Operational & Cost Management Strategies for Infusion & Medication

Forvis Mazars

April 2025

Agenda

1. Medications & Infusions
   Organizational Impact & Challenges
2. Cost Management Strategies
3. Revenue Integrity Strategies
4. Revenue Cycle & Denials Prevention
   & Management Strategies
5. Q&A

01

Medications & Infusions
Organizational Impact & Challenges

Pharmacy & High-Cost Medication Operations
Organizational Impact

High Revenue Loss

Top area of preventable revenue loss for many provider organizations

High Costs

$30–140k avg. annual infusion cost per patient & a top expense line item

High Complexity

Evolving clinical needs & heavy burden to adhere to regulatory/payor requirements

Pharmacy & High-Cost Medication Operations
Operational Challenges & Landscape

Expense Management

- 26% increase in cancer drug launch prices[1] in five-year span (adjusted for inflation)
- 14–15% anticipated increase[2] in OP infusion & injection volumes primarily due to aging population, rise in chronic disease, & new treatments
- Drug financial assistance programs a critical component to cover medication costs for both providers & patients

Revenue Integrity

- Providers struggling to keep up with adherence to code updates & billing compliance/programs
  - Medicare & Medicaid JW/JZ drug waste modifiers
  - Medicare New Technology Add-on Payment (NTAP)
  - Billing system updates (new or revised drug codes)

Revenue Cycle & Pharmacy Ops

- High denial dollars & burdensome appeal procedures pose risk to organizations
- Payor policy specific restrictions for site of care & benefits increasing
- # of specialty drugs & complexity continue to rise
- 340B compliance & optimization challenges & opportunities

[1] "New U.S. Cancer Drug Prices Rise 53% in Five Years – Report," reuters.com, November 2, 2022.
[2] "3 Major Trends Shaping the Infusion Care Market," advisory.com, October 29, 2024.

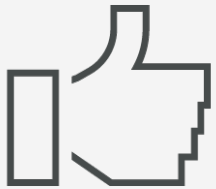
02

Cost Management Strategies

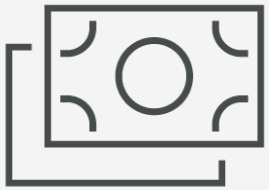
High-Cost Drugs Cost Management
The Process

Identifying the high-cost drugs

Opportunities to purchase at lower cost



Formulary alternatives



Payments to costs

Assistance programs

High-Cost Drugs
Identification Is the First Step

Wholesaler Item #	Product Description	NDC	Annual Purchase $	Annual Purchase Units
10287293	KEYTRUDA 100MG SDV 2X4ML	00006302604	$ 3,280,582	292
10246707	KEYTRUDA 100MG SDV 2X4ML	00006302604	$ 1,086,084	99
10247018	OPDIVO 240MG VL 24ML	00003373413	$ 1,081,193	145
10246558	IMFINZI 500MG SDV	00310461150	$ 992,886	246
10245258	LIBTAYO 350 MG SDV 7 ML	61755000801	$ 734,648	72
10249306	NPLATE 250 MCG SDV 0.5 ML	55513022101	$ 720,323	287
10246866	DARZALEX FASPRO 1800 MG SDV 15 ML	57894050301	$ 708,250	75

- Pharmacy wholesaler report
- Note account differences
- Usually shows as brand name on the wholesaler report
- Can often be listed as the generic name in your chargemaster

Avenues to Cost Savings
Pharmacy Expenses Can Be One of the Most Complex

Group Purchasing Organizations

- Most commonly accessed for pricing
- Usually coordinated through materials management, but often pharmacy has direct support

340B Cost

- Outpatient drugs at a significantly reduced cost
- Must have covered entity status
- Requires registration & annual recertification

Other Cost Savings

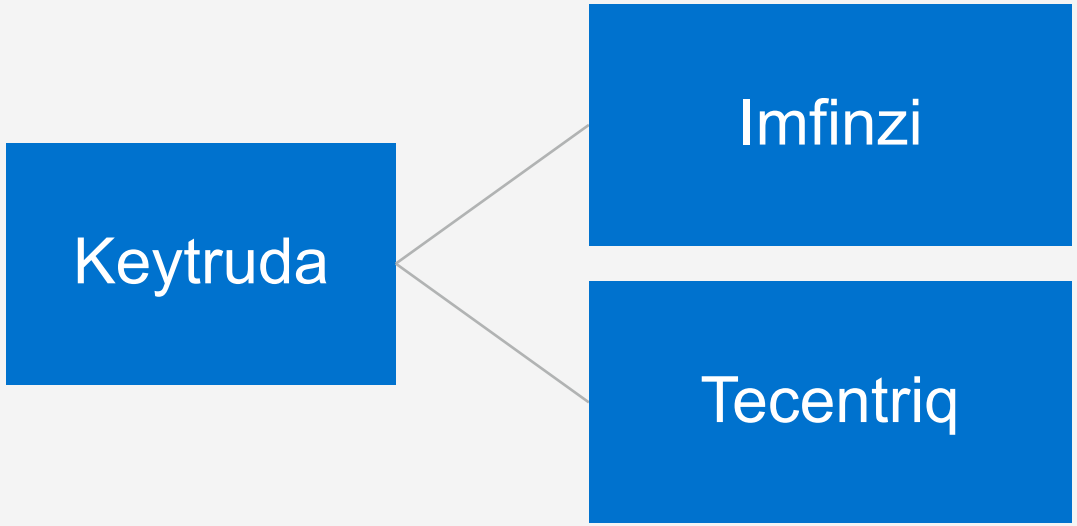
- Wholesaler cost of goods discount (Primary Service Agreement)
- Alternative sourcing
- Direct negotiations

Formulary Alternatives

Biosimilars may be a cost savings opportunity but needs to be a clinical decision

Pharmacy and Therapeutics Committee is typically the primary approval body for formulary additions and changes. Research-backed and clinically driven decisions should govern what is introduced and what stays on formulary.

Lower Cost Alternatives



Biosimilars

- Zarxio → Neupogen
- Inflectra → Remicade
- Purchased at a lower cost, but can be reimbursed at the original biological drug price
- Limited time for the additional reimbursement

Are Payments Covering Costs?
Looking at Individual Accounts Gives Insight

Payor Sampling:

Payor	Brand Name	Drug	Avg Charge Qty	Avg Total Charges	Avg Rx Charges	Avg Drug Cost	Markup	Avg Total Payments	Reimbursement %	Proj. Drug Reimbursment	Margin
Blue Cross	KEYTRUDA	PEMBROLIZUMAB 1 MG INJ	200	$ 50,000	$ 44,000	$ 11,200	393%	$ 21,000	42%	$ 18,480	$7,280.00
Medicare	KEYTRUDA	PEMBROLIZUMAB 1 MG INJ	200	$ 50,000	$ 44,000	$ 11,200	393%	$ 11,800	24%	$ 10,384	$ (816.00)

- Sampling of accounts
- Depending on your system, could be a manual process
  - Trace from wholesaler report to chargemaster
  - Identify accounts with that charge
  - Look at payments compared to cost

Patient Assistance Programs

Manufacturer and Other Assistance Programs Can help Cover Costs

Finding the Programs Is Key

- Manufacturer Assistance Programs
  - Could be free through a replacement program
  - Copay assistance
- State or Federal Programs
  - Children’s Health Insurance Program (CHIP)
- Nonprofit Programs
  - Private foundations
- Automated Solutions vs. Individuals

03

Revenue Integrity Strategies

CDM Maintenance in Infusion Centers
What Impacts the Pharmacy CDM (Charge Description Master)?

