



*Optimizing Pharmacy Claims Management  
to Increase Performance*

2010

Seeing the big picture to solve the biggest problems in health care.

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# Market Dynamics

Market Forces	Mitigation: Our Response
Economic Downturn results in 2%-3% increase in pharmacy fraud (BCBSTN, April 2009 AIS article)	Services that focus on immediate cost management solutions and identify operational and financial gaps
Health Care Reform – Eliminate Medicare/Govt. sector fraud... touted by Govt. as primary health reform funding source	Develop proactive solutions to prevent fraud, waste, abuse
Rx Fraud estimated at \$70B - per year (AIS 2009 Report)	Leverage 1 billion Rx claim data base for data mining and analytics
Pharmacy costs are expected to remain the fastest-growing component of health benefits spend...(\$220B annual spend)	Cost savings solutions (Performance EnhanceRx, RxOptimizer)
Growth of biopharmaceutical pipeline leads to increased Rx costs requiring innovative management practices/approaches	Predictive modeling capabilities, Trend forecasting, contract and rebate analysis
Medicare Modernization Act- Part D: CMS concern is growing over potential Medicare Part D and Medicaid fraud and abuse	Deliver solutions to address compliance/financial needs, (e.g. Part D audit tools) Medicare Part D analytics/informatics is nearly non-existent we can build capabilities
Market Trends and Needs	Our Response
Payers seek cost containment/loss prevention solutions	Pharmacy Claims Administration, Fraud, Waste and Abuse detection services; Workers' Comp, Rx Subrogation, COB solutions
Federal and State agencies, e.g., Medicare and Medicaid are cracking down on compliance	Provide Part D PDE/Claims reconciliation
Federal and State Law enforcement agencies, e.g. DOJ, DEA are cracking down on Rx fraud	Fraud, Waste and Abuse detection services
CMS/States have stepped up compliance pressures on contracted Medicare/Medicaid Health Plans	Over-payment, Fraud, Waste and Abuse (FWA) Detection Solution
Plans and Employers rely on their PBM for audit services---PBMs lack sophisticated algorithms/tools and their priority is preserving their pharmacy network .. NOT alienating them	Contract management, Performance Improvement, Overpayment/FWA solution, Benefit Modeling Tool (Optimizer)

# Best Practices

There are a number of strategies payers can engage in to drive down costs.

## Provider Strategy

- Payment strategies
- Tiered networks
- Build EPO's
- Global episodes
- Build ACO's
- Alignment with Medicare or Medicaid rate structures for Gov't products

## Pharmacy

- Fraud, waste, & abuse
- Formulary modeling
- PBM outsourcing
- PBM performance evaluation
- Part D PDE/Claims Reconciliations
- Trend forecasting/mgmt

## Health Management

- Identification and stratification of high impact individuals
- Build/enhancement of high performing programs
- Driving behavior change
- Outsourced contract review and savings
- Clinical program ROI
- Quality metric improvement

## Claims Payment & Operations

- Payment analytics
- Increased subrogation, fraud and COB
- Investigation and wrongful payment pursuit
- Auto adjudication
- Enrollment validation solutions

## Product, Sales & Marketing

- Rapid product prototyping
- Maximizing sales force effectiveness
- Maximizing segment solutions effectiveness
- Maximizing interactive marketing solutions
- Optimizing benefit plans

## Administrative & Service Operations

- Self-service models (portals, web-based)
- Workforce strategies (WFH, low-cost)
- Advanced management technologies (intelligent desktops, secure chat)
- Paperless
- Document imaging

## Finance, Actuarial & Underwriting

- Seasonality adjustments
- CDHP adjustments
- Risk scores for members
- Pricing Guidance
- U/W Manuals and Models
- Capital Budgets
- Financial Forecasts

## Government Programs

- MA SNP Models of Care
- Targeted care mgmt & transitional care programs
- Coding & revenue accuracy
- COB and Medicare as Secondary Payer
- Member retention
- Physician engagement
- HEDIS and STARS performance

# Rx Claims Management: How Claims Analysis Can Impact Rx Spend....



**Value: Health plans can realize savings of 1% to 3% of annual drug spend depending on the depth of the audit!**

Offering	Description	Benefit
<b>PBM Administrative Claims and Contract Review</b>	<ul style="list-style-type: none"> <li>▪ Compare &amp; evaluate retail, mail pharmacy claims payments against contract terms to identify potential inappropriate payments compared to contract rates</li> <li>▪ Inappropriate billed quantities</li> <li>▪ Evaluate claims processing utilization issues at point of service</li> </ul>	<ul style="list-style-type: none"> <li>▪ Potential savings 1% to 3% of annual drug spend</li> </ul>
<b>Pharmacy Claims Fraud &amp; Abuse Detection</b>	<ul style="list-style-type: none"> <li>▪ ID Claims for deceased members</li> <li>▪ ID Controlled substance abuse</li> <li>▪ ID Collusion schemes</li> <li>▪ ID Phantom claim billing</li> </ul>	
<b>Consulting</b>	<ul style="list-style-type: none"> <li>▪ Operational/Financial Performance Improvement Assessments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identifies root-cause of issues</li> <li>▪ Solutions to prevent future loss</li> </ul>

# Approach: Predictive Modeling

- Ingenix Pharmacy Optimizer is a multi-dimensional predictive modeling solution designed to help pharmacy benefit managers utilize clinical, risk and administrative information to identify areas of greatest opportunity to target for potential cost and quality impact.
- Expands detection of anomalous activity beyond traditional flag/rule based systems to identify advanced patterns and understand the drivers of payment accuracy.

