

# Pharmacy Benefit News

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## Specialty Spotlight

### Specialty – Coding Units Or How Much Did The Patient Receive?

We are often asked how to address the “quantity problem” in specialty medication claims through the medical channel. To answer the question we first need to know the problem. Medical claims have strict rules delineated in the CMS 1500, UB94 and 837 electronic claims submissions, but these rules are often violated. The biggest problem is with the quantity of the service delivered, essentially the dose administered for medications. The problem arises because medications are packaged one way, but the J Codes (also A, B, C, J, Q, S, CPT) are listed as units of doses or proxies of doses. Medical billers frequently use packaged quantities or total milligrams in the medication package, rather than multiples of the J Code units. This problem is magnified when the package size is not provided in the claim.

There are multiple options to solve the quantity problem. The most obvious solution is to follow the coding rules. The second most obvious solution is to require the NDC of the medication dispensed or administered. (Medicare and Medicaid require NDCs.) However, the NDC provides the drug, strength and package size, but it does not provide the number of J Code units in the pack. The number of mg or ml in a package is not the same as the J Code unit, and as a result, the unit costs are not the same. This provides a problem in comparing costs with ASP, AAC, NADAC, WAC, MAC or any other unit cost. Conversion factors must be used to solve this problem. These conversion factors are not commonly provided in national drug databases, but there are databases that do provide this information. (Disclaimer: Pro Pharma markets such a database known as J Code Calculator™, which allows access to a JCode unit price at AWP, ASP, or WAC without calculation.)

At the end of the day, the same units must be used in both pharmacy and medical claims to ensure compliance with claims submission rules and to allow for comparisons of costs across channels.

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## Health Goes High Tech – At Least The Apps Do

Several publications including the AARP Bulletin (April 2015) have written about different apps for people to use to improve their health. A short listing of options is included below. What isn't discussed is whether people are using these options over time, or are they "one hit wonders"? Clearly, Silicon Valley sees opportunities to improve care that may be more dynamic and broad based than the industry itself sees.

<u>CATEGORY</u>	<u>APPS</u>	<u>FOR</u>	<u>COMMENTS</u>
General Health	MedCoach, OnTrack Diabetes	Chronic conditions, Rx management	Uncertain how accurate are their findings
Medical Portals	Patient Fusion, MyChart	Tracking care	Lab and test results may not be useful without professional interpretation
Home Disease Testing	Withings Wireless Blood Pressure Monitor, AliveCor Heart Monitor, CareSmarts	Monitor hypertension, diabetes, asthma, heart failure	Expensive
Crowdsourcing	CrowdMed, PatientsLikeMe	Exploring treatment options for hard to diagnose cases	Get other opinions
Stroke	Telestroke	Stroke diagnosis	Available in hospitals, but the technology must be accessed within a few hours
Fitness	FitBit Flex, Jawbone, Nike+FuelBand	Track diet, exercise, injury and rehabilitaiton	After 6 months, 1/3 of users have stopped using
Virtual Doctors	MDLIVE, AppVisit, Doctor on Demand	Appointments on demand	Possibly great option, but pressure to overtreat
Virtual Counseling	VA Telehealth Services, Virtual Therapy Connect, Breakthrough Behavioral	Mental illness and PTSD	Incorporated into many plans
Videoconferencing	HRSA website	Specialists for rural patients	Good for diagnosis, but broken bones need hands-on treatment

## Increases In Medical Cost Are Driven By More Than Price

Medical care, including medication therapy, is targeted to achieving multiple goals at the same time –

1. A maximum therapeutic benefit
2. At a minimum acceptable risk
3. At an affordable cost

To manage the care and achieve all of these goals requires not just price management, but also utilization management. Traditionally, utilization was a review process directed to appropriateness, setting and intensity of care in each setting. These reviews lead to a preapproval (i.e., pre-cert, prior authorization) process that delivered reductions in the number of hospital stays as well as the duration of these stays. But every case does not require review or preapproval. In low severity cases and medications, the cost of review outweighs the benefits of these reviews. As a result, it is critical that cases are prioritized, severity adjusted and triaged to the most beneficial setting and practitioner. Disease management was the result of this thinking, adopting tools to focus on high-risk and high-cost patients. The next step was wellness and preventative care.

The key element of the progress to managing a population is data and the appropriate evaluation of this data, i.e., data analytics. If we need to manage outliers for preapproval, and triage patients to lower risk options it is necessary to use data analytics to identify which patients and providers need to be micromanaged and those who do not. This is not merely a list of the high cost providers. It is also not something that can wait for weeks to identify the populations considered critical for oversight. **Analytics must be targeted, useful, and timely.**

We must always keep in mind that we are managing populations with multiple objectives, not just cost. Improved diagnosis and treatment, identification and management of risk, can lead to lower overall costs. The differentiator is in knowing where to place our resources.



## Quality Management Program™

Pro Pharma's Quality Management Program™ has been instrumental in controlling drug spend and trend by:

- Maintaining Drug Cost Trend to Low Single Digit Inflation
- Managing Utilization (number of scripts per patient/year)
- Minimizing Variance of Actual Budget
- Analysis of Channel Discounts

Prior experience illustrates that, implementation of the Pro Pharma Quality Management Program™ ensures below trend for our Clients within the first year.

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**Find out more →**

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Pro Pharma Pharmaceutical Consultants, Inc.  
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