



Strategies to Reduce Pharmacy Claims Denials

Pharmacy OneSource Webinar

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Corporate Pharmacy

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Objectives

- Describe steps taken to create pharmacist position at System Business Office
- Offer strategies to reduce pharmacy claims denials

Agenda

- Creation of position
- Challenges in managing pharmacy claims
- Actionable steps to reduce denials
- Pharmacy revenue recruitment examples

Background

- Corporate Pharmacy was informally notified of rejections on ESAs
- Appeal packets created
- Denials successfully reversed
- Need for dedicated individual to manage medication-related denials

SBHCS Journey to Rx FTE*

2008

Q4 2008

Q1 2009

ESA
Denial
Reversal

Business
Plan/
Assess
Needs

Engage
C-Suite





Saint Barnabas Health Care System



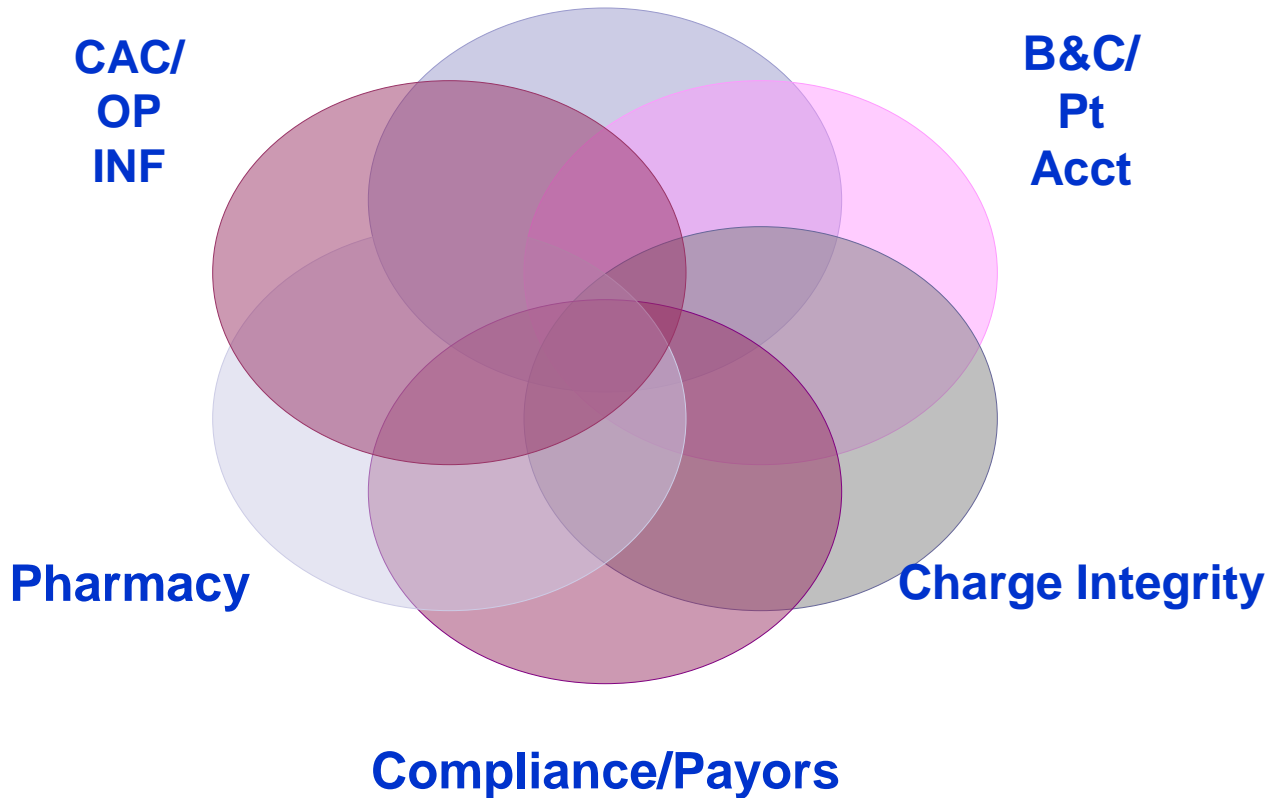
- 6 acute-care facilities
- 5 pharmacy clinical systems
- 2 patient accounting programs
- 6 pharmacy CDMs

