Strategies to Reduce Pharmacy Claims Denials

Pharmacy OneSource Webinar

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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**: ESA Denial Reversal
- **Q4 2008**: Business Plan/Assess Needs
- **Q1 2009**: Engage C-Suite

*Position filled in Q2 2009*
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/OP INF

B&C/ Pt Acct

Pharmacy

Charge Integrity

Compliance/Payors

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

<table>
<thead>
<tr>
<th>J-code</th>
<th>Billing Unit</th>
<th>Rate *</th>
</tr>
</thead>
<tbody>
<tr>
<td>J1950</td>
<td>3.75 mg</td>
<td>$515.53</td>
</tr>
<tr>
<td>J9217</td>
<td>7.5 mg</td>
<td>$204.29</td>
</tr>
</tbody>
</table>

*Payor guidelines reimburse by diagnosis

* Rates effective 10/1/2010
Actionable Steps

MD Order → Charge Nurse → CDM PAS → Bill

Leuprolide Depot 30mg

Leuprolide depot, cancer
Leuprolide depot, hormonal

Leuprolide depot, 7.5mg
Leuprolide depot, 3.75mg

Bill shows 4 units of J9217
Bill shows 8 units of J1950

CDM: Charge Description Master
PAS: Patient Accounting System

SAINT BARNABAS
HEALTH CARE SYSTEM
Clinical Pharmacy Collaborative Network
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

Drug Revenue Mgmt

B&C/ Pt Acct

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Coding Discrepancy

Clinical System → CDM → PAS → Bill → Medicare Payment

- **Injection, antibiotic, 500mg**
- Original charge code incorrectly mapped to **Injection, antibiotic, 1mg**
- New charge code correctly mapped to **Injection, antibiotic, 500mg**
- Bill shows 1 unit of J-code
- **Bill shows 500 units of J-code**
- **$0.40**
- **$201 (500-fold increase)**

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
Coding and Reimbursement Resources

- Highmark Medicare Services website: [www.highmarkmedicareservices.com](http://www.highmarkmedicareservices.com)
- CPT/HCPCS Manual
- CPT Assistant
- Manufacturer websites
Thank You!