## Predictive Modeling Examples:

- Claim scoring: Rank-ordering of claims and pharmacies / Flexible solutions such as flags and rules
- Layered logic using multiple variables
- Link analysis identifying potential collusion
- Data-driven peer grouping

## Advantages Include:

- Supplements flag/rule based by providing incremental detection capabilities
- Results may assist with the development of ever-better flag/rule sets
- Unsupervised, data-driven results

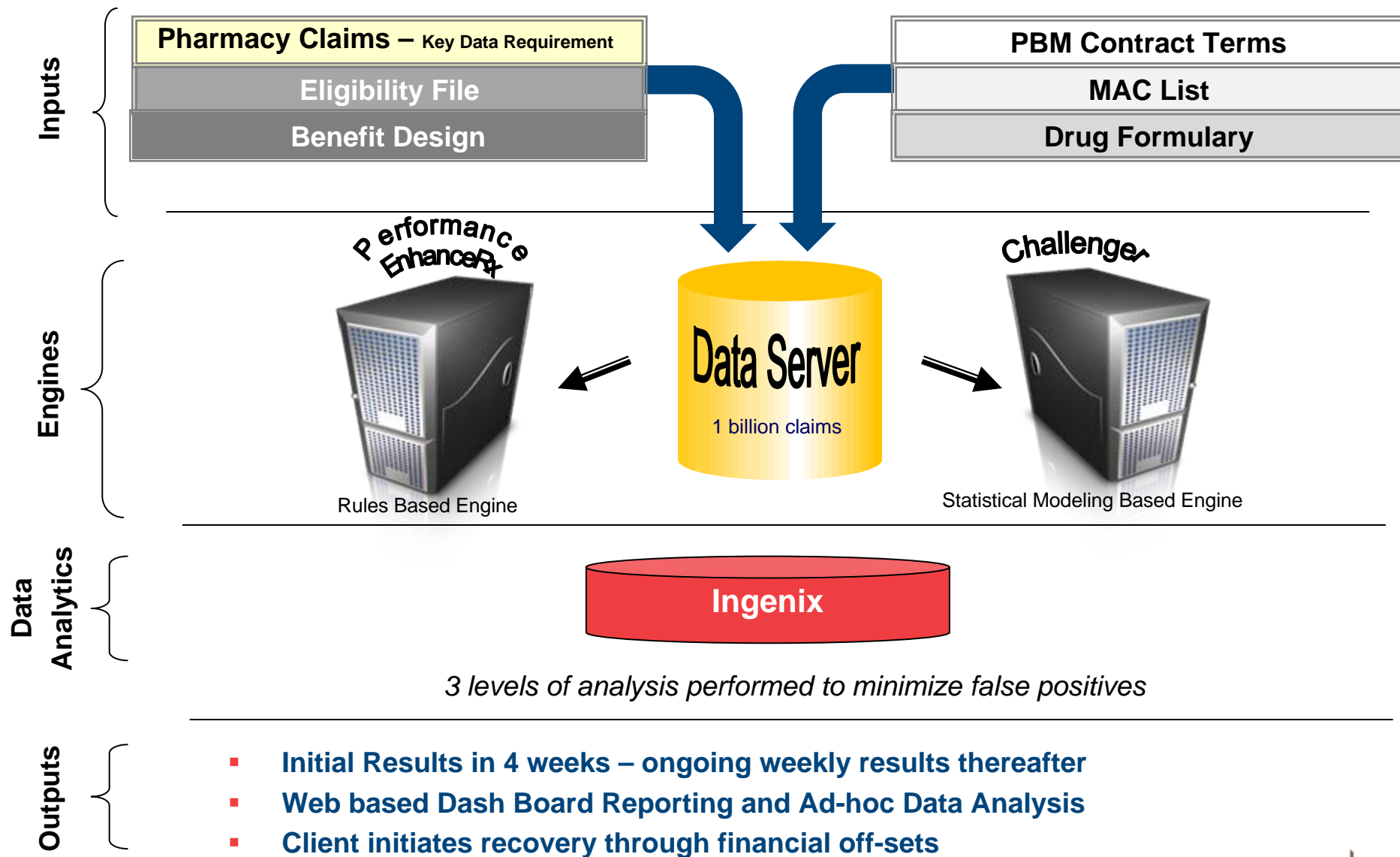
# Value in Rx Optimization

- I. Identification of Rx Claims Overpayments, Fraud, Waste and Abuse Results in:
  - Increased CMS/Medicaid Compliance
  - **Quick Hit** Cost Containment Solution - Savings of 1% -3% of Annual Rx Spend
  - Using a Contingency Based Fee Model – **No Risk to Payer**