Challenges

- Multiple systems to learn at once
 - Billing
 - Patient Accounting
 - Pharmacy CDM
 - Contracting software
- Identifying denials
 - Lacking drug-specific data

Laying Down the Foundation

Drug Revenue Mgmt



CAC: Cancer Center; OP INF: Outpatient Infusion Center; B&C: Billing & Collections; Pt Acct: Patient Accounting

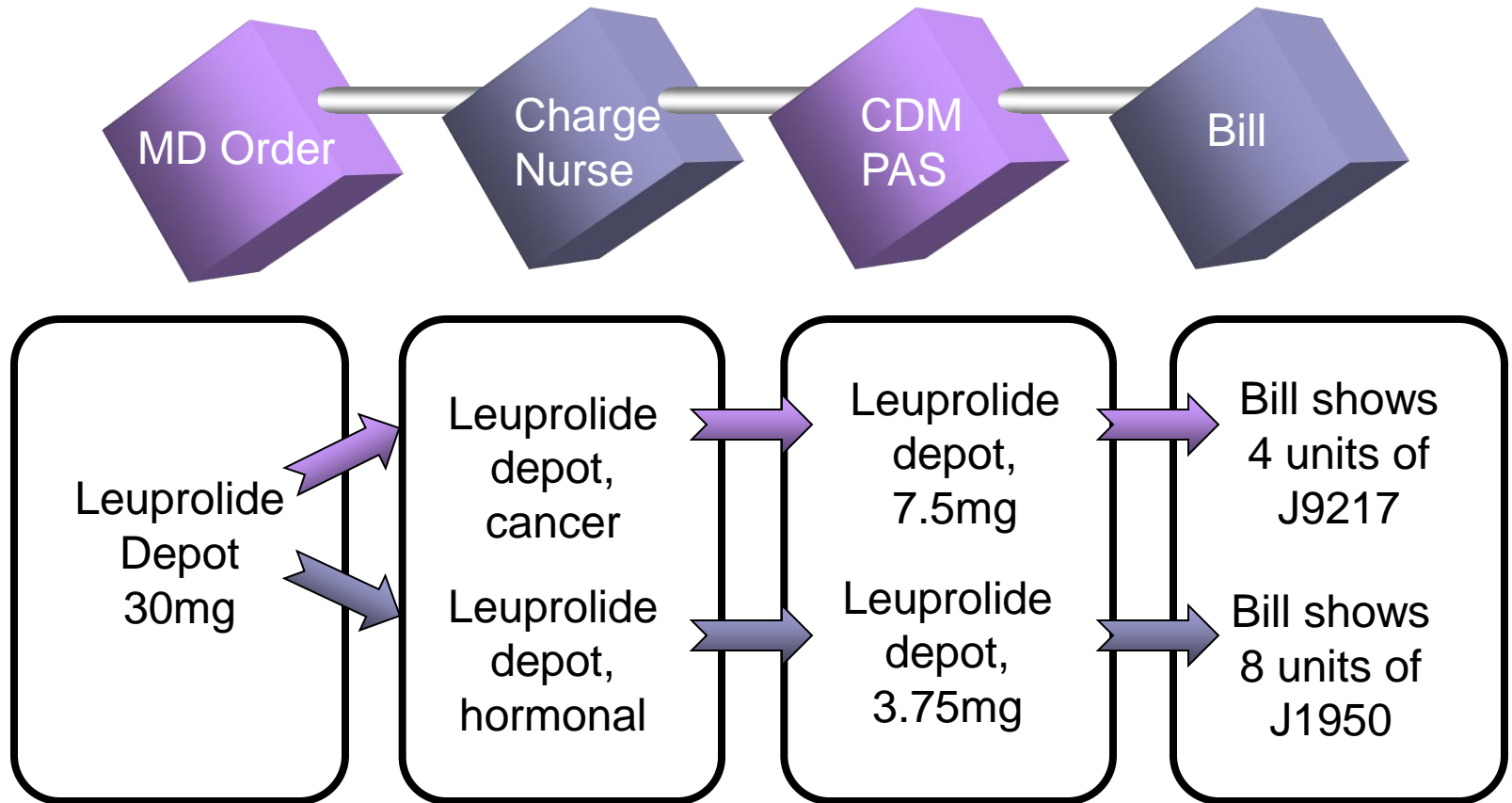
Leuprolide Depot – same active ingredient, but it stops here

