

# 2024 Indian Health Service Partnership Conference

## Briefing Topic

LCDR Phillip O'Bourke  
(slides by Michael Hunt)  
Prior Authorizations  
8/13-15/24



# Reports for Monitoring Point of Sale Success



# Monitoring Pharmacy Point of Sale (POS)

## RPMS Revenue Reports

- DAY – totals by release date
- STA - A/R Statistical Reports
- PSR – Period Summary Report

## Calculations

- Drug Cost Recovery
- Cost/Reimbursement Per Prescription



# DAY TOTALS - by RELEASED DATE

DAY – totals by release date

- Single Site
  - POS/RPT/ADMN/DAY
- Multiple Sites (Service Unit Total)
  - POS/RPT/SITE/DAY

Includes all claims billed electronically through POS

Paper claims: It will list the **billed amount** of paper claims, not the paid amount



# DAY Report Columns

**Payable**- Total of POS Claims that display as PAID

**Shorted**- Difference in Billed amount and Paid amount on a PAID Claim

**Paper**- Total of Billed amounts of all claims filed as Paper Claims (VA)

**Rejected**- Total of the Billed amount of claims currently in rejected status

**Uninsured**- Total Billable amount of all claims for Patients with no Insurance

**Duplicate**- Total of all claims that were accidentally double billed (should be 0)



# Day Report Details

- Up to date totals of claims processed through POS
- Shows what we *should* receive from the third party insurers
  - DIR Fees can be deducted from amounts when check is issued
  - Reversal of claims for RXs not picked up will deduct from Payable total
- Must run the URM-Update Report Master File prior to running report



# Day report

POINT OF SALE TOTALS							JAN 25,2018
From DEC 1,2017 thru DEC 31,2017							2:52 PM
	PAYABLE	SHORTED	PAPER	REJECTED	UNINSURED	DUPLICATE	
DEC 26,2017							
SUBTOTAL	19880.23	13637.98	0.00	5795.67	31572.19	0.00	
SUBCOUNT							900
DEC 27,2017							
SUBTOTAL	21169.27	16214.41	146.36	7013.67	45824.93	0.00	
SUBCOUNT							1271
DEC 28,2017							
SUBTOTAL	27258.21	16463.52	146.05	13229.22	37904.38	0.00	
SUBCOUNT							1020
DEC 29,2017							
SUBTOTAL	25059.75	9194.34	505.33	14244.19	40174.65	0.00	
SUBCOUNT							1404
DEC 30,2017							
SUBTOTAL	2569.41	1529.66	0.00	374.47	3080.56	0.00	
SUBCOUNT							152
TOTAL	<b>519241.69</b>	<b>270497.34</b>	<b>15077.91</b>	<b>172574.78</b>	<b>836366.02</b>	<b>0.00</b>	
COUNT							23386

Press ENTER to continue:

# Correcting Rejected Claims: Impact on Collections

Results vary depending on site, volume, prescribing habits, etc.

To track impact:

- **When working POS rejections, the DAY report can prove your worth**

1. Run URM report
2. Run the DAY at the start of the day prior to working rejections
3. Work all the rejections.
4. Run your URM after working rejections to total up your reports within RPMS
5. Run the DAY at the end of the day after working rejections
6. Subtract the End of the day total from the Start of the day total to see how much you gained by fixing rejected claims.





# Example: Clinton Service Unit February 2022

<u>Date</u>	<u>DAY total BEFORE claim correction</u>	<u>DAY total AFTER correction</u>	<u>Increase from Claim Correction</u>	<u>Percentage of Total Collections</u>
Feb1-2	\$51,638.46	\$90,516.25	\$38,877.79	42.95%
Feb 3,4,5	\$54,317.89	\$60,112.55	\$5,794.66	9.64%
Feb 6-9	\$160,947.06	\$178,398.24	\$17,451.18	9.78%
10-Feb	\$39,193.44	\$42,872.81	\$3,679.37	8.58%
Feb 11-12	\$58,837.09	\$65,244.76	\$6,407.67	9.82%
14-Feb	\$52,267.70	\$56,220.75	\$3,953.05	7.03%
15-Feb	\$43,819.30	\$49,472.93	\$5,653.63	11.43%
16-Feb	\$37,069.75	\$40,980.35	\$3,910.60	9.54%
17-Feb	\$34,707.19	\$38,507.43	\$3,800.24	9.87%
Feb 18-19	\$34,056.63	\$38,677.81	\$4,621.18	11.95%
Feb 20-23	\$105,226.52	\$116,262.72	\$11,036.20	9.49%
24-Feb	\$24,402.56	\$30,363.25	\$5,960.69	19.63%
Feb 25-27	\$54,695.27	\$65,803.41	\$11,108.14	16.88%
28-Feb	\$72,644.30	\$86,585.56	\$13,941.26	16.10%
<b>Totals:</b>	\$823,823.16	\$960,018.82	\$136,195.66	13.76%