# How Does Rx Claims Audit Work?

Data Source: Payer or PBM (1- 2 days to load claims)



# Roles and Responsibilities: Audit Process Example - Pharmacy Audit

Ingenix	Client	PBM
<p><b>Detection</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Contract terms/Rx Claims are loaded into system</li> <li><input type="checkbox"/> Inappropriately paid claims are identified and analyzed</li> <li><input type="checkbox"/> After an initial assessment has been made the following occurs:</li> </ul> <p><u>Option #1</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Claims report sent to client for direct follow up w/PBM -- Client creates financial off-set</li> </ul> <p><u>Option #2</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Claims report sent to Ingenix Recovery Unit for investigation</li> <li><input type="checkbox"/> Letter sent to PBM or Pharmacy to confirm validity of script dispensing</li> <li><input type="checkbox"/> Recovery Unit confirms/denies validity of script/dispensing and sends status report (4 weeks)</li> <li><input type="checkbox"/> Results communicated to Client via electronic report – client creates financial off-set</li> </ul> <p><u>Consulting:</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Potential operational assessment of PBM processes/procedures</li> </ul>	<p><b>Recovery</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Create Financial Off-set (\$ recovery)</li> <li><input type="checkbox"/> Communicate audit findings to PBM</li> <li><input type="checkbox"/> Determine Corrective action against PBM</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> PBM to conduct investigation and provide corrective action plan (CAP) to Plan (may include pharmacy termination)</li> <li><input type="checkbox"/> If Member related, attach prior authorization as applicable (subject to Plan/Employer approval)</li> <li><input type="checkbox"/> If Pharmacy or Pre-scriber related, pharmacy can receive a warning or be removed from the network</li> <li><input type="checkbox"/> Claim is flagged at POS and cost avoidance model employed</li> </ul>

**SAMPLE**



# Rx Claims Audit Services: Benefits

## I. Pharmacy Claims Audit –

- **Flexible Pricing Model:**
  - **No Risk** - Contingency fee model **or**
  - Fixed Fee – e.g., per claim fee
  - Compliance
  
- **Services Include:**
  - Claims data load/set-up (frequency TBD)
  - Data Mining and Analytics
  - Detection (ID)/Investigation
  - Web based reporting
    - Custom reporting is available upon request
  - Account Manager

## II. Additional Available Services

- Letter generation/faxing are available
- Desk-top and On-site Pharmacy Audits
- Consulting services

### Program Highlights

#### Benefits to Customer:

- ❑ Flexible service based model allowing for quick “on-the-fly” response to new fraud schemes
  
- ❑ Largest pharmacy claim data warehouse: **1 billion Rx claims**
  
- ❑ “Quick hit” cost containment Solution
  
- ❑ Comprehensive solution, e.g., Ingenix offers both a medical and pharmacy solution
  
- ❑ Deep Pharmacy claims experience:
  - 50+ staff: PBM industry experts, pharmacists, PhDs, statisticians, Pharmaco-economists and analysts
  - Analyzing Rx claims for over 13 years

# Dashboard Reporting: Slide must be viewed in “Slide Show” Mode (click on “View” then “Slide Show” in tool bar)

# Pharmacy Audits: High Risk Pharmacy Identification



# Pharmacy Risk Factors

- Good data is critical to identifying higher risk pharmacies
  - More information = better results
    - ➔ E.g., Demographic data: Patient/Pharmacy Addresses w/zip codes
- Process involves multiple steps
  - Identification of suspect pharmacies from summary data driven by risk factors
  - Identification of specific claims from suspect pharmacies; drill down analytics with multiple risk factors
- Identification of pharmacies and their claims can lead to onsite and desk top audits

# Common Pharmacy Risk Factors Used

Several key risk factors (below) are used to identify pharmacies that are dispensing potentially suspect claims that may indicate there is a need to audit that particular pharmacy:

## ● Compounds

- High dollar
- High percentage of compounds

## ● Various Cost Factors

- High average ingredient cost
- High utilization per member

## ● Various Billing Factors

- DAW-1 on multi-source brand overuse
- High percentage of claims for substances of abuse
- High number of claims with questionable quantities for days supply submitted
  - ◆ May indicate pharmacy is bypassing plan's days supply limits
- High variability in billing pattern