J-code	Billing Unit	Rate *
J1950	3.75 mg	\$515.53
J9217	7.5 mg	\$204.29

Payor guidelines reimburse by diagnosis

*Rates effective 10/1/2010

Actionable Steps



CDM: Charge Description Master
PAS: Patient Accounting System

Reasons for Drug Denials

- **National Coverage Determination (NCD)**
 - 100 active NCDs
 - Leuprolide depot, ESAs
- Local Coverage Determination (LCD)
- Off-Label
- Drug-Dx Mismatch
- Same Active Ingredient; Wrong J-code

Reasons for Drug Denials

- National Coverage Determination (NCD)
- **Local Coverage Determination (LCD)**
 - Specific to your geography
 - Leuprolide depot and ESAs
- Off-Label
- Drug-Dx Mismatch
- Same Active Ingredient; Wrong J-code

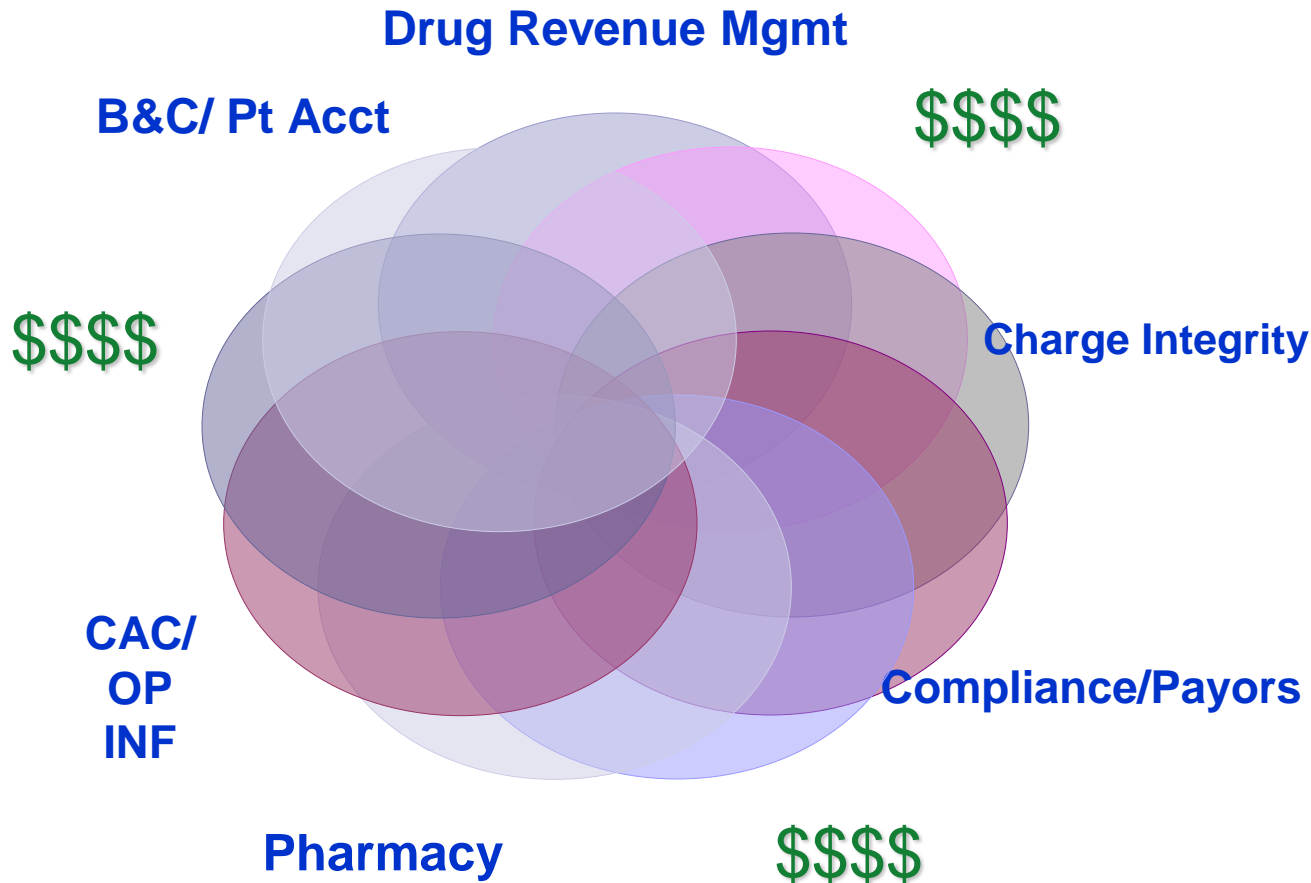
Reasons for Drug Denials

- National Coverage Determination (NCD)
- Local Coverage Determination (LCD)
- **Off-Label**
 - **Partial denial for Octreotide 50mg injection**
- Drug-Dx Mismatch
- Same Active Ingredient; Wrong J-code

Reasons for Drug Denials

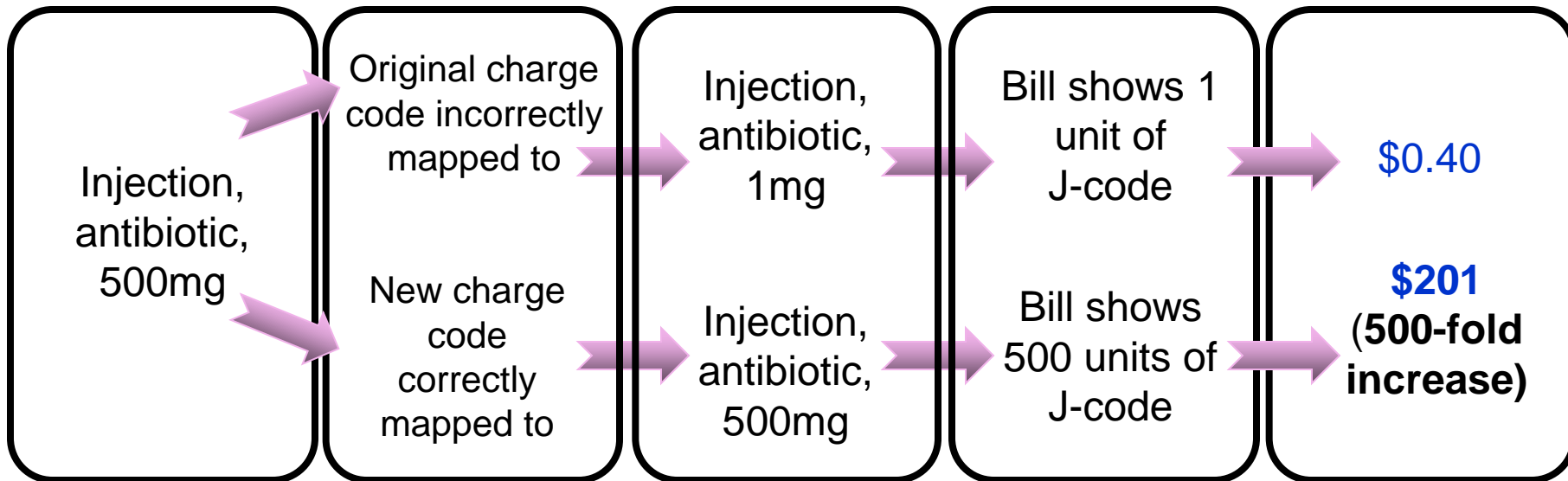
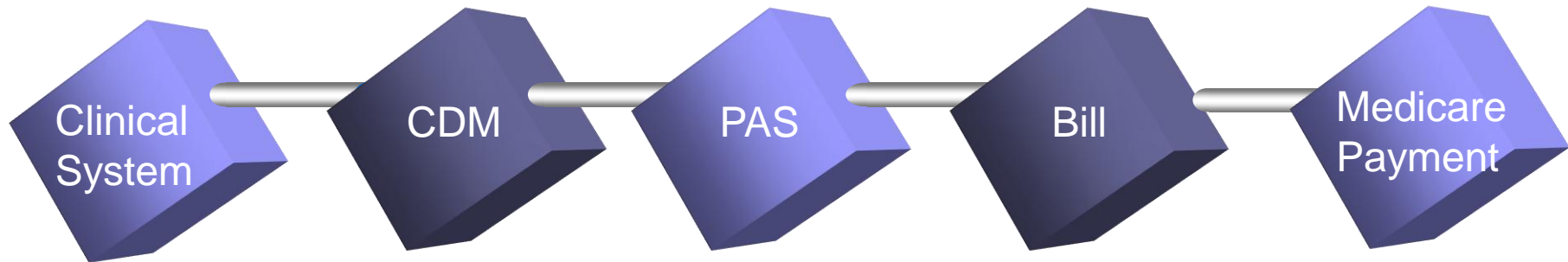
- National Coverage Determination (NCD)
- Local Coverage Determination (LCD)
- Off-Label
- **Drug-Dx Mismatch**
 - **Commercial insurers' coverage guidelines**
- Same Active Ingredient; Wrong J-code