Average daily increase  
by working rejections



# Impact for Clinton Service Unit:

Completion of  
prescription Prior  
Authorizations

\*Initial Collections\*

Totals repeat with each refill

## Prior Authorization Data

<b>FY 2021</b>		
<b>Month</b>	<b>PA's approved</b>	<b>Initial Collections from PA Approval</b>
Oct-21	49	\$41,928.89
20-Nov	34	\$16,725.16
20-Dec	39	\$6,686.34
21-Jan	78	\$14,092.21
21-Feb	50	\$11,377.76
21-Mar	79	\$33,288.60
21-Apr	51	\$17,597.24
21-May	41	\$8,966.79
21-Jun	34	\$11,059.20
21-Jul	50	\$13,619.61
21-Aug	51	\$14,236.46
<u>21-Sep</u>	<u>55</u>	<u>\$23,101.52</u>
<b>2021 TOTALS</b>	<b>611</b>	<b>\$212,679.78</b>
<b>FY 2022</b>		
<b>Month</b>	<b>PA's approved</b>	<b>Initial Collections from PA Approval</b>
21-Oct	40	\$10,294.29
21-Nov	51	\$26,125.29
21-Dec	55	\$27,430.22
January, 2022	64	\$31,654.10
February, 2022	76	\$27,774.43
March, 2022	83	\$45,296.57
April, 2022	48	\$12,977.69
May, 2022	65	\$28,941.93
June, 2022	76	\$36,713.41
July, 2022	38	\$12,771.90
Aug, 2022	33	\$14,144.65
<u>Sept, 2022</u>	<u>67</u>	<u>\$28,597.27</u>
<b>2022 Totals</b>	<b>696</b>	<b>\$302,721.75</b>

# VGEN Search Impact on Collections

YEARLY TOTALS	2015 RX	2015 MEDICAL	2016 RX	2017 RX	2018 RX	2019 RX	2020 RX	2021 RX	2022 RX
MEDICAID	\$30,999.21	\$11,412.00	\$33,181.70	\$68,521.13	\$97,858.81	\$99,912.89	\$142,665.00	\$114,660.00	\$24,912.00
MEDICARE PART D	\$1,872.29	\$0.00	\$2,160.54	\$3,704.31	\$42,563.41	\$6,503.04	\$456.06	\$34,750.50	\$5,497.46
PRIVATE INSURANCE	\$38,864.29	\$0.00	\$44,352.59	\$21,641.16	\$43,542.46	\$36,189.94	\$21,410.35	\$51,595.36	\$9,299.34
TOTAL:	\$71,735.79	\$11,412.00	\$79,694.83	\$93,866.60	\$183,964.68	\$142,605.87	\$164,531.41	\$201,005.86	\$39,708.80
PREVIOUS DATA FROM MONTHLY CHECKS DURING 2013-2014: DETAILED DESCRIPTION LOCATED IN "PTS WITH NO INS PDSA OVERVIEW" ON S:DRIVE									
Q3CY13	\$49,350.38								
Q4CY13	\$36,976.46								
Q1CY14	\$63,120.15								
Q2CY14	\$45,541.23								
Q3CY14	\$12,806.31								
Q4CY14	\$44,610.82								
Total number of patients identified				3,360					
<b>PDSA GRAND TOTAL SINCE INCEPTION</b>				<b>\$1,240,931.19</b>					