# Example: Weighted Ranking Technique for Selection On-Site Audit

<u>Overall Ranking</u>	<u>Weighted Rank Score</u>	<u>NCPDP #</u>	<u>Pharmacy Name</u>	<u># Pts</u>	<u># RXs</u>	<u>Ingredient Cost Paid</u>
1	84.11	2411091	ONE COMPANY PHARMACY SERVICES HEMOPHILLIA DIVISION	649	3,498	\$ 795,708
2	82.97	2423337	ABC SPECIALTY SERVICES PHARMACY	1,190	10,518	\$1,549,298
3	82.03	2409870	ABC CLINIC-PHARMACY	2,943	12,063	\$1,190,195
4	81.95	2420785	ABLE DRUG STORE	4,054	15,883	\$1,173,604
5	81.81	2424884	ABC UNIVERSITY DISCHARGE PHARMACY	896	3,117	\$313,730
6	81.55	2419960	ABLE DRUG STORE	3,398	11,987	\$851,020
7	81.54	2427765	ABC PHARMACY	1,854	6,207	\$528,327
8	81.37	2420406	ABEL DRUG STORE	2,723	11,431	\$840,755
9	81.28	2220541	ABC PHARMACY	1,317	5,718	\$355,011
10	81.08	2222862	ONE MEDICAL ASSOCIATES	3,608	11,381	\$837,892



# Case Study: High Risk Pharmacies

## Case Study #1: Pharmacies with High Risk Behavior

- Top 3: Wellpartner, Bioscripts and Safeway were the top pharmacies with multiple risk factors
- This analysis identifies various pharmacies with claims specifically hitting these risk factors.

Pharmacy	Claims	Ingredient Cost + Dispensing Fee	DAW	HIGH COST	C2S	Days Supply Mismatch
ABC Pharmacy	8318	\$ 1,893,381	X			
Abel Pharmacy	7574	\$ 2,030,148	X			
One Pharmacy Services	1864	\$ 771,642	X			
Anywhere Pharmacy	1827	\$ 453,340	X			
Abel Pharmacy	1079	\$ 255,276	X			
ABC Mail Order Pharmacy	973	\$ 523,525	x			
Pharmacy	881	\$ 1,813,574		x	x	x
Main St Pharmacy	710	\$ 182,439	x			
Short Pharmacy	661	\$ 142,596		x	x	x
Little Pharmacy Services	577	\$ 1,419,935		x	x	x
Big Specialty Services	574	\$ 403,380	x			

# Case Study: Compounded Claims

## Case Study #2: Pharmacies with High Risk Behavior

- General Home Pharmacy was identified as a pharmacy with a large amount of compounded prescriptions
- The claims below represents a sample of compounded claims identified.
- These are compounds with high ingredient costs and would be flagged as claims to audit.

Claims	Brand Name	Ingredient Cost	Quantity	Date of Fill
1	TOBRAMYCIN SULFATE	\$ 694	63	12-28-2009
1	TOBRAMYCIN SULFATE	\$ 853	42	12-15-2009
1	TOBRAMYCIN SULFATE	\$ 1,218	60	10-09-2009
1	TOBRAMYCIN SULFATE	\$ 1,279	63	10-07-2009
2	TOBRAMYCIN SULFATE	\$ 1,279	63	10-26-2009
1	TOBRAMYCIN SULFATE	\$ 1,279	63	10-27-2009
1	TOBRAMYCIN SULFATE	\$ 1,279	63	11-13-2009
1	VANCOMYCIN HCL	\$ 1,361	63	10-06-2009
1	VANCOMYCIN HCL	\$ 1,361	63	10-26-2009
1	VANCOMYCIN HCL	\$ 1,361	63	12-02-2009
1	VANCOMYCIN HCL	\$ 1,361	63	12-28-2009

