



*Bridging the Gap...*

*between real time pharmacy claims  
and batch medical claims*

## Adult Immunizations: Benefit Design, Reimbursement Challenges and Billing Solutions



## Agenda

- Introduction
- Provider Challenges
- Overcoming the Challenges
- Introduction to TransactRx
- 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



## 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



## 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**

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## Provider Challenges: Reimbursement

- Confirming patient eligibility is essential but often difficult or unavailable
- Payer contracting has not kept pace with shifts in delivery models
- Many providers do not have payer contracting experience/resources
- 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
- Funding for government sponsored vaccine programs is dwindling
- Reimbursement is low and vaccine costs are high

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## 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

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### Payer Review – Vaccine Benefits

Payer Type	Type of Benefit	Type of Claim	Vaccines Covered	Patient Cost
Medicare B	Medical	CMS 1500	Flu Pneumonia Hep B, + acute situation	No cost if Medicare Provider
Medicare C (MA)	Medical	CMS 1500	Flu Pneumonia Hep B, + acute situation	Most at no cost if in network
Medicare D	Pharmacy	NCPDP D.0	All but those covered by Medicare B	Deductibles and Co-pays
Medicare MA/PD	Medical and Pharmacy	CMS 1500 NCPDP D.0	B & D vaccines	B vaccines at no cost if in network D vaccines have co-pays and deductibles
Medicare Supplemental	Medical	CMS 1500	May cover Part D vaccines	Varies by plan
Commercial	Medical	CMS 1500	Most cover all	Varies by plan
HMO	Medical	CMS 1500	Most cover all if in network	Varies by plan
PPO	Medical	CMS 1500	Most cover all	Varies by plan, in and out of network
Tricare	Medical and Pharmacy	CMS 1500 NCPDP D.0	Covers all vaccines	Varies by plan
PBM/PDP	Pharmacy	NCPDP D.0	Med D vaccines, may cover others	Part D deductibles and co-pays, others vary

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## Claim Processing Options for Medical 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

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## Billing Options for Pharmacy Providers

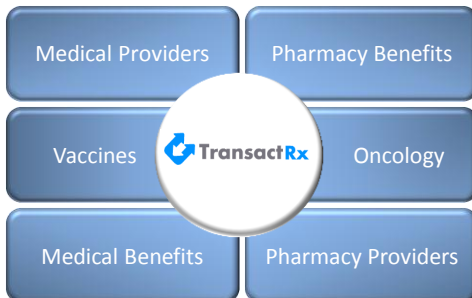
- Medical claims
  - Collect from patient
  - Out source to a third party biller
  - Roster bill if a Part B Mass Immunizer
    - Manual process that lends itself to rejections (primarily eligibility and manual entry errors)
  - License medical clearing house software
  - TransactRx
- Pharmacy claims
  - In house, use retail pharmacy software
  - TransactRx

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## Introduction to



*TransactRx* is a Cross-Benefit transaction processor that delivers solutions to bridge the gap between real-time pharmacy claims processing and batch medical claims processing for both pharmacy and medical providers.

We can submit claims and process payments for pharmaceutical products regardless of whether the coverage is under a pharmacy or medical benefit and whether the claim originated from a retail pharmacy or a medical provider.



## Capabilities & Services

- 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

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## 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
  - Pharmacy providers can submit claims through their pharmacy software
- Expanding our network relationships to include medical benefits
  - Assist TransactRx with payer contracting

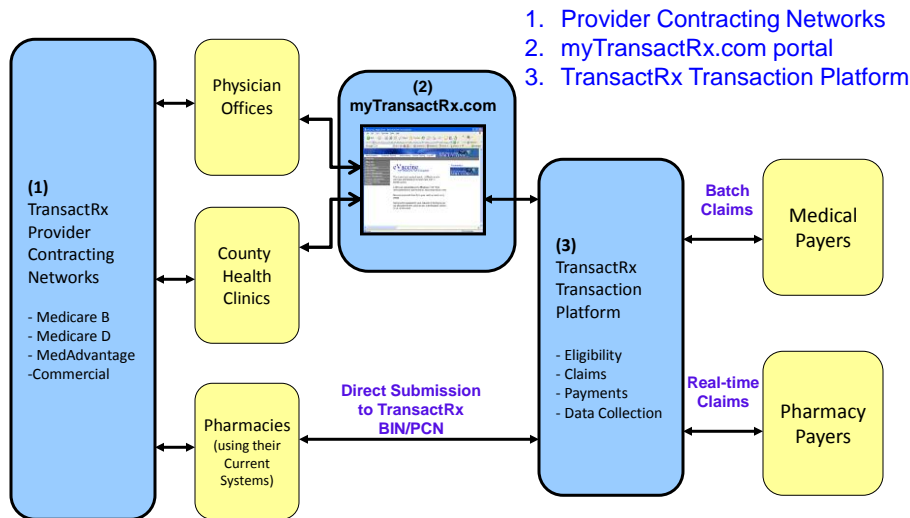
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## TransactRx Cross-Benefit Platform



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## 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?