# STA - A/R Statistical Reports

## POS/RPT/ADMN/STA

- Select report by Dates, Approval, Visit, Export
  - Not much difference for most pharmacy claims

## Accounts Receivable (A/R) dependent

- NOT up to date with amounts from DAY report
- Numbers will change as A/R department posts payments received. Can be delayed 60-90 days
- Useful when compared to DAY report when looking back at previous year



# A/R Statistical Report cont.

```

=====
A/R STATISTICAL REPORT for ALL BILLING SOURCE(S)   JAN 26,2018@14:55   Page 1
at ALL Visit location regardless of Billing Location with APPROVAL DATES
from 10/01/2016 to 09/30/2017
at ALL Visit location(s) regardless of Billing Location
=====

```

VISIT TYPE	NUMBER VISITS	UNDUP PATIENTS	BILLED AMOUNT	PAID AMOUNT	ADJ AMOUNT	UNPAID AMOUNT
CLINTON INDIAN HEALTH CENTER						
OUTPATIENT	18,299	3,624	5,190,788.35	2,850,735.35	2,073,065.80	266,499.20
IMMUNIZATION	131	121	56,850.65	45,187.40	10,303.19	1,360.06
FLU/PNEUMO/H	27	27	1,778.36	1,724.53	53.83	0.00
BEHAVIORAL H	69	47	21,811.00	17,399.44	2,030.56	2,381.00
OUTPATIENT	13	4	4,337.00	3,120.58	1,216.42	0.00
Pharmacy POS	48,854	2,638	5,141,934.59	3,242,581.93	1,897,945.23	1,407.43
PHYSICAL THE	114	53	93,887.53	18,851.26	69,352.61	7,892.66
TELEBEHAVIOR	59	30	1,770.00	329.90	420.10	1,020.00
PHARMACY	187	22	39,884.99	33,606.71	2,729.81	3,548.47
DENTAL	1,338	714	497,711.00	212,238.72	271,110.28	14,362.00
PROFESSIONAL	2,559	583	675,206.42	76,706.10	590,400.32	8,100.00
	71,650	7,863	11,725,959.89	6,502,481.92	4,918,628.15	306,570.82
TOTAL COVERED INPATIENT DAYS 0						
END OF REPORT						

# PSR – Period Summary Report – A/R dependent

## POS/RPT/ADMIN/PSR

- Shows revenue that has been or is about to be received
- Good for reporting purposes (if A/R does a good job)
  - Shows actual revenue received
- Can be broken down by Medicare, Medicaid, Private Insurance, and Veterans Benefits
- Will include Medicaid revenue even if billed on paper
- Will be delayed from the actual processing of the medications
  - 2 to 6 months
- Can filter by CLINIC or VISIT type



# PSR Report cont.

Select Visit LOCATION: CLINTON INDIAN HOSPITAL CLINTON INDIAN HEALTH CENTER

Select one of the following:

- 1 A/R ACCOUNT
- 2 CLINIC TYPE
- 3 VISIT TYPE
- 4 DISCHARGE SERVICE
- 5 ALLOWANCE CATEGORY
- 6 BILLING ENTITY
- 7 INSURER TYPE

Select criteria for sorting: 2 CLINIC TYPE

Select Clinic: ALL// 39 PHARMACY 39

Select Another Clinic: D1 ANTICOAGULATION THERAPY D1

Select Another Clinic: D5 PHARMACY PRIMARY CARE CLINIC D5

Select Another Clinic:

=====  
===== Entry of TRANSACTION DATE Range =====

Select Beginning Date: 10012016 (OCT 01, 2016)

Select Ending Date: 09302017 (SEP 30, 2017)

# PSR Report cont.

- The different columns are independent numbers
  - Payment Column is what you are interested in
- Summary of what happened during the given period
- Payment + Adjustment + Refund will not add up, but should be close

```
Output DEVICE: HOME//  VIRTUAL

WARNING: Confidential Patient Information, Privacy Act Applies
=====
Period Summary Report by CLINIC TYPE          JAN 26,2018@15:18  Page 1
with TRANSACTION DATES from 10/01/2016 to 09/30/2017
at CLINTON INDIAN HEALTH CENTER Visit location(s) regardless of Billing Location
=====
CLINIC TYPE          Billed Amt          Payment          Adjustment          Refund
=====
ANTICOAGULATION THE          8,078.00          4,209.51          4,333.49          0.00
PHARMACY          5,541,799.96          3,268,559.19          2,214,026.56          0.00
-----
*** VISIT Loc Total          5,549,877.96          3,272,768.70          2,218,360.05          0.00
=====
***** REPORT TOTAL          5,549,877.96          3,272,768.70          2,218,360.05          0.00
```