# Case Study: Days Supply Mis-Match

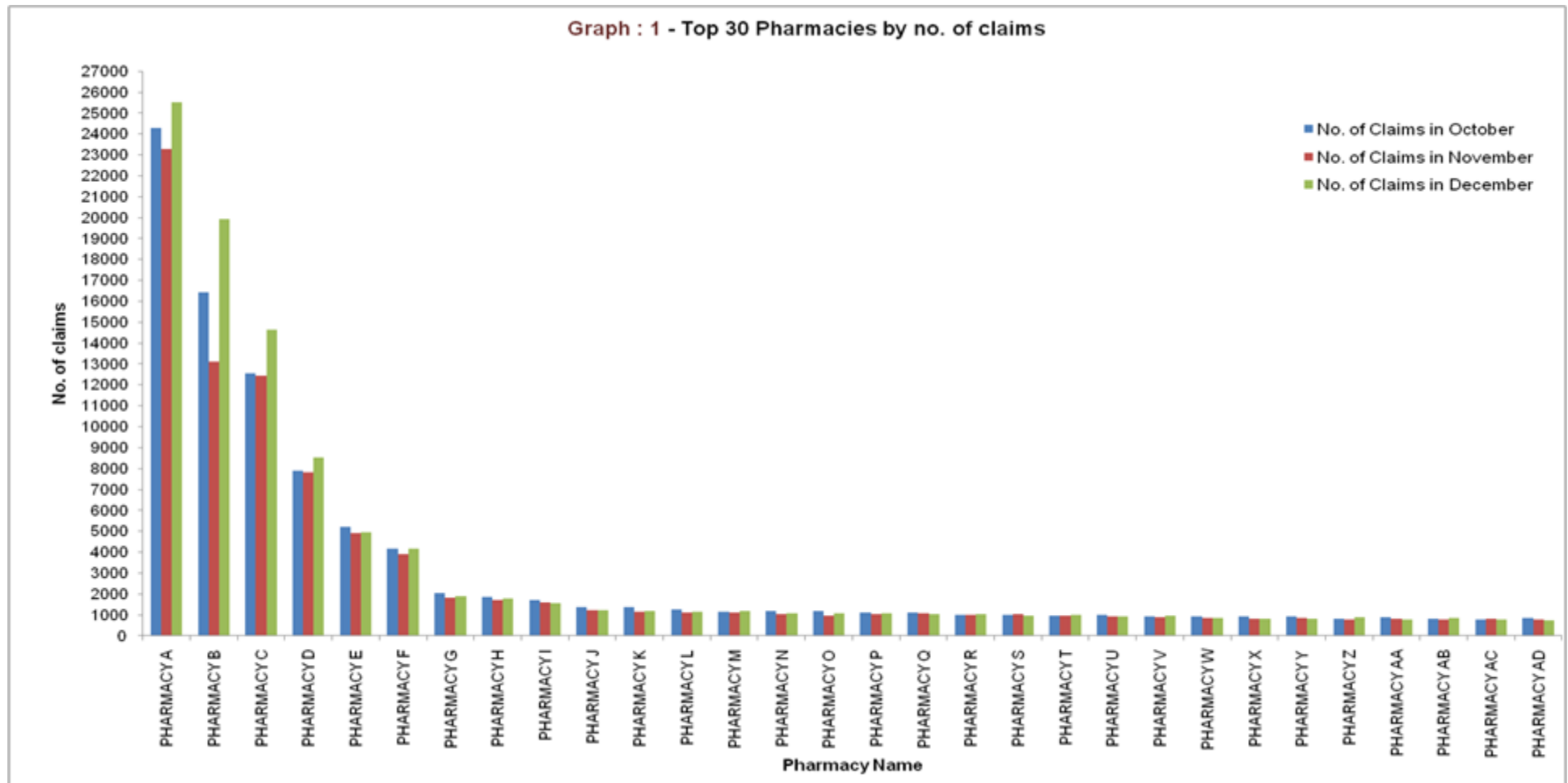
## Case Study #3: Pharmacies with High Risk Behavior

- This algorithm identified claims where the days supply is not consistent with the quantity dispensed
- The claims provided below are examples of high cost claims with inaccurate days supply based on standard dosing practices

Brand Name	Days Supply	Quantity	Ingredient Cost	Pharmacy
TARGRETIN	85	600	\$16418.18	ABC
ZAVESCA	28	90	\$11206.69	ABC SPECIALTY PHARMACY
FENTORA	75	420	\$10352.75	ABC
KUVAN	28	294	\$9391.12	ABC
GLEEVEC	28	180	\$6634.82	ABC
DRONABINOL	68	540	\$4838.3	ABC
VANCOGIN HCL	30	126	\$4572.34	ABC
ULTRASE MT 20	90	2100	\$4568.16	ABC PHARMACY SERVICES
CREON	90	1900	\$4457.29	ABC PHARMACY SERVICES
PANCREASE MT 16	28	2250	\$4131.4	ABC DRUG STORE
LAMICTAL XR	80	510	\$4124.15	ABC Pharmacy

# Spike Report: Peak in Pharmacy Dispensing

The graph below demonstrates our ability to monitor store's activity from month to month. These set of stores were monitored from a number of claims dispensed.



# High Risk Claims Scenarios.....



# Case Studies: Member Based Outcomes

## Case Study #1: Physician/Pharmacy Shopping

- This algorithm searches for members utilizing large number of pharmacy-physician combinations
- The direct drug cost to the plan may not be significant; however, members with the greatest number of combinations tend to be suspect
  - One study indicated that members abusing drugs had medical-related costs over 40 times the direct cost of the abused substances
- These members are candidates for a lock-in program to an individual physician and/or pharmacy

Physician-Pharmacy Combinations	Claims	Physicians	Pharmacies	Cost
38	56	32	19	\$742
33	39	33	18	\$162
31	35	24	18	\$217
28	31	28	8	\$85
27	30	23	10	\$290



# Physician-Pharmacy Combinations (cont.)

## Case Study #2: Specific Member Example

- This table represents the combination of medications being taken by one member over the three month period of analysis
- Pain medications received contained 473 grams of acetaminophen, which translated over 90 day period equaled 5.24 grams daily. The maximum safe dose is 4.0 grams daily

Medication	Claims	Quantity	Days Supply
APAP with Codeine 30mg (Pain)	1	35	9
Cyclobenzaprine (Muscle Relaxant)	3	95	35
Endocet (Pain)	16	501	114
Hydrocodone/APAP (Pain)	13	483	99
Hydromorphone (Pain)	2	40	7
Methocarbamol (Muscle Relaxant)	2	60	20
Oxycodone (Pain)	4	127	37
Oxycodone w/APAP (Pain)	8	211	37
Propoxyphene w/APAP (Pain)	1	30	10
Tramadol (Pain)	5	118	34
Zolpidem( Sleep)	1	10	10