Several critical elements to the set-up and maintenance of an accurate charge description master (CDM).

Pharmacy

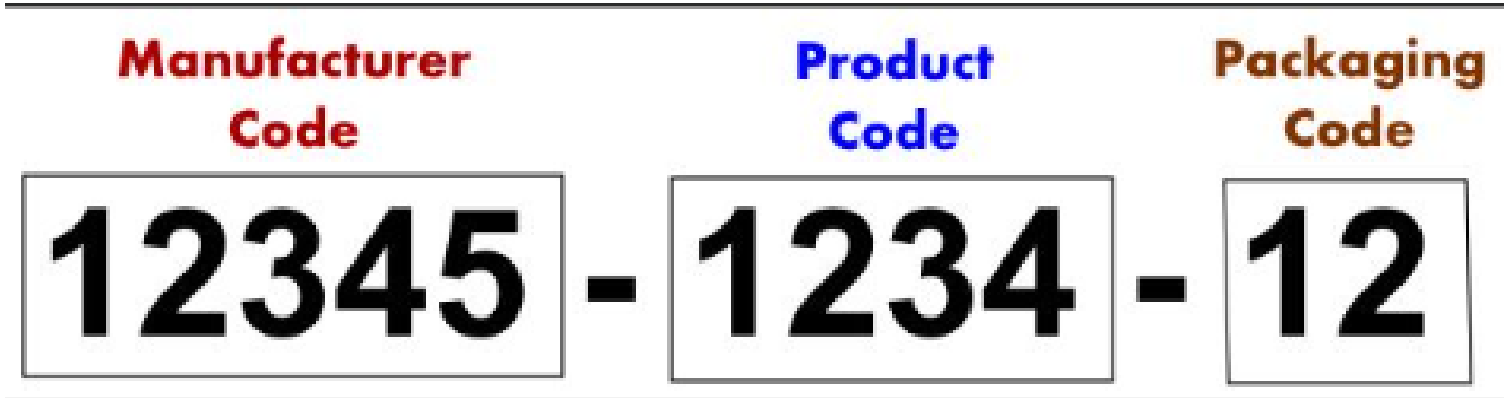
- National Drug Code (NDC) information
- Dispensed amount—this is how the pharmacy is dispensing the drug to the patient
- Acquisition cost management (AWP, purchase price)
- Formulary vs. non-formulary

Coding

- CPT/HCPCS codes
- Status indicator
- Revenue codes
- Charge amount/price to the patient

CDM Maintenance
Dispensed Amount & NDC Maintenance

Accurate CDM including NDC Codes and Dispensed amounts has a significant impact on the ability to generate clean claims.



Dispensed Amount

Tells hospitals how much the pharmacy is dispensing for a patient

- Some systems require that drugs be dispensed per HCPCS
- Some systems allow the pharmacy to dispense at a clinically relevant amount & apply a conversion factor for the claim

NDC

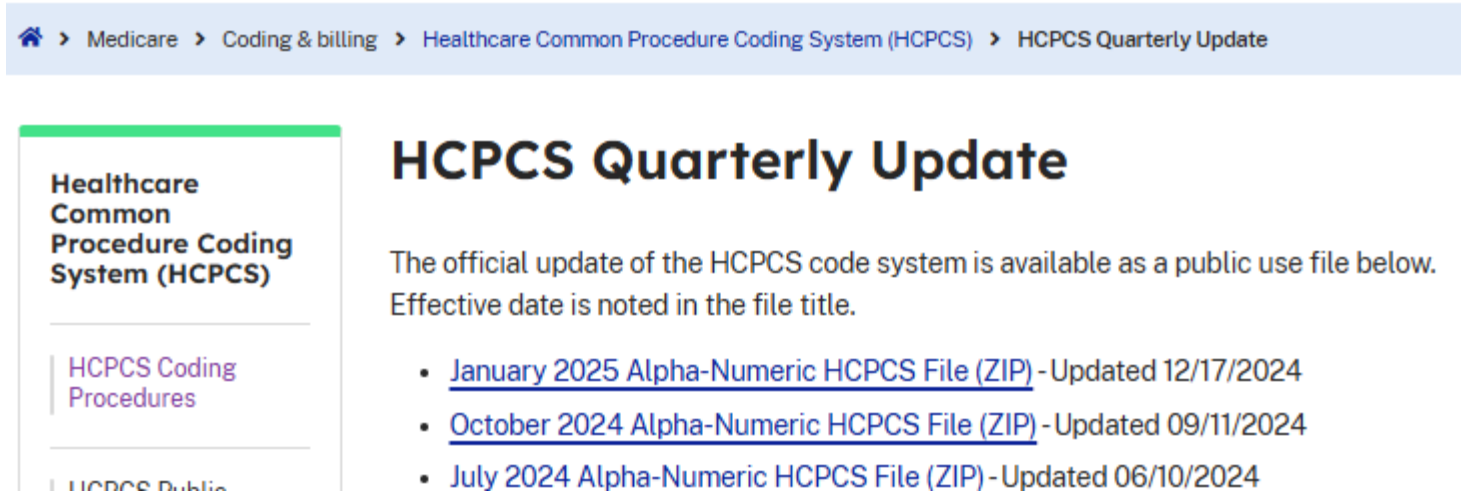
- Manufacturer/labeler
- Strength/concentration
- Unit of measure
- Vial size
- Single dose vs. multi-dose vials
- HCPCS crosswalk

Dispensed Amount & NDC

- Tells hospitals how many HCPCS units should appear on the claim
- NDC maintenance in the formulary keeps HCPCS codes & bill quantities current

CDM Maintenance
HCPCS Code Maintenance and Updates

Important to monitor for HCPCS Codes updates and maintain system to avoid denials and other operational risks



CPT Codes

Typically for vaccines—new codes can be found on the AMA website & through vendors

HCPCS Codes

There are quarterly updates for HCPCS codes available on the CMS website

CDM Maintenance
HCPCS Codes Maintenance and Updates

Several examples of HCPCS Code Changes and Updates to illustrate the complexity of pharmacy maintenance

Example 1: Replacement of temporary C-code with J-Code

- Example: C9113 (Pantoprazole sodium, per vial) was deleted effective 7/1/24 and replaced with J2470 and J2471

Example 2: Creation of new HCPCS codes for drugs that are not therapeutically equivalent

- J2470: Injection, pantoprazole sodium, 40 mg
- J2471: Injection, pantoprazole (Hikma), not therapeutically equivalent to J2470, 40 mg
- J2472: Injection, pantoprazole sodium in sodium chloride (Baxter), 40 mg – created 1/1/25

Example 3: Creation of a code for a biosimilar product

- J0139: Adalimumab, 1 mg
- Q5140: Injection, adalimumab-fkjp, biosimilar, 1 mg
- Q5141: Injection, adalimumab-aaty, biosimilar, 1 mg
- Q5142: Injection, adalimumab-ryvk biosimilar, 1 mg
- Q5143: Injection, adalimumab-adbm, biosimilar, 1 mg
- Q5144: Injection, adalimumab-aacf (Idacio), biosimilar, 1 mg
- Q5145: Injection, adalimumab-afzb (Abrilada), biosimilar, 1 mg

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Pricing & CDM
Acquisition Cost & Charge (Price) Amount

