Bridging the Gap...

between real time pharmacy claims and batch medical claims

Working With State Health Programs: Improving Vaccine Reimbursement
Agenda

• Introduction
• Provider Challenges
• Overcoming the Challenges
• Public Health Success Stories
• Questions and Contact Information
Introduction

• TransactRx is a web based application that provides vaccine and medical service billing solutions for all types of medical providers
• We currently serve
  – 20,000+ physicians
  – 400+ public and community health providers
  – 1000+ pharmacy providers & mobile clinic sites
Public Health
Customer Profiles

• Our customers range from very small low volume immunizers to large multi-service providers
• Billing capabilities and experience range from no experience to fully implemented EMR and medical billing systems
• Many come to us
  – Confused
  – Stressed
  – Behind in billing
• Almost all enrolled providers use our Part D application
• Our largest growth area is with public health departments and independent pharmacies
  – Part B Mass Immunization Network and program
  – Medicaid and commercial billing programs
New Challenges for Public Health

• Effective 2013 the CDC disallows 317 program funding to provide vaccines for fully insured individuals
• The demand is increasing
  – Utilization rates fall far below CDC goals
  – Many physicians have discontinued vaccine services
  – Patients do not want to pay out of pocket, so billing and payer contracts are essential
• Billing is new for many public and community health providers
• Establishing a billing program requires
  – Financial investment for software, staff and training
  – Billing and coding expertise
  – Contracting expertise
  – Or, a third party billing partner
• Reimbursement is low and vaccine costs are high
Provider Challenges: Benefit Design

- Vaccine benefit design is complicated
  - Some vaccines are covered by medical benefits, some by pharmacy benefits, some by both
  - Pharmacy benefit claims are processed differently than medical benefit claims

- Medical billing software cannot process vaccine claims covered by a pharmacy benefit

- Pharmacy software cannot process vaccine claims covered by a medical benefit
Provider Challenges: Reimbursement

- Confirming patient eligibility is essential but often difficult or unavailable
- Payer contracting has not kept pace with shifts in delivery models
- Participation in Medicare’s Mass Immunization for flu and pneumonia can be a hassle
  - The 855b process is complicated and must be renewed annually
  - Annual cost of $505
Overcoming the Challenges

• Understand benefit design and reimbursement
• Understand your payer market and what it takes to participate
• Confirm patient eligibility at the time of service
• Implement a program that
  – Addresses the billing requirements for all of the services you provide
    • If you provide both medical and pharmacy billing services, make sure your system can process both
  – Is cost effective
    • Be careful of overkill – if administering vaccines is your only service, most systems offer far more than what is needed
      – Meaningful use is a great initiative
        » Does it apply?
        » If yes, when does it apply?
• Generates a good return on investment
<table>
<thead>
<tr>
<th>Payer Type</th>
<th>Type of Benefit</th>
<th>Type of Claim</th>
<th>Vaccines Covered</th>
<th>Patient Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare B</td>
<td>Medical</td>
<td>CMS 1500</td>
<td>Flu, Pneumonia, Hep B, + acute situation</td>
<td>No cost if Medicare Provider</td>
</tr>
<tr>
<td>Medicare C (MA)</td>
<td>Medical</td>
<td>CMS 1500</td>
<td>Flu, Pneumonia, Hep B, + acute situation</td>
<td>Most at no cost if in network</td>
</tr>
<tr>
<td>Medicare D</td>
<td>Pharmacy</td>
<td>NCPDP D.0</td>
<td>All put those covered by Medicare B</td>
<td>Deductibles and Co-pays</td>
</tr>
<tr>
<td>Medicare MA/PD</td>
<td>Medical and Pharmacy</td>
<td>CMS 1500</td>
<td>B &amp; D vaccines</td>
<td>B vaccines at no cost if in network, D vaccines have co-pays and deductibles</td>
</tr>
<tr>
<td>Medicare Supplemental</td>
<td>Medical</td>
<td>CMS 1500</td>
<td>May cover Part D vaccines</td>
<td>Varies by plan</td>
</tr>
<tr>
<td>Commercial</td>
<td>Medical</td>
<td>CMS 1500</td>
<td>Most cover all</td>
<td>Varies by plan</td>
</tr>
<tr>
<td>HMO</td>
<td>Medical</td>
<td>CMS 1500</td>
<td>Most cover all if in network</td>
<td>Varies by plan</td>
</tr>
<tr>
<td>PPO</td>
<td>Medical</td>
<td>CMS 1500</td>
<td>Most cover all</td>
<td>Varies by plan, in and out of network</td>
</tr>
<tr>
<td>Tricare</td>
<td>Medical and Pharmacy</td>
<td>CMS 1500</td>
<td>Covers all vaccines</td>
<td>Varies by plan</td>
</tr>
<tr>
<td>PBM/PDP</td>
<td>Pharmacy</td>
<td>NDPDP D.0</td>
<td>Med D vaccines, may cover others</td>
<td>Part D deductibles and co-pays, others vary</td>
</tr>
</tbody>
</table>
Claim Processing Options for Public Health Providers

