's Where We Stand on the Competitive Marketplace, available online at: <http://www.amcp.org/Tertiary.aspx?id=8731>