Seeking Sustainability: Finding Alternate Revenue Streams in Community Pharmacy

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Disclosures

The planners and presenters of this presentation have disclosed no conflict of interest, including no relevant financial relationships with any commercial interests pertaining to this topic.
Goals for Today

Plan for today
Objectives

1. Explain factors influencing usual revenue streams and list barriers to adopting traditional medical reimbursement in the community pharmacy setting

2. Evaluate opportunities for incorporation of alternative revenue models within the current community pharmacy structure

3. Develop a plan and timeline for roll-out of a service that capitalizes on an alternative revenue stream
An important point to note

- **Goal**: Come to a deeper understanding of motivating factors for major entities affecting outpatient community practice

- **Not a goal**: ‘Bash’ or bring down one particular group or entity within healthcare marketplace
Knowledge Check

Check-mark the terms you feel comfortable with
Setting the Stage

OBRA ’90
- Patient counseling requirements
- Maintaining patient records
- Some product reimbursement provisions
- Unfunded mandate

MMA 2003
- Part D (privatized system)
- MTM plans administered by pharmacy drug space
  - Part D side not exposed to risk from Part A/B
  - DISCONNECT
- Unfunded mandate
- Set stage for STAR ratings
Plan

PBM

Pharmacy

Member
Pre-spread pricing

• Alignment between Pharmacy Benefit and pharmacies: Save plan money
  • Brand-to-generic switches
  • Pill splitting incentives
  • Therapeutic Interchange
The prices change frequently and can vary widely.
Pharmacies operating on thinner and thinner margins

US health spending is much greater for all categories of care, particularly for ambulatory care and administration cost

2010 (or latest year available)

Note: Health spending excludes investments. The percentages in the US bar indicate how much more the US spends per category compared with the average of the five other OECD countries. Source: OECD Health Data 2012.
Plan → PBM → Pharmacy → Member

Vs.

Plan (PPPs) → (Services) → Pharmacy → Member

Plan (Dispensing) → PBM → (Dispensing)
Important Announcement

Cost-fixing vs. Educational endeavor
Diversification opportunities

- Front-end
- Medical Billing
- Cash-pay clinical services
- Collaboration with other healthcare providers
- Different dispensing
Diversification opportunities

- Medical Billing
- Cash-pay clinical services
- Collaboration with other healthcare providers
Bill medical benefit directly

- E/M (E&M) billing
  - Evaluation and management
  - 99213 (Level 3)
    - Expanded problem-focused history
    - Expanded problem-focused examination
    - Medical decision-making, low complexity

- Claim submitted to medical insurance manually (CMS-1500) or electronically (requires standard-compliant software: X12)
Bill medical benefit directly

- Must have recognized authority to bill
  - Credentialing
  - Billable Provider
- Pharmacists are not recognized providers in Idaho under the medical benefit
- Steps to prepare:
  - Problem-based documentation
  - Credentialing with medical insurers
  - Advocate at State level
DSMES

- Diabetes self-management education and support
  - ADA or AADE accredited
  - Individual screen then group classes
  - Submit claims to Medicare (and potentially other insurances) for reimbursement
Diversification opportunities

- Medical Billing
- Cash-pay clinical services
- Collaboration with other healthcare providers
Cash-pay Clinical Services

- Screenings
  - Blood pressure/diabetes/asthma Club
    - Monthly ‘dues’
    - Coaching and goal setting
    - ‘Test all you want’ or capped visits
  - Biometrics (BMI, Cholesterol, BP, glucose)

- Prevention
  - Tobacco Cessation
  - Fall risk

- Protocol-based prescribing for self-limited conditions
Cash-pay Clinical Services

• Consider
  • Cost to the pharmacy
    • Space
    • Equipment/supplies
    • Technician time
    • Pharmacist time
    • Marketing
  • Cost to the patient
• Health Savings Account charge
Take a moment to brainstorm potential cash-pay services that are realistic
Diversification opportunities

- Medical Billing
- Cash-pay clinical services
- Collaboration with other healthcare providers
Accountable Pharmacy Organizations

• Community Pharmacy Enhanced Services Network of Idaho (CPESN-ID)

• Direct contract with medical insurance

Used with permission from CPESN
Interprofessional Collaboration: Partner with billable provider

- Incident-to provider billing
  - ‘Extender’ of provider
  - Location requirement
  - E/M level 1

- Co-visits
  - E/M upcoding
  - Annual Wellness Visits
  - Location requirement

- Chronic Care Management (CCM codes)
  - Patient accountability
  - Extender of clinic service

- Transitions of Care (TCM codes)
  - Collaboration with inpatient and outpatient
  - Extender of provider/clinic
Interprofessional Collaboration

- Accountable Care Organizations
  - 40 million lives covered by 1000 ACOs
  - At risk for total cost of care
  - Have clinical outcomes metrics
    - Prevention
    - Disease state control
- Patient Satisfaction

- Potential collaborations that benefit ACO, pharmacy, patients, public health
Take a moment to brainstorm: How might YOU partner with other professionals?

Try to be specific with your timeline
Key Takeaways

• Opportunities for diversification of revenue streams exist today
• Future opportunities are on the horizon to prepare for
• Partnerships with other clinicians can benefit patients, pharmacy bottom line, and other clinicians
Thank you for your time and attention!