- Identify acquisition cost per item, *at the patient dispensing unit*, & utilize your organization’s mark-up table to determine price
  - Finding accurate acquisition cost reporting can be challenging
  - Acquisition costs are constantly changing
  - Keeping the chargemaster prices updated can be challenging
    - Check to see if your organization's EHR auto-updates the chargemaster price based on acquisition cost
- Average wholesale price, *at the patient dispensing unit*, could also be used as the basis for a mark-up
- Reimbursement methods also help drive price strategy
  - If paid on % of billed charges, set prices sufficiently high to cover costs
  - If paid on fee schedule, set prices sufficiently high to avoid leaving dollars on the table due to “lesser of” language

Putting it All Together

Example: NDC 83457-0554-02: Humira Pen

- Strength: 40 mg/0.8 mL
- Volume: 0.8 mL
- AWP: $4153.57
- Charge/Price: $11,007.60 (3x Medicare)
- HCPCS: J0139 (Adalimumab, 1 mg)
- Status Indicator: K
- APC Amount: $91.73
- Expected Claim Quantity: 40
- Est. Medicare Reim.: $3669.20

Example: NDC 83257-0019-32: Hulio Pen

- Strength: 40 mg/0.4 mL
- Volume: 0.8 mL
- AWP: $3945.90
- Charge/Price: $10,456.80 (3x Medicare)
- HCPCS: Q5140 (Adalimumab-fkjp, biosimilar, per 1 mg)
- Status Indicator: K
- APC Amount: $87.14
- Expected Claim Quantity: 40
- Est. Medicare Reim.: $3485.60

Charge Capture
Drug Charging

- Two methods of drug charging:
  - Dispense—when the product is pulled from the medicine cabinet
  - Administration—when the product is documented in the patient record as administered
- Billing Considerations
  - Multi-dose vials: Bill the amount administered
  - Single-dose vials: Bill the full vial
    - If the payor follows Medicare's JW/JZ rules:
      - If the full vial is administered
        - Bill one line with JZ modifier
      - If less than a full is administered
        - Bill the administered amount
        - Bill the wasted amount with JW modifier
    - CMS publishes a list of drugs that always qualify for JW/JZ

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Charge Capture
Other Information Impacting Charging

Documentation: Medication Administration Record

- Tells hospitals how much drug is given over how much time & how much drug is wasted
- Allows coders to accurately capture infusion administration coding

Charge Reconciliation

- Every patient seen should have the correct number of drugs & administration fees charged

Coding Capture
New Technology Add-On Payment (NTAP)

Certain drugs, procedures, and devices receive a New Technology Add-On Payment (NTAP) from Medicare when included on the inpatient claim; typically, two-year period for the extra payment.

Where to Find It on the IPPS Page

FY 2025 IPPS Final Rule Home Page

This is the home page for the FY 2025 Hospital Inpatient PPS final rule. The list below centralizes any IPPS file(s) related to the final rule. The list contains the final rule (display version or published Federal Register version) and a subsequent published correction notices (if applicable), all tables, additional data and analysis files and the impact file. For files related to the Long-Term Care Hospital PPS, please visit http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/LongTermCareHospitalPPS/index.html.

Title	Type of File
CMS-1808-F; CMS-1808-CN; CMS-1808-IFC	Final Rule, Correction Notice and Interim Final Action with Comment Period
FY 2025 Final Rule, Correction Notice and Interim Final Action with Comment Period Data Files	Impact File and Supporting Data Files
FY 2025 Final Rule, Correction Notice and Interim Final Action with Comment Period Tables	Tables
FY 2025 MAC Implementation Files	Files

Resources

- These items are described in the Inpatient Prospective Payment System (IPPS) final rule, & a list is available in MAC Implementation File 8 on the CMS page
- Require specific ICD-10-CM & PCS codes to be eligible for payment
- Ensure EMRs have a method to identify & capture the required ICD-10-PCS & diagnosis codes
- See Example slide for a list of drugs on the NTAP list for FY 2025

Charge Capture
NTAP Drug List

New CMS Year 2025 & Prior Year Listing

Technology	Maximum Add-On Payment	ICD-10-CM/PCS Coding Used to Identify Cases Eligible for NTAP
CYTALUX® (pafolacianine) (lung indication)	$2,762.50	8E0W0EN, 8E0W3EN, 8E0W4EN, 8E0W7EN, or 8E0W8EN
CYTALUX® (pafolacianine) (ovarian indication)	$2,762.50	8E0U0EN, 8E0U3EN, 8E0U4EN, 8E0U7EN, or 8E0U8EN
DefenCath™ (taurolidine/heparin)	$3,656.10	XY0YX28
EPKINLY™ (epcoritamab-bysp) and COLUMVI™ (glofitamab-gxbm)*	$6,504.07	XW013S9, XW033P9, or XW043P9
Lunsumio™ (mosunetuzumab)	$17,492.10	XW03358 or XW04358
REBYOTA™ (fecal microbiota, live-jslm) and VOWST™ (fecal microbiota spores, live-brpk)*	$6,789.25	XW0H7X8 or XW0DXN9
REZZAYO™ (rezafungin for injection)	$4,387.50	XW033R9 or XW043R9
SPEVIGO® (spesolimab)	$33,236.45	XW03308
TECVAYLI™ (teclistamab-cqyv)	$12,899.59	XW01348
TERLIVAZ® (terlipressin)	$16,672.50	XW03367 or XW04367
XACDURO® (sulbactam/durlobactam)	$13,680.00	XW033K9 or XW043K9 in combination with one of the following: Y95 and J15.61; OR J95.851 and B96.83
ZEVTERA™ (ceftobiprole medocaril); ABSSSI and CABP indications	$2,812.50	XW0335A or XW0435A
ZEVTERA™ (ceftobiprole medocaril); SAB indication	$8,625.00	XW0335A or XW0435A in combination with R78.81 (in combination with B95.61 or B95.62)
CASGEVY™ (exagamglogene autotemcel); Sickle Cell Disease indication	$1,650,000.00	XW133J8 or XW143J8 in combination with one of the following: D57.1, D57.20, D57.40, D57.42, D57.44, or D57.80
ELREXFIO™ (elranatamab-bcmm) and TALVEY™ (talquetamab-tgvs)*	$12,899.59	XW013L9 or XW01329
HEPZATO™ KIT (melphalan for injection/hepatic delivery system)	$118,625.00	XW053T9 in combination with 5A1C00Z
LYFGENIA™ (lovotibeglogene autotemcel))	$2,325,000.00	XW133H9 or XW143H9

Denials/Payment Variances
Common Charge and CDM Related Denials

Common types of denials and payment variances that could be caused by charge capture or CDM issues

- Types of denials
  - Deleted HCPCS: All payors
  - NDC to HCPCS mismatch: Payors that require NDC on the claim
  - Invalid NDC: Payors that require NDC on the claim
  - Biosimilars & drugs not therapeutically equivalent: Could cause authorization denials
  - Missing JW/JZ modifier: Payors that follow Medicare rules regarding waste billing
- Payment variances
  - Incorrect units on the claim: Could cause over- or underpayments
  - Biosimilars & drugs not therapeutically equivalent: Could be reimbursed differently causing over- or underpayment

Denials/Payment Variances
CDM Maintenance to Avoid Denials

Best practices to maintain a CDM to avoid denials and payment variances

- Timely CDM maintenance
  - Best practice: Quarterly in December, March, June, & September ahead of the effective date of the changes
- Timely formulary maintenance
  - To keep NDCs & costs current
  - Update for new drugs that should be on formulary
- Monitoring of payor bulletins for changes in requirements around pharmaceutical billing regarding NDCs, JW/JZ, etc.