\$uccess through TEAMWORK

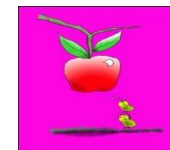


CAC: Cancer Center; OP INF: Outpatient Infusion Center; B&C: Billing & Collections; Pt Acct: Patient Accounting

Coding Discrepancy



CDM: Charge Description Master
PAS: Patient Accounting System



Infliximab ADR

- Medicare Additional Development Request (ADR) for infliximab
 - History and progress notes required to be submitted
 - Use (current or prior) and response to methotrexate
- Actionable Step: obtain necessary information prior to scheduling of infusion

2011 Vaccine Coding Updates

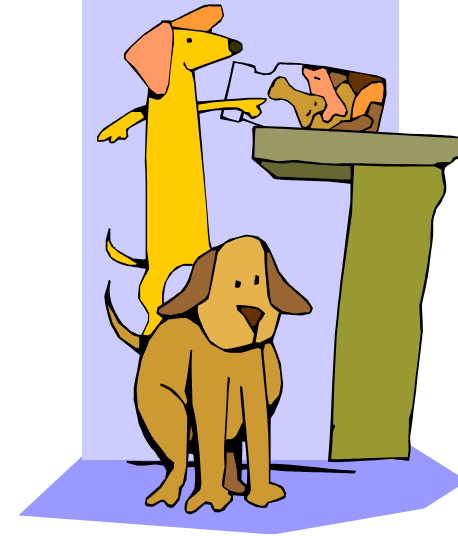
2010-2011 Seasonal Flu News

H1N1 will be included in the seasonal flu formulation

- New Q-codes - multi-dose flu vaccine vials
- CPT 90658 will be deleted
- Preservative-free flu vaccines: 90655, 90656, 90662