# Showing Off: Displaying POS Accomplishments

Different ways to illustrate impact of collections

- Calculations to track increases/decreases in profitability and efficiency.
  - Drug Cost Recovery Percent
  - Cost per prescription filled
  - Reimbursement per prescription filled
- Graph of Payable amounts: Compare different time frames
  - Shows the results of putting effort towards Pharmacy POS



# Drug Cost Recovery

- Compares the cost of medications purchased to the amount collected from third party payers through pharmacy point of sale
- Shows how well your pharmacy is paying for itself
- Affected by many factors:
  - Repackaged medications (Unbillable)
  - High Cost medications
  - Non-Formulary medications



# Calculating Drug Cost Recovery

$$\text{Drug cost recovery \%} = \frac{\text{POS collections(DAY Report Payable)}}{\text{Drug Cost Total}} \times 100$$

- POS Collections obtained from DAY report
- Drug Cost Total= Mckesson + NSSC + CMOP (Finance Department)



# Drug cost recovery (continued)

$$\frac{\$280,062.68}{\$140,617.48} = 1.99 \times 100 = 199\%$$

From thru	PAYABLE	SHORTED	PAPER	REJECTED	UNINSURED	DUPLICATE	
	9505.06	4283.43	44.00	3578.54	21112.03	0.00	
SUBTOTAL SUBCOUNT							455
SUBTOTAL SUBCOUNT	9505.06	4283.43	44.00	3578.54	21112.03	0.00	455
TOTAL COUNT	280062.68	115818.97	2516.28	93845.91	472506.74	0.00	12498

NSSC	Oct-17
Clinton PPV	\$80,731.27
Clinton PPV FCRF	\$1,089.87
Clinton PPV BH	\$3,834.43
Clinton PPV BH FCRF	\$51.76
Clinton PPV PHN	\$8,256.29
Clinton PPV PHN FCRF	\$111.46
Clinton CMOP Drug Fee	\$27,031.01
Clinton CMOP FCRF	\$364.92
Clinton CMOP ADMIN Fee	\$12,189.86
Clinton NSSC Warehouse	\$6,471.26
<u>Clinton NSSC Warehouse Fee</u>	<u>\$485.34</u>
Clinton Sub-Total	\$140,617.48



# Cost per prescription

$$\frac{\text{Cost of drugs purchased}}{\text{Total RXs filled (AMIS Report)}} = \frac{\$140,617.48}{12,503} = \$11.25 \text{ per prescription}$$

Variables to monitor:

- Purchasing Repacks vs. more expensive non-repackaged meds
- High cost medications on your formulary