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## Questions and Information

- Questions
- Contact information:  
Andrea Seratte  
[aseratte@pocnettech.com](mailto:aseratte@pocnettech.com)  
Office: 866 522-3386  
Cell: 623 326-1440

## Supplement Information

# Vaccine Payer Types

- **Medical benefit payers**
  - Medicare B
  - Medicare Advantage (MA)
  - Medicaid
  - Commercial, HMO, PPO,
  - Medicare Supplemental
  - Tricare
  - Employer Self Insured Plans
- **Pharmacy benefit payers**
  - Medicare Part D
    - MAPD plans are usually managed by a Pharmacy Benefit Manager (PBM)
    - Stand alone plans: Prescription Drug Plan (PDP)
  - Medical payers offer pharmacy plans
    - Managed by a Pharmacy Benefit Manager (PBM)

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# Medicare Part B

- Medicare Part B covered vaccines
  - Influenza (flu);
    - Currently, the benefit includes both a seasonal flu shot and a H1N1 (swine flu) vaccination
  - Pneumococcal
  - Hepatitis B (for medium to high risk beneficiaries)
  - Part B will cover other immunizations if the beneficiary has been exposed to a disease or condition
- Patients have a zero co-pay or deductible if provided by a provider who accepts Medicare assignment
- Medicare Part B reimbursement
  - Providers are reimbursed for the vaccine and an administration fee
  - Reimbursement is per the Medicare fee schedule per area (pay location)
  - Providers who accept assignment cannot charge more than the Medicare approved amount

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# Medicare Part D

- CMS requires Part D plans to cover all preventive vaccines not covered by Medicare Part B, examples include:
  - Zostavax
  - Adacel
  - Boostrix
- Patient financial responsibility will depend on where the beneficiary is in the benefit cycle
  - If the patient has not met their deductible, they may be responsible for the full covered /contracted amount (not the billed amount)
  - If the patient has met their deductible the patient will most likely have a co-pay
  - If in the “donut hole” the patient will be responsible for the covered amount (less the 50% for branded products)
- Medicare Part D Vaccine reimbursement includes the ingredient cost and administration fee
  - Pharmacy dispensing fees are not covered
  - To submit claims electronically providers must be contracted

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# Medicaid

- Currently all states cover outpatient prescription medications including vaccines
  - Coverage varies by state
  - Managed Medicaid coverage authorization varies by plan
  - Some may be covered under the medical benefit, others under the pharmacy benefit
- Dual eligibles are covered under Medicare Part D
- Patient out of pocket costs for vaccines are usually very low and often \$0
- Provider reimbursement varies by state but most pay for both an administration fee and ingredient cost
  - Providers are required to have a Medicaid number
  - Managed Medicaid requires a contract

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## Commercial, HMO, PPO, MA Plans

- Most cover all vaccines, many follow Medicare guidelines
  - MA plans cover Part B Vaccines
  - MAPD plans cover Part D Vaccines
- Some cover vaccines under a pharmacy benefit plan
- Patient benefits, deductibles and copays vary by plan
  - The Affordable Care Act requires “first dollar coverage” for all new plans
    - This rule does not apply to Medicare Part D
  - HMO’s usually do not cover services provided by an out of network provider
  - PPOs may have a separate deductible required for out-of network
- Providers are reimbursed for the administration fee and ingredient cost
  - Reimbursement is based on contracted rates
  - Most plans require a contract for reimbursement

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## Provider Participation Requirements

- Medicare
  - Traditional Part B: enrollment available to physicians and qualifying outpatient service providers
  - DME Medicare participation does not apply to vaccine services
  - Medicare Part B Mass Immunization participation for all other providers
    - Participation is limited to flu and pneumococcal vaccine immunization services
    - Requires completion of an 885b application
      - Annual process
      - Cost of \$505 per year
      - Roster billing results in unpaid claims losses of 10 – 20%
  - Medicare Part D
    - No formal participation designation with Medicare
    - Participation is accomplished by contracting with PBMs and PDPs
    - Requires a NCPDP number and ability to submit claims in D.O
    - Many players will only contract with pharmacies
    - CMS requires Part D plans to provide access to physician providers for vaccines
- Fee for Service Medicaid varies by by state
- Commercial, HMO, PPO, Tricare, Medicare Advantage, Managed Medicaid
  - Most require a contract for vaccine benefits to be covered

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# System Selection

- Prioritize system capability requirements
  - **Be careful of overkill** – if administering vaccines is your only service, most systems offer far more than what is needed
  - **If you provide both medical and pharmacy billing services, make sure your system can process both**
  - Patient eligibility
  - Have flexibility to expand or to easily transition to a new system
  - Reporting requirements
  - Patient billing
  - Ease of use
  - Customer service
- Understand terms and conditions of vendor relationships
- Know the costs
  - Hardware
  - Software license
  - Annual maintenance
  - Support fees
  - Training fees
  - Required upgrades
  - User fees (seats)
- Meaningful use is a great initiative
  - Does it apply?
  - If yes, when does it apply?
  - What is the return on investment?