- **Medical claims (Part B and Commercial, HMO, PPO, Medicaid)**
  - In house
    - Requires a medical management system and expertise in billing and coding
    - Requires an alternative solution for vaccine claims covered by the pharmacy benefit
    - Can be difficult to adjust staffing requirements around seasonal programs
    - Per MGMA average cost/claim = $5 to $7
  - Out source to a third party biller
    - Requires a medical management system
    - Cost is usually based on a percent of collection (Range 5% to 12%)
  - Roster bill if a Part B Mass Immunizer
    - Manual process that lends itself to denials (primarily eligibility and manual entry errors)
    - TransactRx

- **Pharmacy claims (Part D)**
  - Paper claims
  - Collect from patient
  - TransactRx
• TransactRx portal application provides
  – Patient Eligibility
  – Real-time Pharmacy claims
  – Medical benefit claims
  – Data Collection and Reporting
  – All Benefit Types
    • Medicare Part D
    • Medicare Part B
    • Commercial Pharmacy
    • Commercial Medical
Pharmacy Claim Management Services

- Patient eligibility is provided in real time
- Vaccine claims are processed in real time
- Providers know at the point of care
  - How much the provider will be reimbursed for the vaccine
  - The patients co-pay/deductible
- Providers do not need to contract with pharmacy plans
  - TransactRx is contracted with 90% of the Part D plans
  - Providers do not need to obtain an NCPDP # required for pharmacy billing
- Providers do not need to purchase/lease pharmacy software
  - No fees billed to providers
  - Payers pay TransactRx processing fees
National Mass Immunization Network Medicare Part B

- Patient eligibility is provided in real time
- Vaccine claims are processed immediately
  - No coding required
  - Pharmacies can use their pharmacy software or ours
- Providers know at the point of care how much the provider will be reimbursed for the vaccine
- Easy enrollment and credentialing process
  - No 855b required
  - Eliminates the annual CMS fee of $505
- Providers do not need to purchase/lease software
  - Fees are $1.50/submitted (paid) claim
  - All training, claims support and updates are included
Medical Claims Management Services

- Billed services include vaccines and medical services
- Patient eligibility is provided in real time
  - Most Medicaid programs
  - Commercial and managed plans as available
- Providers know at the point of care
  - How much the provider will be reimbursed for the vaccine
    - Per fee schedules
    - The patients co-pay/deductible
      - Most Medicaid programs
      - Commercial and managed plans as available
- Providers do not need to purchase/lease pharmacy software
  - Fees are based on paid transactions
    - Average $1.50/submitted (paid) claim
    - As low as 50¢
  - All training, claims support and updates are included
- Expanding our network relationships to include medical benefits
  - Assist TransactRx with payer contracting
Public Health Department Experiences:
Example A

- Nevada
  - Provider was a Mass Immunizer with Medicare Part B 2010-2011
    - Submitted bills by roster bills
    - 6 months behind in billing and was experiencing approximately 20% in denials and rebills
  - Enrolled in TransactRx Mass Immunization Program

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td>Flu claim</td>
<td>$15,500 flu claim collections</td>
<td>$17,000 flu claim collections</td>
</tr>
<tr>
<td>doses</td>
<td>472 doses</td>
<td>405 doses</td>
</tr>
<tr>
<td>Total</td>
<td>$708 (5%)</td>
<td>$607 (4%)</td>
</tr>
<tr>
<td>billing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cost</td>
<td></td>
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</tbody>
</table>

- Improvement in collection rates due to
  - Confirmed eligibility
  - Timely, electronic claim submission
- Compared to industry standards
  - In-house billing at $7/claim 2011 costs = $2,835
  - Third party billing at 10% 2011 costs = $1,700 + system fees
  - Savings of $1100 - $2300
Public Health Department Experiences: Example B

- **Illinois**
  - Provider provides pediatric and adult vaccines and preventive care services covered by multiple payer types
    - Provider was a Mass Immunizer with Medicare Part B 2010-2011
    - Medicaid discontinued its hybrid roster billing process and the provider needed a new solution
      - Services include: pediatric and adult vaccinations, well baby exams, prenatal services +
  - Enrolled in TransactRx Mass Immunization and Medicaid billing programs

<table>
<thead>
<tr>
<th>Medicaid Average/Mo</th>
<th>Flu Services Average/Mo</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,000 collections</td>
<td>$4,200 collections</td>
</tr>
<tr>
<td>1870 transactions</td>
<td>147 transactions</td>
</tr>
<tr>
<td>$9.21 avg. /transaction</td>
<td>$28.69/transaction</td>
</tr>
<tr>
<td>Total billing cost $934 (5%)</td>
<td>Total billing cost $220 (5%)</td>
</tr>
</tbody>
</table>

- Compared to industry averages
  - In-house billing at $7/claim 2011 costs = $6,545
  - Third party billing at 10% collections = $2,100/mo. + system fees
  - Estimated annual savings $36,000

5/24/2012  TransactRx (866) 522-3386
Now What? Where Do I Begin?

• Develop a short term and long term strategic plan
  – Identify the services you need to bill for today
  – Plan for the future but don’t let it delay what you need to do today

• Assess your capabilities
  – Staffing capacity
  – Staffing capabilities
  – Determine your focus

• Calculate the ROI for potential options
  – What is the estimated average cost per claim?
  – What is average reimbursement per claim?
  – What is the average net profit per claim?
Questions and Information

• Questions

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