# Reimbursement per prescription

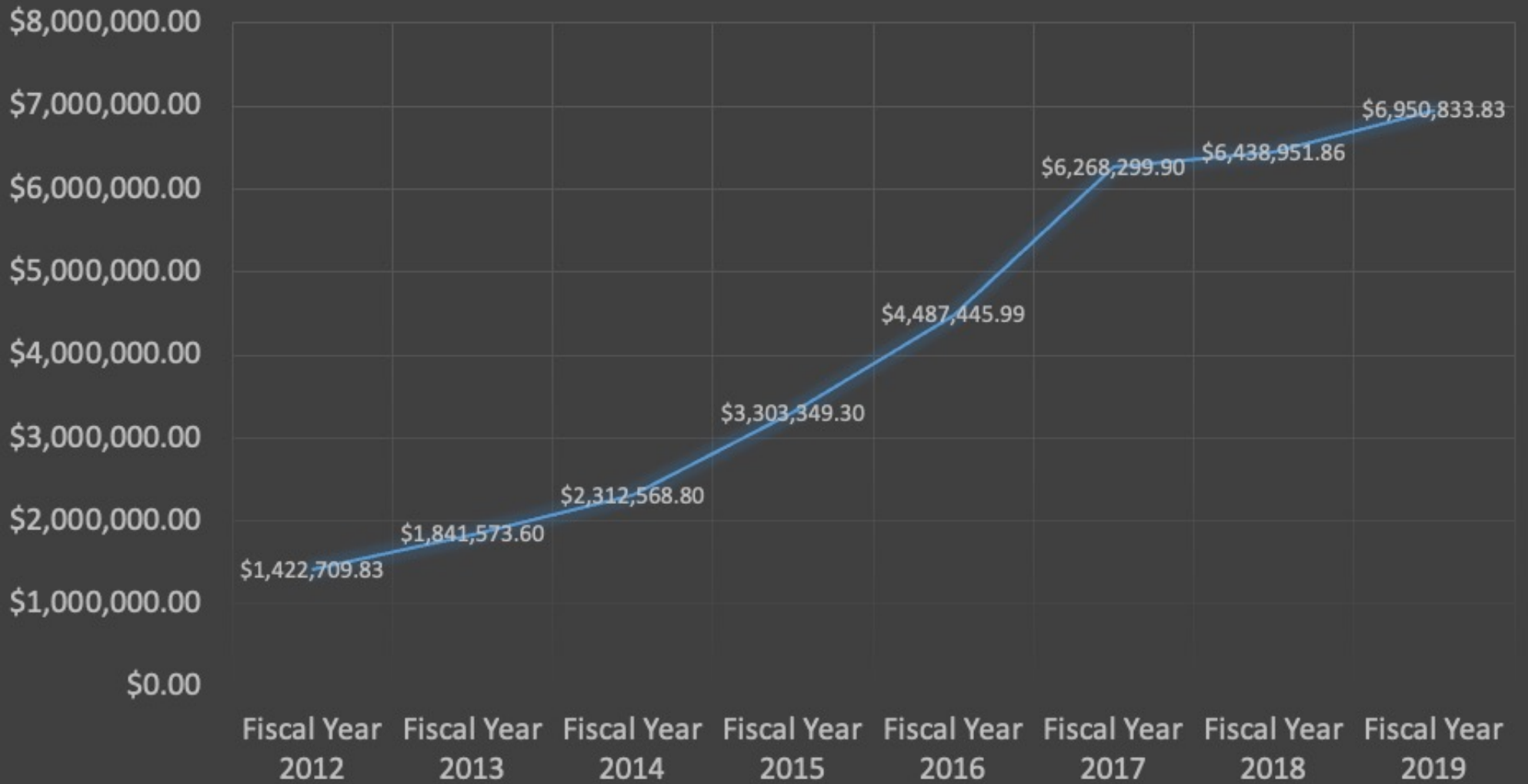
$$\frac{\text{POS Collections}}{\text{\# of prescriptions filled}} = \frac{\$280,062.68}{12,503} = \$22.39 \text{ per prescription}$$

Variables to monitor:

- Avoiding repacks = increased reimbursement from more paid claims



Clinton Service Unit Pharmacy Point of Sale Collections



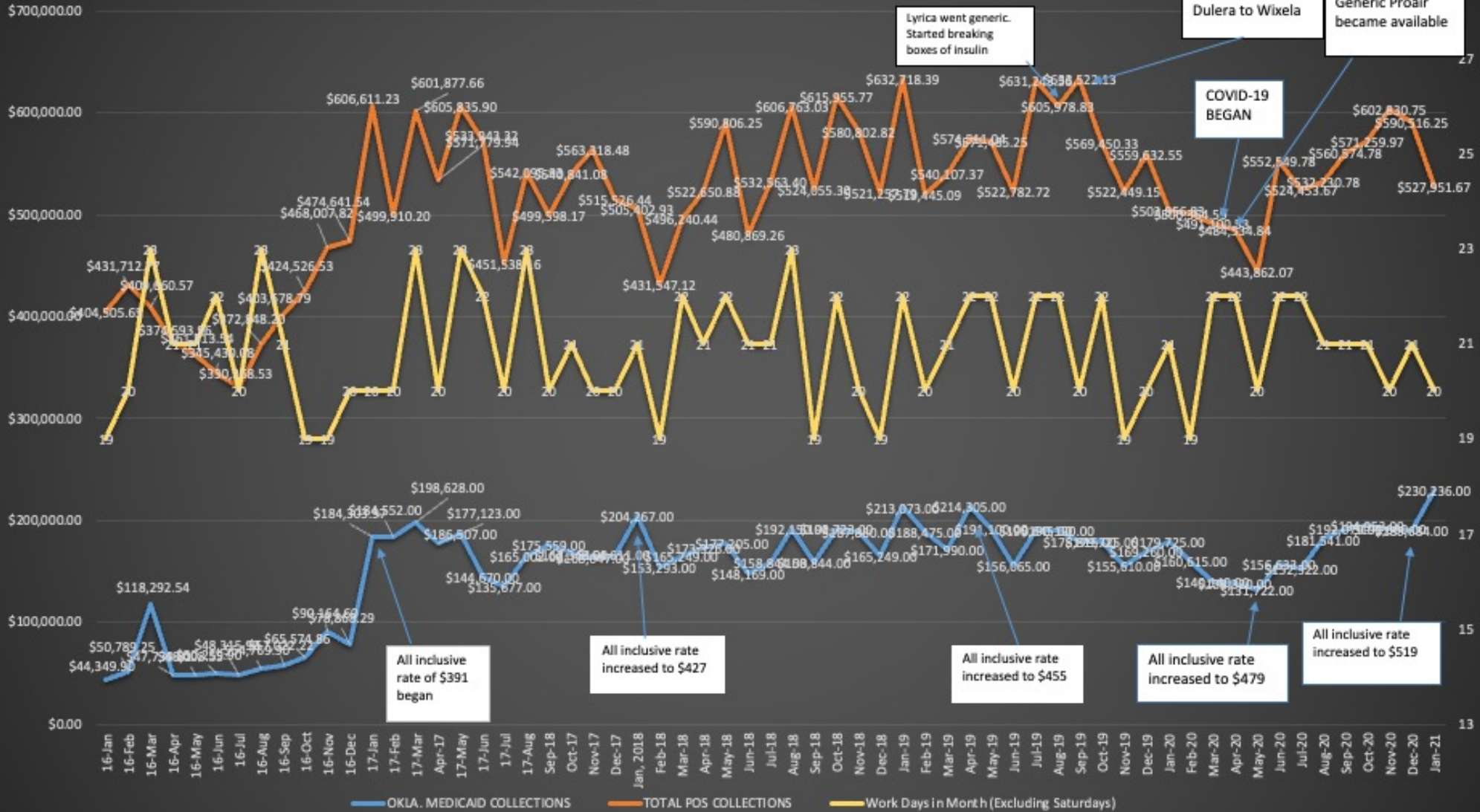
# Factors that can affect Pharmacy POS Collections

- POS staffing: more payroll dollars for POS Staff should result in increased collections
- Provider staffing: Lack of prescribers leads to lack of prescriptions filled/billed
- Formulary Changes: cost changes, Prior Authorizations required
- Changes in Reimbursement Rates: Medicaid All Inclusive Rates (AIR)
- Facility closures: holidays, power outages, natural disasters
- First of the year patient insurance deductibles