# Geo Access: Potential Member Abuse

Geo Access is used to identify members who travel longer than normal distances between their home, pharmacy and physicians to secure medications

## Case Study #3: Long Distance Rx Shopping

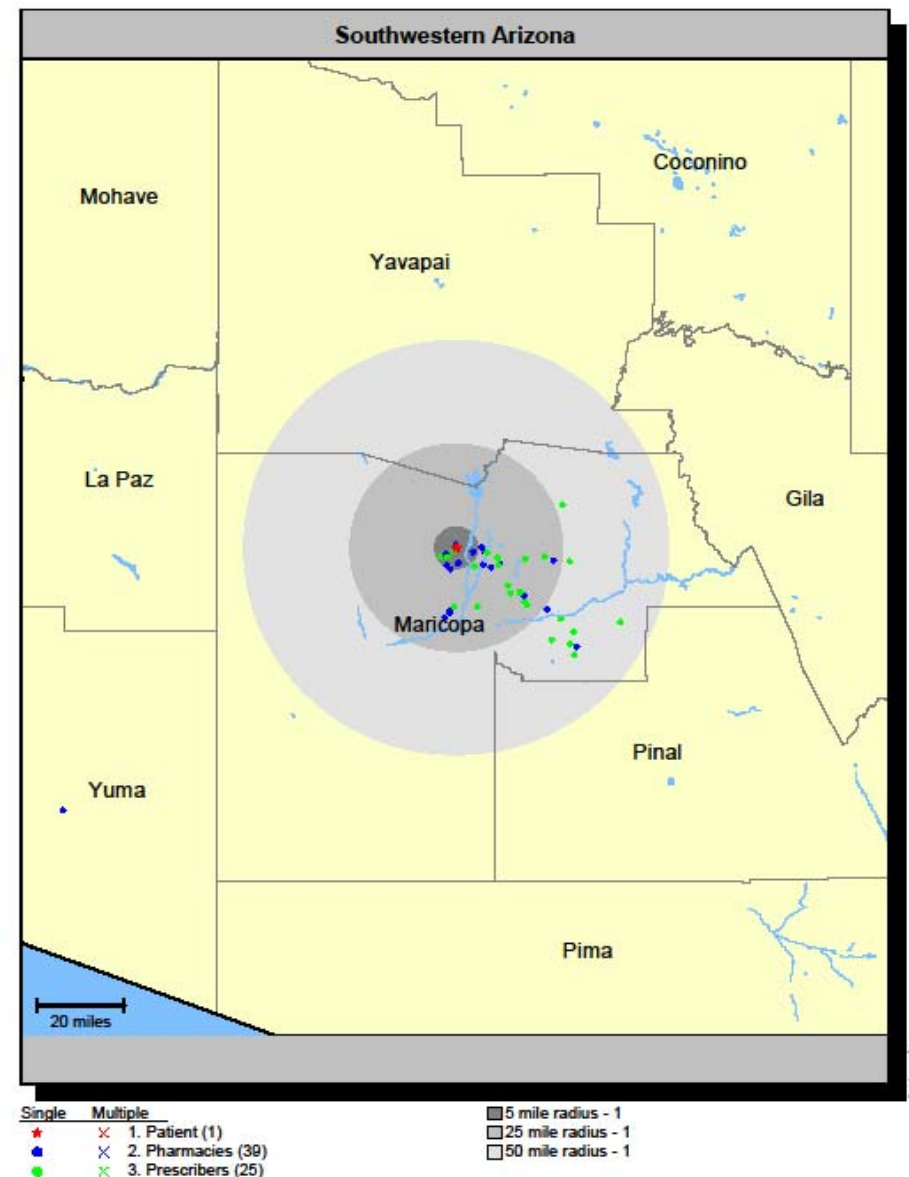
The example below represents a member who obtained 39 prescriptions for multiple substance of abuse medications from 32 physicians visiting 18 distinct pharmacies

	Patient to Pharmacy	Patient to Physician	Physician to Pharmacy
Least Distance	Same Town	2.4 miles	Same town
Greatest Distance	124 miles	2,463 miles	2,468 miles

Medication	Tablet Quantity
Cyclobenzaprine	104
Diazepam	4
Oxycodone/APAP	222
Hydrocodone/APAP	145
Oxycodone	30
Tramadol	109
Tramadol/APAP	20

# Geo Network Map

- This map demonstrates how the member went to multiple pharmacies and physicians within Arizona
- The most distant pharmacy was in the Yuma area; 186 miles away,, the others were in the metropolitan area of Maricopa County
- From the Arizona area, this member also accessed physicians in Minnesota, Ohio, Illinois and Massachusetts to secure medications



# Geo Access: Potential Member Abuse

## Case Study #4: Long Distance Rx Shopping

- State of Arkansas: Identified members going > 40 miles to physician
  - Pharmacy and member located in same city
    - Physician located in Monticello, Arkansas -- 47 miles away from member's residence
    - Physician located in DeWitt, Arkansas - 76 miles away from member's residence
  - Medications reviewed were chronic medications, most likely not an issue; however, still raises the question is pharmacy running claims for someone not visiting their pharmacy.