04

Revenue Cycle & Denials Prevention & Management Strategies

Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Challenges

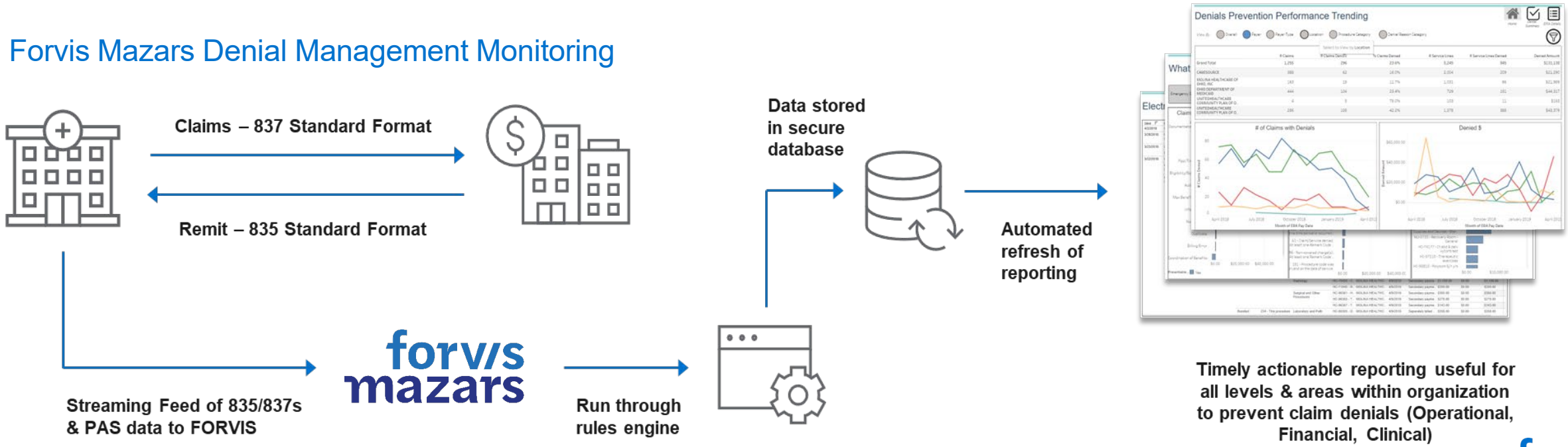
Challenge

Proactive process to monitor & address claim denial trends are not in place due to system, resource, & reporting limitations

Examples: A hospital organization is seeking to reduce insurance denials but has several system/operational barriers.

1. Patient accounting system does not provide detailed reporting & is burdensome to populate.
2. Staff not trained to pull reporting & there is limited support from IT or analyst staff.
3. Limited system access & a structured process to address denial root-cause issues.

Forvis Mazars Denial Management Monitoring



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Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Solutions

Assess Opportunity

Assess denial KPIs against industry benchmarks & establish targets

Assess financial opportunity to reduce revenue loss & improve efficiency for pharmacy & medication

Denial Key Performance Indicators (KPIs)

KPI – Hospital	Top Quartile*	National Average*	Ryan Hospital (Baseline)
Clean Claim Rate %	95.93%	94.14%	75%
Remittance Claim Denial Rate % (#)	8.0%	12.0%	15.0%
Denial Write-Offs as a % of Net Patient Revenue	1.75%	3.44%	4.00%

Denial Opportunity Analysis (Write-Offs)

Annual Denial Write-Offs by Adjustment	**Gross Denial Write-Off Total**
Authorization	$23,344,000
Medical Necessity	$17,508,000
Timely Filing	$11,672.000
Credentialing	$2,334,400
Late Charges	$1,167,200
Total Gross Annual Denial Write-Offs	**$58,360,000**
Estimated Blended Net Collection Rate	25.8%
Estimated Net Annual Denial Write-Offs	**$15,056,880**
Annual Denial Write-Off Reduction Opportunity	
10% Reduction Net Annual Denial Write-Offs	**$1,505,688**
20% Reduction Net Annual Denial Write-Offs	**$3,011,376**
30% Reduction Net Annual Denial Write-Offs	**$4,517,064**

*Source: Healthcare Business Insight (HBI) Hospital Financial Benchmarks Q1 2022 National Average

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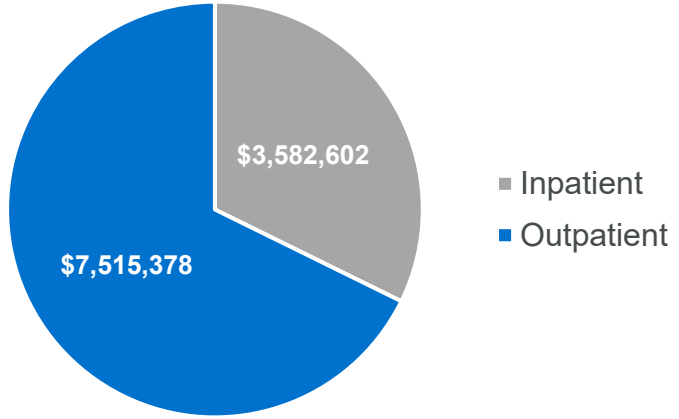
Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Solutions

Data Mining & Analytics

Perform data mining including medication/infusion-specific denial trends (payor, provider, medication, location, reasons) & encounter review to uncover root-cause issues.

Denial Reason Category	Denied Amount ($)	Denied Amount (#)
Additional Documentation Needed	$32,364,291	39,644
Authorization	$11,097,981	10,504
Eligibility/Registration	$8,922,371	14,132
Coordination of Benefits	$7,633,978	13,444
Miscellaneous	$4,917,687	8,420
All Others	$19,387,811	36,860
Total	**$84,324,119**	**123,004**

Authorization Initial Denials



Outpatient Authorizations

Denial Reason Category	Denied Amount ($)	Denied Amount (#)
Medication/Infusion	$3,015,951	1,164
Surgical & Other Procedures	$1,334,998	840
Radiology	$798,202	812
Other	$741,199	2,152
Radiation Oncology	$484,131	60
All Others	$1,140,898	2,024
Total	**$7,515,378**	**7,052**

Top 3 Medication/Infusion CPT Codes	Denied Amount ($)
HC-J9201 – Gemcitabine hcl injection	$540,216
HC-J2505 – Injection, pegfilgrastim 6mg	436,174
HC-C9069 – Belantamab mafodontin-blmf	313,202
Total	**$1,289,592**

Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Solutions

Assess medication-specific underpayment reduction opportunity through allowable analysis (example below)