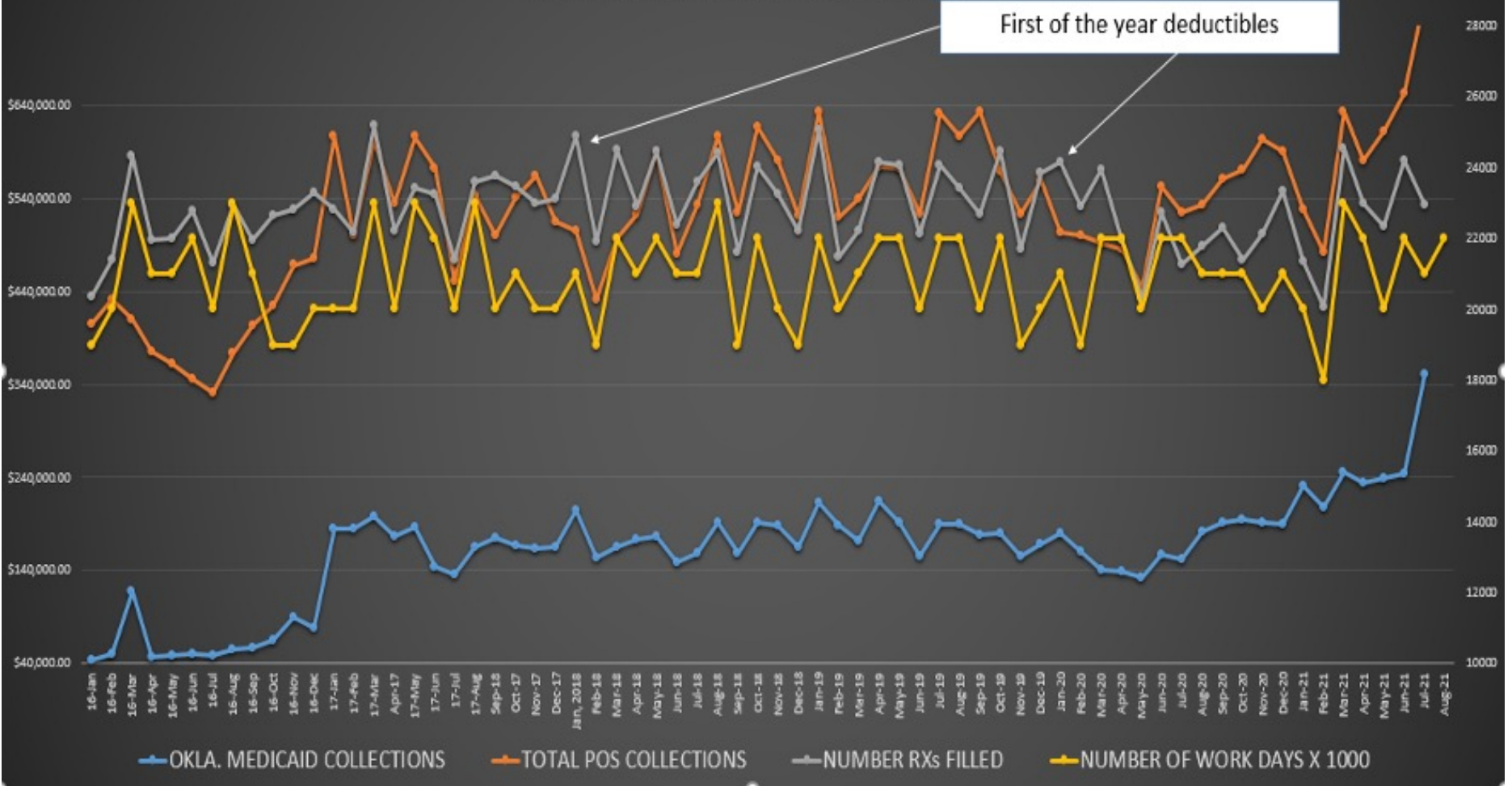




# Oklahoma Medicaid collections vs. Total POS Collections



### Clinton Service Unit POS Collections



First of the year deductibles

— OKLA. MEDICAID COLLECTIONS — TOTAL POS COLLECTIONS — NUMBER RXs FILLED — NUMBER OF WORK DAYS X 1000

# Questions????

Phillip O'Bourke

LCDR, USPHS

Pharmacy Point of Sale Billing

Lawton Service Unit

1515 NE Lawrie Tatum Road

Lawton, OK 73501

Phone: 580-354-5000

Fax: 580-354-4455

[Phillip.obourke@ihs.gov](mailto:Phillip.obourke@ihs.gov)



# Questions????

Michael Hunt, DPh  
LCDR, USPHS  
Pharmacy Point of Sale Billing  
Clinton Indian Health Service  
10321 N 2274 Rd  
Clinton, OK 73601  
Phone: 580-331-3351  
Fax: 580-331-3555  
[michael.hunt@ihs.gov](mailto:michael.hunt@ihs.gov)