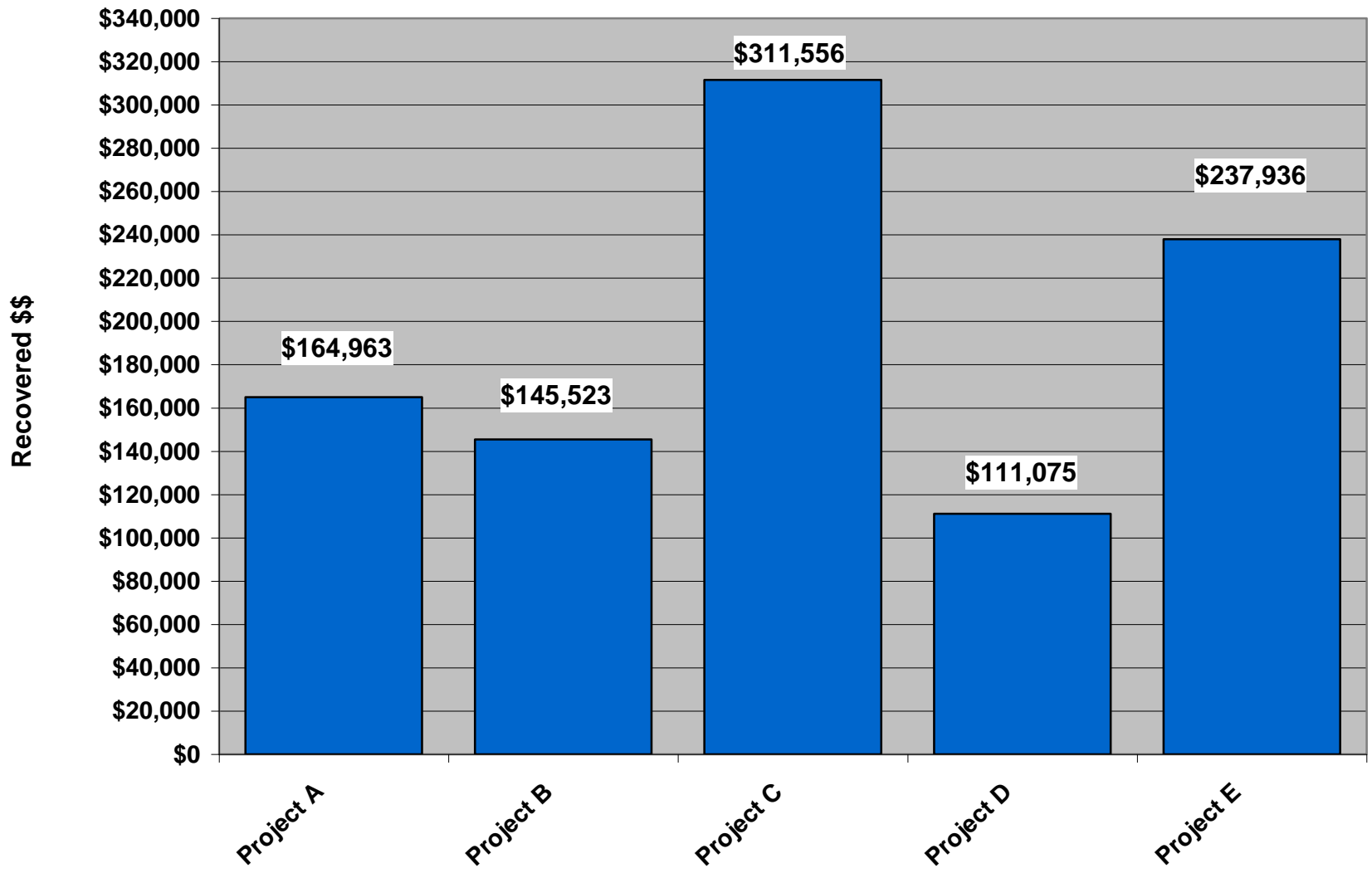


Lessons Learned



BUDGET Bold Debt payments		Income 1	Income 2	yearly	est payoff date	without debt	Annual	January	February	March	April
1	Monthly	Monthly	Monthly								
2	Net Income	\$1,675.00	\$1,675.00	\$35,400.00							
3	TITHING	\$50.00			\$1,200.00	\$0.00	\$1,200.00	\$0.00			
4	401K (Retirement)	\$100.00			\$2,100.00	\$0.00	\$2,100.00	\$0.00			
5	Savings	\$187.50			\$3,549.00	\$0.00	\$3,549.00	\$0.00			
6	Other Charitable	\$10.00			\$240.00	\$0.00	\$240.00	\$0.00			
7	Mortgage / Rent	\$450.00		\$5,400.00	\$0.00	\$0.00					
8	2nd Mortgage / Rent		\$350.00	\$4,200.00	\$0.00	\$0.00					
9	Property Tax			\$0.00	\$0.00	\$0.00					
10	Mortgage / Rent			\$0.00	\$0.00	\$0.00					
11	Insurance	\$15.00		\$180.00	\$0.00	\$0.00	\$180.00	\$0.00			
12	Credit Card 1	\$25.00		\$300.00	\$0.00	\$0.00	\$300.00	\$0.00			
13	Credit Card 2	\$40.00		\$480.00	\$0.00	\$0.00	\$480.00	\$0.00			
14	Car 1	\$150.00		\$1,800.00	\$0.00	\$0.00	\$1,800.00	\$0.00			
15	Car 2		\$75.00	\$900.00	\$0.00	\$0.00	\$900.00	\$0.00			
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Q4 2010 Pharmacy Revenue Projects Update



Coding and Reimbursement Resources

- CMS website: www.cms.gov
- Highmark Medicare Services website: www.highmarkmedicare.services.com
- CPT/HCPCS Manual
- CPT Assistant
- Manufacturer websites



Thank You!