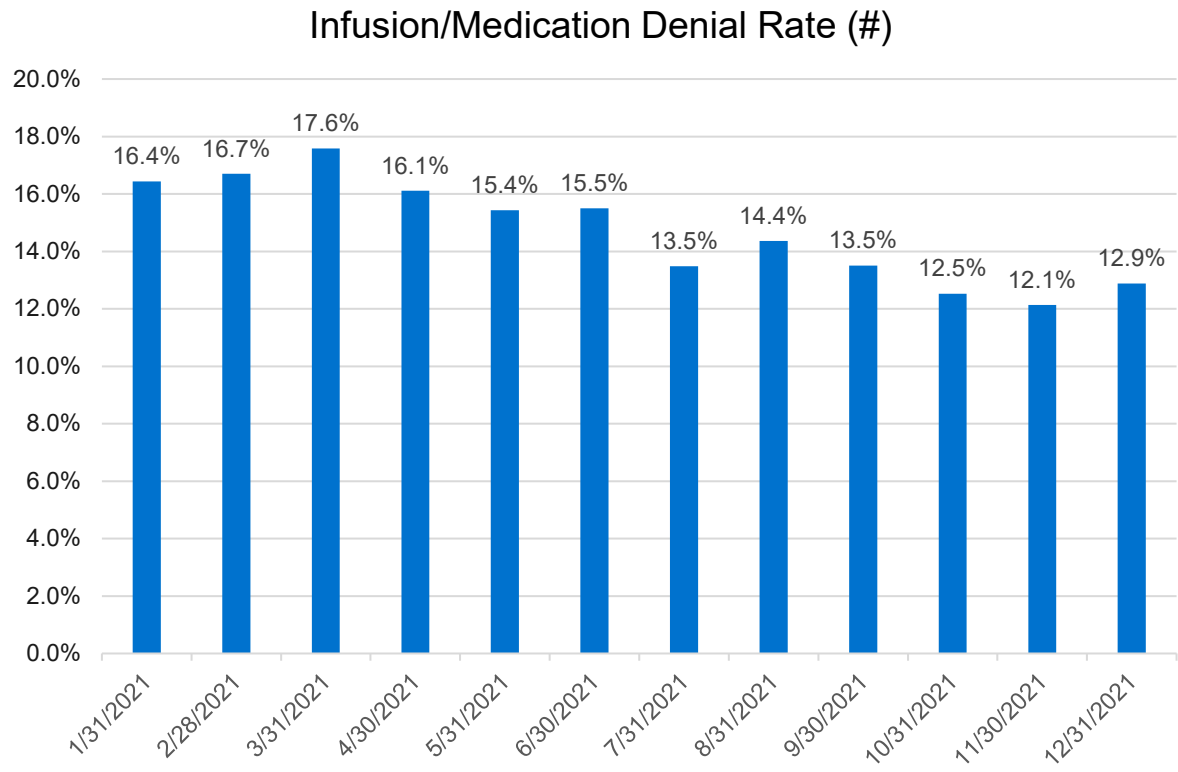
835 Allowable Variance Analysis						
Medication/Infusion Charge	**Claim Volume**	**Total Charges**	**Total Allowed**	**Total Patient Liability**	**Total Ins. Payments**	**Total Insurance Payment Variance**
HC-J9271 - Inj pembrolizumab	89	$3,966,626	$1,404,950	$17,666	$1,067,175	$320,109
HC-J1437 - Inj. fe derisomaltose 10 mg	39	$649,760	$341,681	$9,068	$79,490	$253,124
HC-J9173 - Injection, durvalumab, 10 mg	30	$1,260,790	$517,978	$10,826	$267,790	$239,362
HC-J9022 - Inj, atezolizumab,10 mg	10	$458,580	$329,953	$8,181	$100,764	$221,007
HC-J9119 - Inj., cemiplimab-rwlc, 1 mg	8	$320,256	$229,242	$7,849	$68,495	$152,898
HC-J1448 - Pharmacy - Extension of 025X - Drugs requiring detailed coding	4	$201,637	$201,637	$9,860	$41,590	$150,187
HC-J0896 - Inj luspatercept-aamt 0.25mg	6	$232,800	$173,942	$6,476	$40,744	$126,721
HC-J2353 - Octreotide injection, depot	8	$235,388	$157,820	$7,113	$32,790	$117,917
HC-J9303 - Panitumumab injection	8	$158,606	$128,496	$3,829	$24,527	$100,141
HC-J2327 - Pharmacy - Extension of 025X - Drugs requiring detailed coding	2	$117,752	$93,328	$60	$15,075	$78,193
HC-J0897 - Denosumab injection	55	$558,195	$209,719	$6,624	$125,660	$77,435
HC-96372 - Ther/proph/diag inj sc/im	693	$234,449	$117,865	$4,345	$36,795	$76,725
HC-96413 - Chemo iv infusion 1 hr	421	$566,392	$241,890	$8,945	$162,306	$70,638
HC-J1932 - Pharmacy - Extension of 025X - Drugs requiring detailed coding	2	$71,222	$71,222	$2,032	$7,967	$61,222
HC-J0517 - Inj., benralizumab, 1 mg	6	$136,482	$71,253	$3,005	$14,790	$53,458
HC-J0881 - Darbepoetin alfa, non-esrd	33	$173,808	$67,667	$2,261	$13,278	$52,127

Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Solutions

Monitor Denial Performance & Feedback

Establish procedures to proactively monitor & address claim denial, write-off, & provide feedback to appropriate pharmacy, revenue cycle, or clinical teams.

Infusion/Medication Denial Reason Category	Denied ($)	Denied (%)
Authorization	$61,400,262	24.7%
Medical Necessity	$61,311,080	24.7%
Past Timely Filing	$44,548,687	17.9%
Coordination of Benefits	$19,029,681	7.7%
Eligibility/Registration	$16,684,327	6.7%
Credentialing	$15,159,975	6.1%
Coding	$14,453,152	5.8%
Additional Documentation Needed	$10,098,045	4.1%
Other	$2,755,734	1.1%
Max Benefit Reached	$1,666,693	0.7%
Billing Error	$765,897	0.3%
Bundled	$459,406	0.2%
Total Gross Claim Denials	**$248,332,938**	**100.0%**



*Source: Healthcare Business Insight (HBI) Hospital Financial Benchmarks Q1 2022 National Average

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Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Structure

Challenge

- Daily obstacles for managing & performing revenue cycle & pharmacy functions prevent establishing a modern structure to optimize revenue, compliance, & patient care in an evolving payor & regulatory environment.

Examples

- The outpatient financial clearance process to obtain & validate insurance, benefits, & authorizations is performed by the ordering provider office with limited pharmacy involvement & inconsistent procedures, leading to preventable denials.
- No efforts exist across departments to monitor & address payor denial issues, & focus is entirely on resolving existing accounts receivable.
- Unclear owner & process for financial clearance & “revenue integrity” tasks, & responsibilities are split across several departments.

Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Solutions

Financial Clearance Restructure

Restructure & expand or improve pharmacist/access coordinator role in revenue cycle, financial clearance, & financial assistance tasks for improvement.

Example Pharmacy & Revenue Cycle Roles & Responsibilities

1. Pharmacist (Clinical)

Pre-service medical necessity, insurance benefit, & authorization

Confirm patient clinical readiness to start medication (lab work completed, complete medication history, assess drug interactions, etc.)

Educate new patients on pricing, assistance options, review medication side effects, dosing instructions, etc.

Perform P2P appeal of site-of care, benefit, or auth. denials or refer to alternate care setting

2. Medication Access Coordinator

Receive referral from clinical pharmacist & support enrollment in manufacture assistance programs (patient liability free drug program/copay assistance)

Coordinate drug shipments for infusion appointments

Monitor application renewal dates & support re-enrollment

Refer to & coordinate with revenue cycle financial clearance teams

3. Revenue Cycle Staff

Perform financial verification including centralized additional authorization & benefit verification & validation (high-cost medications)

Assist with financial assistance & charity care enrollment (outside of manufacturer programs)

Re-verify patient information & perform full clearance process for non-clinical or lower-cost medications

Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Solutions

Improve Denials Prevention Governance Structure

Develop a denials prevention committee structure & process for ongoing identification & resolution of issues.

