PRO PHARMA
PHARMACEUTICAL CONSULTANTS, INC.

Pharmacy Benefit News

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01 | Commentary: Diabetic Treatment Plans Are Not Just About Drugs!

Prevention, diet, exercise, smoking cessation, weight loss and stress control are common recommendations for people to lead a healthier life. Diets that build (anabolic) rather than breakdown (catabolic) are a necessity in cancer, certain immune diseases, certain endocrine diseases, and diseases where stress is a factor.

Recently, "Medical Economics" (7/10/18) published a discussion of six ways to support diabetic patients. They include:

1. Eat like Tom Brady, quarterback for the New England Patriots – water, smoothies, fish, vegetables, turkey, chicken burgers, and salads
2. Tailor medication to patient needs – focus on daily or weekly medications
3. Assess patient distress level – connect people with support sources
4. Educate about appropriate exercise – ellipticals, bike riding, walking, and swimming
5. Facilitate family support – treat the disease as a family problem
6. Support people suffering from loneliness – match patients to volunteers

Clearly, diabetes is not the only disease that requires these supportive techniques. Of major import is that drugs are not a crutch and cannot be the only treatment. Drug treatments do better when they are administered in the context of healthy habits. This is a mandate for treatment of all disease not just diabetes.

Analytics At Work | JCode Calculator

Problem: A client requested help with converting Average Wholesale Price (AWP) discounts to ASP, WAC, NADAC, AMP and other bases of cost. The client was a provider who was receiving contracts from Health Plans, but did not know how to convert and verify the terms of the agreements for payment for Specialty Medication Pricing. For example, the Plan wanted to pay at ASP +20%, but the provider wanted to know what that meant in AWP-Discount as had been previously paid.

Methodology: Pro Pharma developed the conceptual framework and Pro Data Analytics provided the solution. An algorithm developed the conversion calculations and produced the results in tables that the provider could use for each Specialty Medication that was contracted. The provider was supplied fixed conversions from AWP-to-ASP and other bases of cost. The tables also included variable discounts so that the provider could calculate alternatives as the Plan offered alternatives.

Outcome: The provider achieved its ultimate goal of ensuring that contracted discounts resulted in the required profit margins. The provider also had a negotiation tool that allowed them to calculate costs vs. profits on various contracted discounts.

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02 | Commentary: Healthcare Is Local

"Healthcare is local" doesn't mean that disease type and treatment are local. It means that environment and risk factors are different with location. JAMA recently published a study by the Institute for Health Metrics and Evaluation at the University of Washington. The bottom line was that the historical pundits are right – health care is local.

The top 5 causes of death are still ischemic heart disease, lung cancer, COPD, Alzheimer's disease, colon and rectal cancer. Death rates fell from 745 per 100,000 in 1990 to 578 per 100,000 in 2016, but the probability of dying between the ages of 20 and 25 increased more than 10% between 1990 and 2016 in Wyoming, New Mexico, Oklahoma, Kentucky, and West Virginia. Why? Deaths per 100,000 people were worst in West Virginia (982) for drug use disorders, alcohol-related conditions (328) in New Mexico, and suicide (979) in Utah.

The average life expectancy in 2016 was the highest in Hawaii (81.3 years), and lowest (74.7 years) in Mississippi. The average life expectancy in 2016 was 78.9 years. What to do? You could always move. But seriously, while differences in health care have been commonly attributed to physician practice, clearly environmental issues take precedence. The advances in health care must be matched with advances in addiction, substance abuse including alcohol, and suicide. When we make prescriptions for the care of these environmental problems, we attack them the same as for disease. The prescription book needs to be expanded so that disease is not he only thing we treat.

JAMA. 2018;319(14):1444-1472. doi:10.1001/jama.2018.0158

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03 | Commentary: Blockchain Is Coming!

Blockchain is all the rage in programming, accounting, bitcoins, etc. It is new, and many are calling for it to be implemented in multiple circumstances. Blockchain has not yet arrived in healthcare, but there are compelling opportunities, e.g.,

pharmaceutical distribution, transparency in drug and healthcare service pricing, patient records, claims processing, and on, and on.

What is “blockchain”? Fundamentally it is a ledger of transactions where every transaction is recorded securely. Blockchain addresses the problem that people don’t trust one another. The solution is a verifiable, secure, transparent solution where all information is contained in a database that is accessible to registered users. The database is shared so that all participants can view transactions, and everyone can trust the results.

How can blockchain help claims processing, sharing patient records and coordination of care?

Claims processing: Blockchain is done in real time and does not require clearinghouses or middlemen. Claims are reconciled in real-time, so concurrent audits would not be necessary. Incorporating the blockchain technology into billing systems could make payments prompter and more accurate.
Sharing Patient Records: Currently, patient records lack interoperability due to separate information systems. What if physicians, nurses, or pharmacists want to view patient information from multiple sites, insures, and providers? An up-to-date record can be maintained by blockchain to allow for permissioned sharing of patient data in an end-to-end manner across all entities and stakeholders. The results are proof of work, a time-stamped audit of the transactions, and the base for payment.

Coordination of Care: Currently, referrals, oversight of patient care, and treatment is a time-consuming, paper driven, series of communications by email, phone, personal communications, etc. The system is very inefficient, excessively time-consuming, and results in high costs for multiple calls and inquiries. Blockchain removes the communication barriers, because all information is available in real-time for permissioned views. Blockchain smart contracts allow communications to be codified for all healthcare stakeholders with standard forms, referrals, and communications that are tracked throughout the patient’s experience. The result is an efficient end-to-end system that removes barriers, minimizes cost, and coordinates care.

Blockchain is not a panacea for all ills or deficiencies in the healthcare system. But it is a solution for much of the inefficiencies preventing value-based care. Fundamentally, every transaction carries an outcome, and everything is in real-time or close to real-time. Healthcare has grown up based on provider requirements. Blockchain can base the care on all stakeholders, especially the patient.

About | Pro Pharma

Pro Pharma is a woman owned pharmaceutical consulting firm. Established in 1986, Pro Pharma's services are built on a foundation of data analytics, which are then communicated to the client which provide results and recommendations.

Pro Pharma provides customized support to Health Plans, Self-Insured Employers, Physician Groups, and Workers' Compensation Companies, among others, both in the private and public sectors.

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