# Case Studies: Unusual Prescribing Patterns

## Case Study 1: Unusual Prescribing by Podiatrists

- **Podiatrists prescribing unusual amounts of abusive substances; Atypical behavior of a podiatrist's practice**
  - a. Patient A: Received 13 scripts for Oxycontin 80mg #240 between 1/21/2008 through 10/6/2008
    - **Plan Cost = \$32,241**
  - b. Patient B received 59 Rxs of various pain medications. They were received from 5 pharmacies and one physician. The amount of Acetaminophen found in these medications far exceeds what a safe daily dose would be.
    - **Plan Cost = \$6,260**

# Case Studies: Unusual Prescribing Patterns

## Case Study #2: Dentists – Unusual Prescribing Patterns

- **Excessive ADHD drug prescribing by Dentists**
  - Patients of a large University Dental Service
  - **Plan cost = \$35,184**
  
- One dentist had unusual quantities and medications for a dentist.
  - Oxycodone 5mg #720(pain) \$103
  - Lyrica 100mg #180(seizures/nerve pain) \$480
  - Zolpidem 5mg #180(sleep) \$250
  
- Other unusual claims
  - Tussionex 180ml(highly addictive cough syrup) \$117
  - Lomotil(generic) #240 (diarrhea) \$43
  - Methocarbamol #240 (muscle relaxant) \$18



# Case Studies: Unusual Prescribing Patterns

## Case Study #3: Over Prescribing of Fentanyl Products

- There were 1,624 claims costing over \$2 million
- Below depicts a claims sample demonstrating potential overutilization and cost savings opportunity
- Although these medications are highly utilized for cancer patients for pain control, overutilization can become a patient safety issue that may result in other medical conditions

Pharmacy	Fill Date	Brand Name	Strength	Dosage Form	Quantity	Days Supply	Ingredient Cost	Units per Day	Standard Doses/Day
ABC Pharmacy	12/1/2009	Fentora	800mcg	Tablet Eff	360	30	\$17,152	12	6
ABC Drug	12/28/2009	Fentanyl Citrate	1600mcg	Lozenge	500	10	\$16,214	50	6
ABC Pharmacy	10/29/2009	Fentanyl Citrate	1600mcg	Lozenge	300	21	\$12,475	14.29	6
ABC Drug	10/15/2009	Fentanyl Citrate	1600mcg	Lozenge	336	28	\$10,896	12	6
ABC Drug	11/30/2009	Fentanyl Citrate	1600mcg	Lozenge	336	14	\$10,896	24	6
ABC Pharmacy	12/2/2009	Fentora	600mcg	Tablet Eff	336	30	\$11,896	11.20	6

# Case Studies: Unusual Prescribing Patterns

## Case Study #4: Ratio of Short/Long Acting Narcotics

- This analysis identified highest ratios of short acting to long acting narcotics
- The result of the analysis shows excessive amounts of the short acting narcotics at their highest dose or greater

BRAND_NM	Strength	Dosage Form	Ingredient Cost	Quantity	Days Supply	Tablets/Days	Standard Doses/Day
METHADONE HCL	10MG	TABLET	\$40	1200	30	40	12
OXYCODONE HCL	5MG	TABLET	\$303	1116	31	36	36
OXYCODONE HCL	5MG	TABLET	\$261	900	90	10	36
OXYCODONE HCL	5MG	TABLET	\$225	800	30	27	36
OXYCODONE HCL	5MG	TABLET	\$225	800	10	80	36
OXYCODONE HCL	5MG	TABLET	\$225	800	10	80	36
OXYCODONE HCL	5MG	TABLET	\$225	800	30	27	36
HYDROMORPHONE HCL	4MG	TABLET	\$419	720	30	24	16
HYDROCODONE-ACETAMINOPHEN	7.5-325MG	TABLET	\$253	720	90	8	6
TRAMADOL HCL	50MG	TABLET	\$63	720	90	8	8

# Case Studies: Pharmacy Based Outcomes

## Case Study #1: Compounding Pharmacies

- This is a sampling of claims for high cost compounds
- Interestingly pharmacies were able to process claims through the system without triggering an alert
- Working with clients to apply edits to control costs can help to eliminate or reduce the costs of these high cost compounds unless they are medically necessary