Denial Prevention Committee Structure (Example)			
Executive Sponsors	▪ CFO ▪ Clinical Executive		
Committee Lead	▪ Overall Project Management & Denial Prevention Lead		
	Patient Access	**Coding/HIM/PFS**	**Pharmacy Ops**
Owner	▪ Director – Patient Access	▪ Director – Coding/HIM/PFS	▪ Director – Pharmacy Ops
Support	▪ Supervisor – Patient Access	▪ Supervisor – Coding/HIM/PFS	▪ Supervisor – Pharmacy Ops
Other Department Support	▪ Systems/Data Analyst Lead ▪ Performance Improvement/External Consulting ▪ Clinic Operations ▪ Clinical Documentation Representative		

Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies – Artificial Intelligence & Automation

Challenge

- Organization's infusions/pharmacy departments have high volumes of recurring visits & struggle to keep up with payor administrative tasks and optimizing use of existing systems.

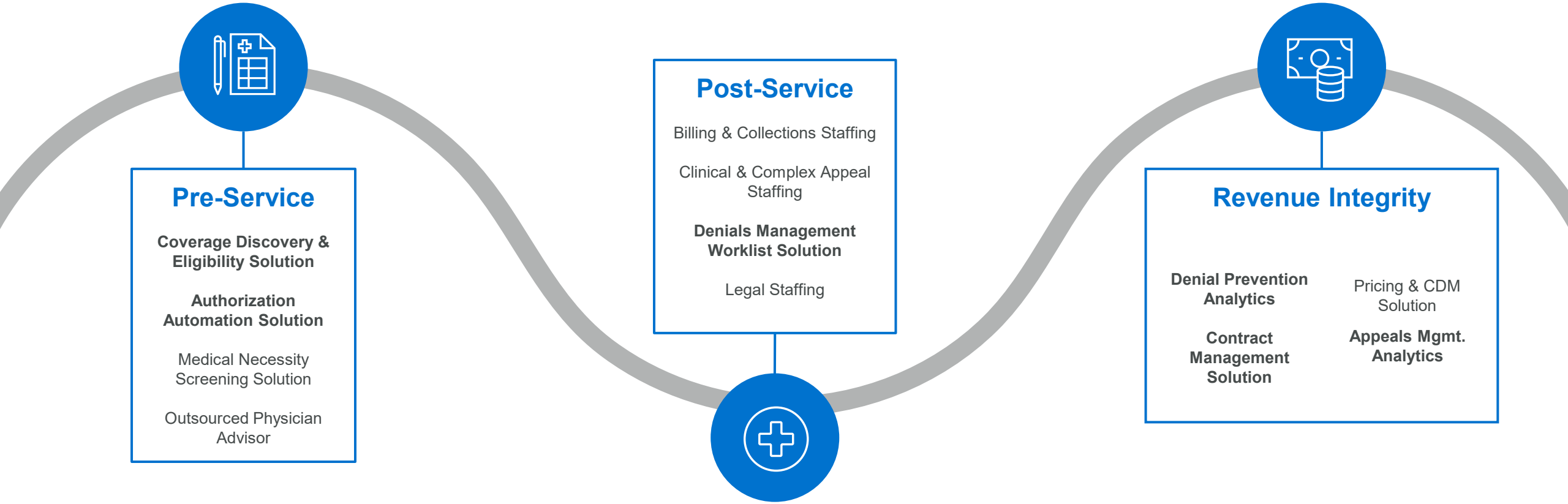
Example

- The organization has a high Medicaid population, & identifying coverage changes for infusion patients seen for multiple months is difficult.
- The hospital is on a patient accounting system that does not have great worklist capabilities, & paper audits/recoupments are tracked on a spreadsheet.
- The hospital struggles with staffing needed to obtain or verify authorization approval prior to each visit.

Pharmacy & High-Cost Medication Operations

Denial Prevention Strategies – AI & Technology

Technology & automation/AI solutions can support improved pharmacy & infusion department by reducing denials, improving efficiency, & avoiding rework.



Call to Action

1. Infusion and Medication spend is one of the top cost and revenue loss areas for many healthcare organizations and there are opportunities for savings
2. Analytics and reporting tools are critical to quantify and prioritize expense and revenue improvement initiatives
3. A well-structured revenue integrity and denials prevention program can prevent revenue loss and improve margins

05

Appendix

Pharmacy & High-Cost Medication Operations
Eligibility/Authorization Denials & Mitigation Strategies

CHALLENGE

Denial Issue:
Payors are denying infusions/medications for incorrect coverage or for authorization after correct coverage is found after service, & no authorization has been obtained.

Patient Example:
Patient is receiving Infliximab (Remicade) infusion for Crohn's disease every 8 weeks (maintenance dosing), & patient insurance plan changes from Blue Cross commercial to Cigna PPO five (5) months in with no notification from patient.

SOLUTIONS

OP Clearance Improvement

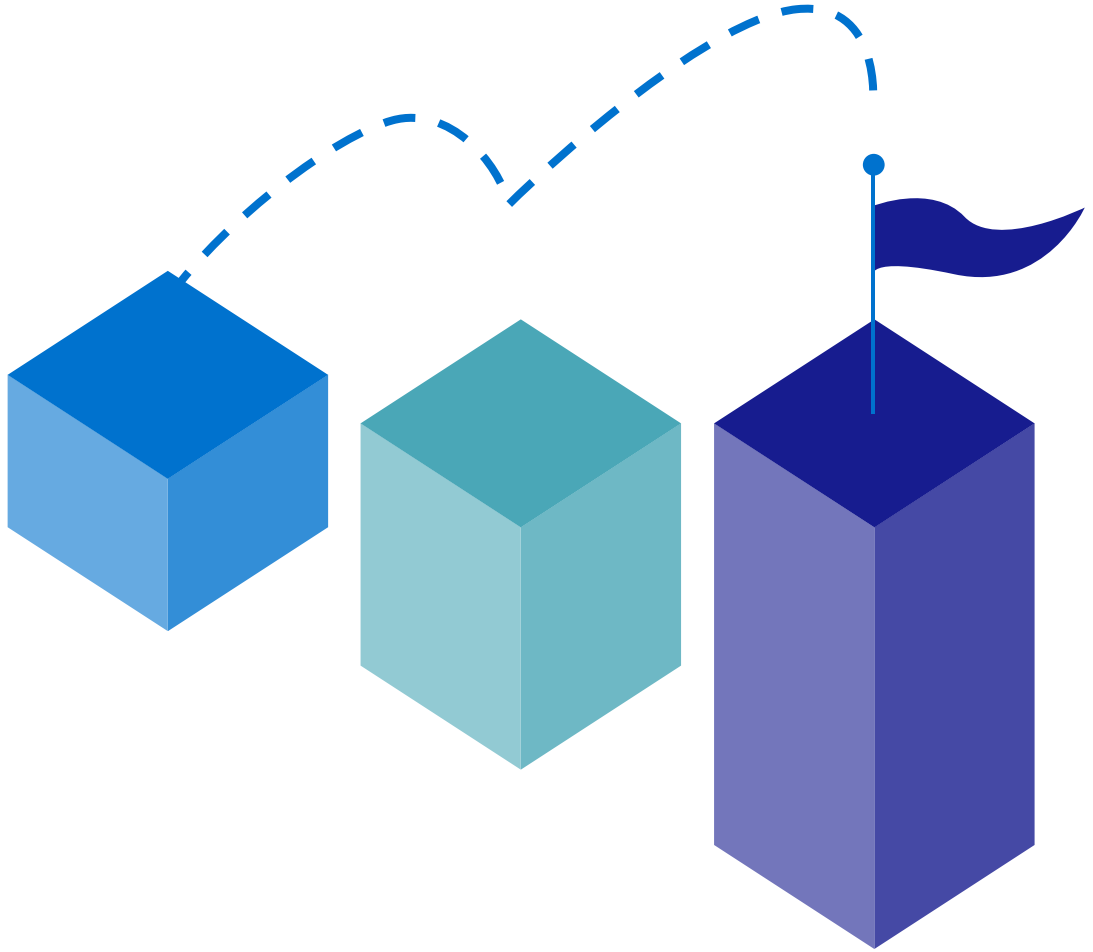
Enhance outpatient pre-service financial clearance procedures to include a full reverification of insurance & benefit info prior to visit.

