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PHARMACY REIMBURSEMENT

CASE STUDIES IN EFFICACY

PHARMACY ELIGIBILITY DISCOVERY

Pharmacy Claims Eligibility at Safety Net Hospitals

info@meDiDaL.com | **medidal.com**

155 N Michigan Ave, Suite 707
Chicago, IL 60601
Phone: 312.729.5457

PHARMACY ELIGIBILITY DISCOVERY
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OVERVIEW

When a facility's pharmacy dispenses drugs irrespective of payment at time of service, the ability to find Medicare Part D or Medicaid coverage later becomes more difficult. Most pharmacy systems are not equipped to perform these complex searches after the fact.

This case study examines a large hospital system that utilized Medidal as their pharmacy claims processor. We review the situation, the solution pursued by the hospital, and the financial benefits that directly resulted from their decision.

THE CLIENT

The client is major hospital system servicing a large Midwestern metropolitan area, providing emergency care, in- and outpatient services, and catering to various specialty areas as well. As a safety net hospital system, their current pharmacy claims processing systems were not able to identify Medicare or Medicaid insurance on pharmacy accounts at the time of dispensation, resulting in a large number of scripts being deemed "self pay" or bad debt.

SITUATIONAL ANALYSIS

The hospital system, understanding the potential dollars lost through incorrectly identified self-pay or bad debt accounts, sought to engage a vendor that could adapt to their specific technology needs. This meant integrating with their existing pharmacy system without disrupting processes.

VENDOR SELECTION CRITERIA

1. **A thorough understanding of HIPAA and CMS regulations, security & compliance standards.** Strict HIPAA adherence is, of course, absolutely required. Failure to monitor this landscape and implement changes as needed not only minimizes successful underpayment adjustments, but can put both the company and client at risk.

2. **A track record of success.** Payer success is easily defined: facilities want the vendor that will provide the most claims and dollars--legally and quickly. As noted previously, the vendor's technology will largely determine the number of eligible claims discovered & paid. Not all solutions are created equal.

3. **Speed and accuracy.** Automated solutions reduce human error and can conduct full, comprehensive reviews of 100% of the claims much more quickly; services that rely largely on manual processes typically "cherry pick" rather than perform full review. For payer discovery, each day that passes can mean more untimely claims and lost revenue.

4. **End-to-end process management.** Perceived reduced up-front fees can actually shift costs back to the client; cost benefits gained through outsourcing may be reduced due to the use of in-house resources & training. Many services will also look only at a sampling of claims, usually those with the highest potential dollar value, often resulting in substantial missed volume revenue opportunities.

SOLUTION

The hospital utilized Medidal, an established healthcare technology services company with a track record of success in claims automation. The Pharmacy Advantage Service is the proprietary "intelligent" software Medidal developed to find Medicare Part D and Medicaid coverage on their pharmacy self-pay and bad debt accounts.

Medidal developed proprietary state of the art automated software to process claims maximizing Medicare and Medicaid eligibility found and claims paid. This is accomplished by running multiple eligibility checks on each claim, each time using a different combination of patient demographics to find eligibility even when some patient information is missing or in error.

Additionally, Medidal re-mines every ineligible claim multiple times before the timely filing limit is reached to ensure even latent eligibility is found. This includes continually researching and tracking changes to National Drug Codes (NDCs) and physician NPIs to provide corrections in the denial management process.

Medidal is certified to submit eligibility and claims to Illinois Medicaid in both the X12 and NCPDP telecommunication standards, and are also certified and tested to submit eligibility and claims to all Medicare Part D PDPs. Medidal servers are structured utilizing virtualization promote unlimited scalability and reliability for claims processing.

Medidal conducted a comprehensive review of over 46,000, or 100 % of the facility's pharmacy claims and provided end-to-end process management--ensuring that the cost benefits gained through outsourcing would not be reduced due to the unnecessary use of in-house resources (the "self-service" or "partial self-service" model). The service includes an initial gap analysis & review of all contracts with PDPs and HMOs. The initial run of eligibility allows the facilities to see which PDPs are currently used by their patients, and which are not.

Medidal's software can submit the claims as part of the included service and adjudicates claims in under 48-hours.

Medidal has several reports available to clients, including itemized claims reports provide all necessary data for internal records reconciliation: authorization #s, remittance advice #s, and every account that was paid due to billing Medidal has performed on the facility's behalf. Report customization was available at no additional cost.

RESULTS

Medidal conducted a comprehensive review of 100% of the hospital systems' pharmacy self-pay and bad debt accounts between 2003 and 2012. Recovery amount totaled over $250,000,000 across 1.2 million paid claims.

ABOUT MEDIDAL

Medidal Corporation is a healthcare technology services company that offers revenue cycle solutions existing healthcare systems were not designed to accommodate. Over the past 10 years, their "intelligent" software algorithms and compliance & insurance expertise have resulted in an innovative suite of product offerings that are best in class.

Medidal has electronic transaction capabilities for Medicare and Medicaid in all 50 states and the District of Columbia. The engineering team practices agile development methodologies, which coupled with rigorous industry & standards monitoring, ensures their products remain on the cutting edge of technological innovation and automated revenue cycle solutions.