RX NBR	Pharmacy Name	Fill Date	Brand Name	Strength	Dosage Form	Ingredient Cost	Quantity	Days Supply
997717	ABC DRUG	10-23-2009				\$10,080	1800	30
5159018	ABC PHARMACY	10-26-2009	MERREM	1G	VIAL	\$6,930	4131	27
564693	ABC PHARMACY INC	10-19-2009	FENTANYL CITRATE	100%	POWDER	\$6,854	600	10
1946972	ABC STORE	11-27-2009	VANCOCIN HCL	250MG	CAPSULE	\$3,578	420	7
993784	ABC DRUG	10-21-2009				\$3,120	240	30
993784	ABC DRUG	11-14-2009				\$3,120	240	30
993784	ABC DRUG	12-08-2009				\$3,120	240	30
29319	ABC Pharmacy	11-19-2009	TOBRAMYCIN SULFATE	1.2G	VIAL	\$3,046	9	28

# Reduction of Costs



# Case Studies: High Cost Medications

## Case Study #1: High Cost Medications

- Advate 3000 – Hemophilia drug
  - Highest cost per unit was for prescriptions purchased from Accredo; \$1.50 versus \$0.97 from Phoenix Childrens' Hospital
  - Based on 3 Accredo purchased prescriptions, **a savings of \$70k** would have resulted if purchased from another provider

	Units	Accredo Price	Best Price	Price Difference
Claim 1	46,980	\$69,884	\$45,476	\$24,408
Claim 2	45,024	\$66,975	\$43,853	\$23,122
Claim 3	44,805	\$66,649	\$43,371	\$23,278

## Case Study #2: Non-standard Dosage Form

- Pharmacies have dispensed Ranitidine capsules or Fluoxetine tablets.
- There were 12,715 claims that cost the plan \$237,612
- If the standard dosage form was used, the **cost savings would have been about \$128,000**

# Case Studies: High Cost Medications

## Case Study #3: High Cost Drugs

Medications	Quantity Dispensed	Cost	Standard Dose/30 days	Cost	Savings
<b>Fluticasone Allergies</b>	816ml 30 days	\$1259	16gm	\$24.68	\$1231
<b>Fluocinonide Steroid Cream</b>	1056gm 20 days	\$867	60gm	\$49.50	\$818
<b>Freestyle Strips Blood glucose monitoring</b>	1200 strips 60 days	\$1019	300 strips	\$254	\$764
<b>Humulin N Diabetes</b>	300ml(30 vials) 90 days	\$2424	20ml	\$485	\$1939
<b>Lantus Insulin Diabetes</b>	300(30 vials) 90 days	\$2457	20ml	\$489	\$2294
<b>Hydromorphone 4mg Pain</b>	1920 Tablets 30 days	\$1116	180	\$104	\$1012
<b>Hydromorphone 8mg Pain</b>	1560 tablets 27 days	\$1225	90	\$71	\$1154

# Case Studies: High Cost Medications /Overpayments

## Case Study 4: High Cost Medications

### Scenario 1: Specialty pharmacy:

- Drug: Asmanex Inhaler, 220/30 inhalations.
- The Issue: Typical Retail claim price is approx. \$129.00 the claim was **paid at over \$3100.00**

### Scenario 2: High cost/High Dose medications were utilized when other lower cost options were available:

- Drug: Kadian, 4 Rxs = \$62,770
  - Alternative generic product would cost \$24,000 for the same quantity .... **a savings of \$38,770!**
- Kadian: over \$250,000 in drug spend
  - Generic products equaling about \$90,000....**a savings of \$160,000!**

## Case Study 5: Overpayments

### Vaccines

- Extra charges beyond the AWP – Discount – Copay
- Zostavax: **\$569k in overpayments** associated with 30,616 claims

### Duplicate Claims

- Mail and retail claims for the same prescriptions being filled on the same day
  - **PBM mail and retail systems are typically NOT integrated?**

### High Cost Claims

- There were several prescriptions for **Water for Irrigation that priced at over \$1400 (a \$8.00 item at best)**
  - Review of one pharmacy resulted in 8 claims for \$11,811



# Quality and Safety Identification



# Case Studies: Drug Age Edit Concerns

## Case Study #1: Children

- Synagis for children greater than 24 months old
  - 14 claims costing plan \$37,437 including 3 claims for 3 year olds
  - Multiple pharmacies
    - ABC Bio Pharmacy
    - ABC Specialty Pharmacy
    - ABC Pharmacy
    - ABC Inc.

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## Case Study #2: Elderly

- Prenatal Vitamins
  - 382 claims for those greater than 60 yrs old
  - Includes 38 members greater than 90 yrs old
  - This may be a benefit plan design change to discuss with clients

# Case Studies: Safety

## Case Study #3: Safety Issues within the Elderly

- Sampling of medications that are considered harmful in patients greater than 65 years of age
- Utilization of these medications may cause health complications resulting in additional health care issues/costs

Brand Name	No. of Claims	Ingredient Cost Paid
LORAZEPAM	17538	\$ 151,899
FLUOXETINE HCL	9669	\$ 162,518
DOXAZOSIN MESYLATE	9497	\$ 91,470
PREMARIN	8529	\$ 777,324
CLONIDINE HCL	6771	\$ 65,313
PROPOXYPHENE NAPSYLATE-AP	6671	\$ 66,364

# Contact Information

## ● Pharmacy Optimization Management Team

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