Retro-Auth Process

Develop standard procedures to attempt retro-authorization if correct insurance is found shortly after service (based on payor).

Coverage Discovery & Automation

Utilize "coverage discovery", automation & AI to proactively identify & resolve hard-to-identify issues for recurring patients.



Pharmacy & High-Cost Medication Operations
Authorization Denials & Mitigation Strategies

CHALLENGE

Denial Issue:
Patient treatment plan is revised & critical changes are not documented, communicated, or revised, leading to authorization denials.

Patient Example:
Patient is receiving Rituxan (Rituximab) medication for non-Hodgkin's lymphoma & doctor determines an additional round of doses (4) is needed.

SOLUTIONS

Optimize System Worklists/Reports

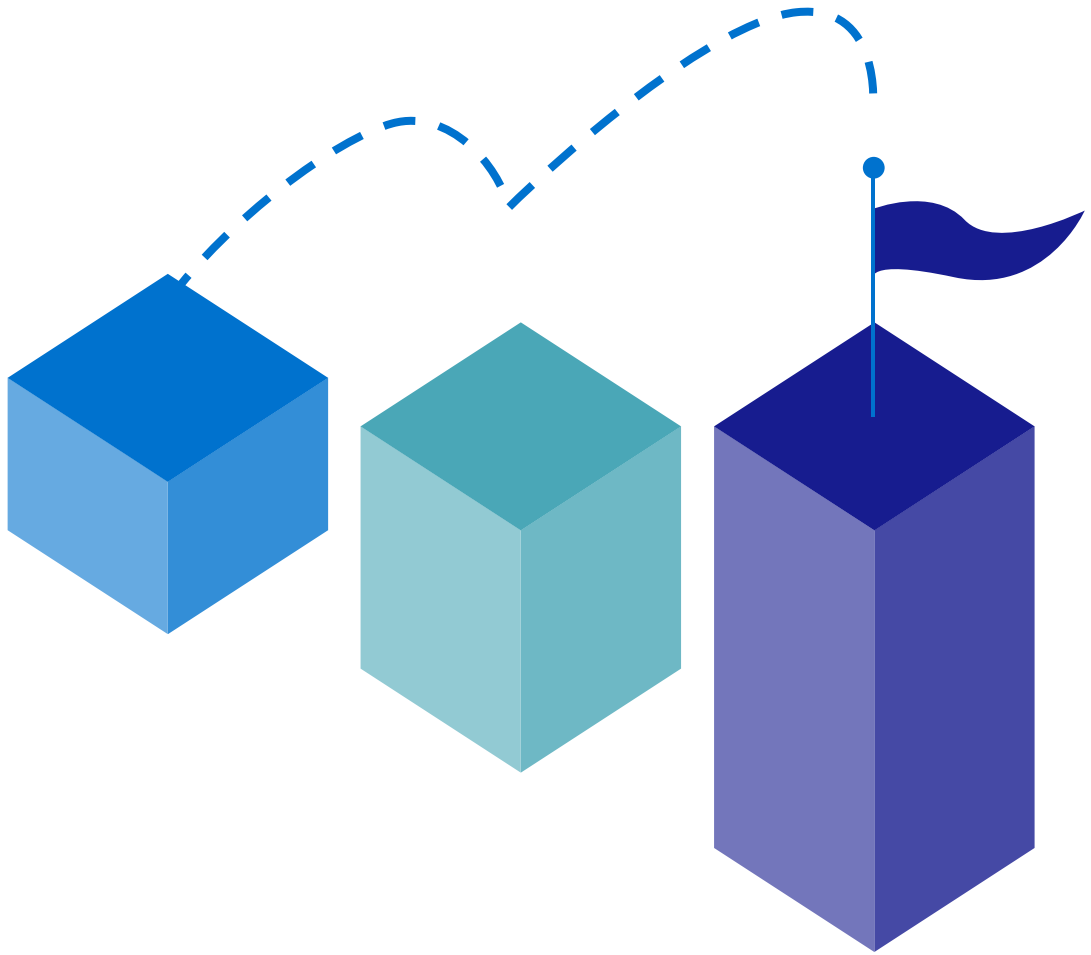
Develop or enhance worklist/reporting capabilities to "trigger" alerts for critical updates impacting need for an updated authorization.

Standardize Doc. Entry

Standardize the process & location for which documentation is entered in the system.

Centralize the Authorization Team

Develop an outpatient clearance team responsible for auth & information verification and/or obtainment.



Pharmacy & High-Cost Medication Operations
Setting of Care Denials & Mitigation Strategies

CHALLENGE

Payor insurance plans are denying payment for infusions/medications based on the setting of care where they were provided (inconsistent across plans).

Patient Example:
Patient is on Infliximab (Remicade) & receiving infusions used to treat severe rheumatoid arthritis. The payor plan is stating they won't cover infusions (after first) in a hospital outpatient setting.

SOLUTIONS

Financial Clearance

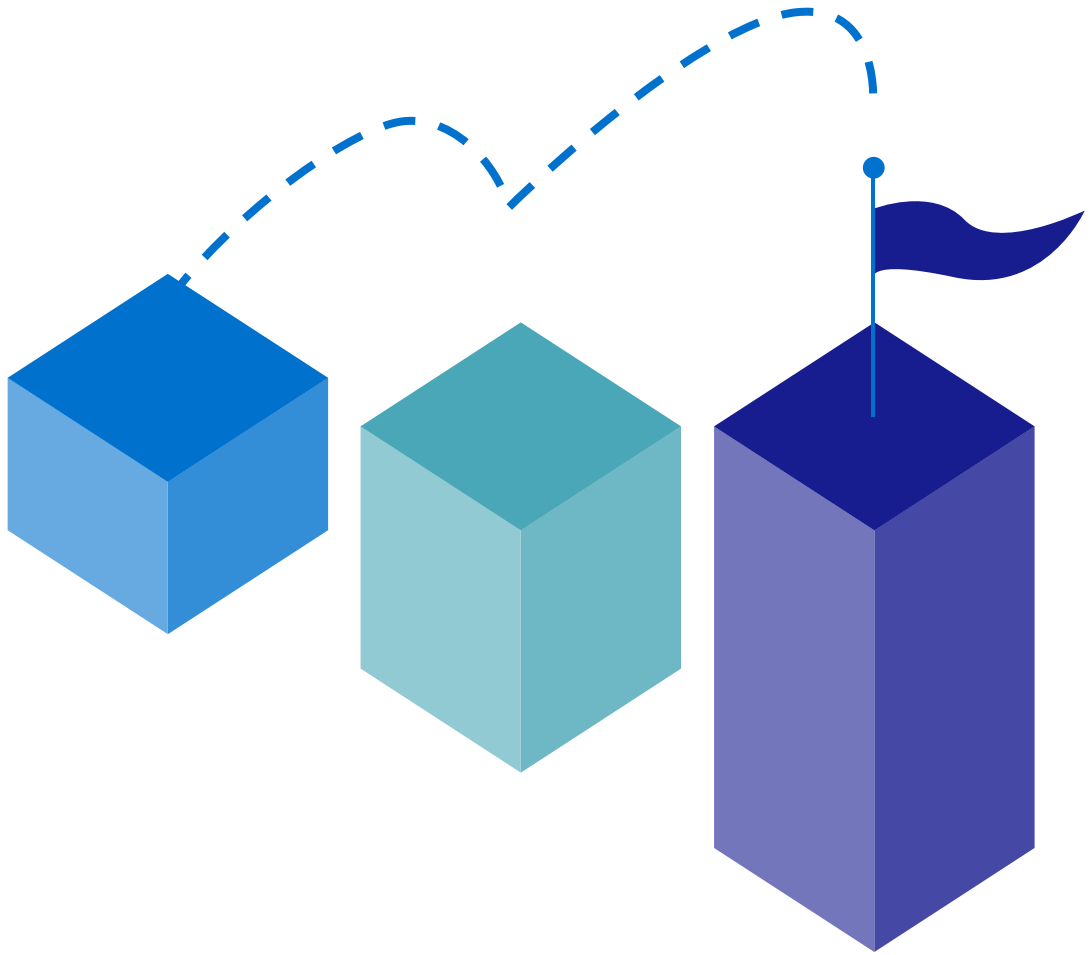
Outpatient pre-service financial clearance procedures including plan level verification of insurance & benefits.

Care Coordination

Clear communication procedures between pharmacy, care coordination, & financial teams.

Denial Monitoring

Identify & develop or revise specific workflows to address non-covered services (screening & "ABN" type process).



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Pharmacy & High-Cost Medication Operations
Clinical (Medical Necessity) Denial Issues & Mitigation Strategies

CHALLENGE

Denial Issue:
Payor denies a medication or infusion because they believe the patient is more appropriate for a less expensive alternative (biosimilar) or require failure from a less expensive treatment plan “step-therapy” first.

Patient Example:
A provider is looking to have a patient start medication Palbociclib (Ibrance) to treat late-stage breast cancer. The payor is denying treatment saying they must first try endocrine (hormone) therapy treatment & show this was unsuccessful.

SOLUTIONS

Appeal Improvement

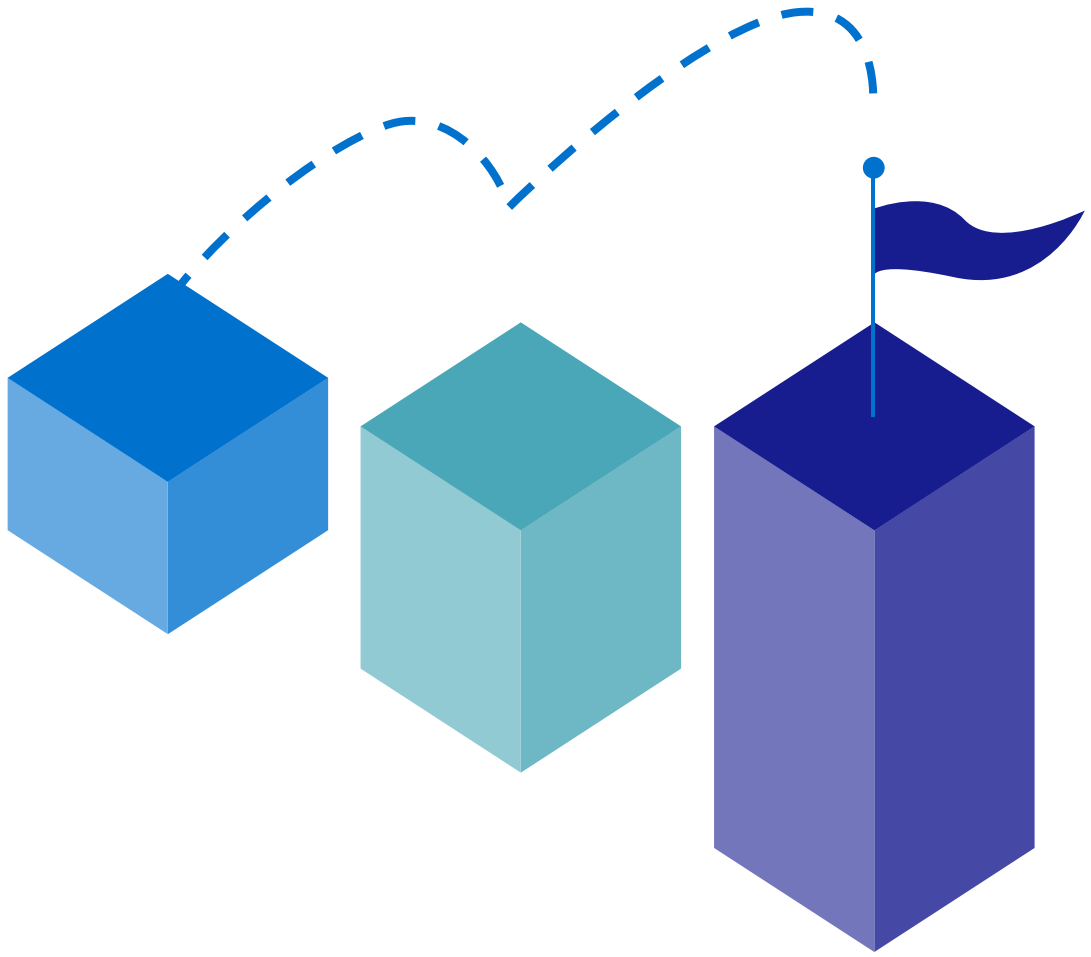
Establish appeal letter templates & educate/train on appeal best practices to overturn initial denials.

Documentation Improvement

Improve entry & accuracy of critical information needed for appeal (stop/start time, dosages, units, etc.).

Benefit Coverage Validation

Establish medication/infusion level benefit verification & approval screening (may be separate from authorization).

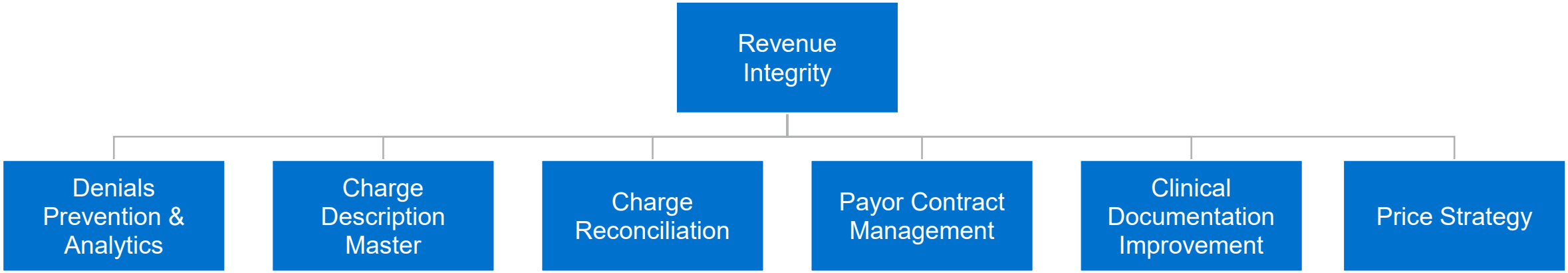


Pharmacy & High-Cost Medication Operations
Denial Prevention Strategies- Solutions

Revenue Integrity Restructure

Restructure and/or establish formal ownership & procedures for tasks that are not a core component of the daily billing & collections.

Example: Revenue Integrity Structure Supporting Pharmacy



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