IMPACT OF NON UPDATION OF PHARMACY LICENSE ON PBM CLAIMS PROCESSING IN AAFIYA MEDICAL BILLING SERVICES LLC, DUBAI

GUIDED BY: DR. SEEMA MEHTA

PRESENTED BY:
DR.BHAWANA RUPANI

INTRODUCTION

PHARMACY BENEFIT MANAGEMENT –

- PBM is a software on which pharmaceutical requests are appeared and it handles the prescription drug benefit component of an individual's health.
- "Pharmacy benefit managers have emerged as the national standard for the administration of prescription drug insurance in the United States".
- "According to the American Pharmacists Association **(APhA)**, "PBMs are primarily responsible for developing and maintaining the formulary, contracting with pharmacies and processing and paying prescription drug claims. They operate inside of integrated healthcare systems as part of pharmacies and as part of insurance companies".
- **It applies to** -;
- Healthcare providers, payers and third-party administrators (TPAs) approved by DHPO to participate in the health insurance scheme.
- PBM service providers engaged by DHA/MOH/DOH licensed healthcare providers, payers or TPAs to provide PBM services.

DEFINITIONS-

- **1.Benefits Administration** - Administer drug benefits and determine the drugs that are covered, and the extent to which generics and formulary drugs are covered in accordance with the respective regulatory authorities' health insurance products 'benefits and patients 'health insurance plan.
- 2.**Access** - Establish and maintain pharmacy networks through which drugs are dispensed in accordance with the Payers 'Network of Providers.
- 3.**Claims Processing**-Processing, adjudicating and reporting on prescription drugs claims.
- 4.**Customer Services** - Providing services before and after claiming, which may include eligibility and authorization services.
- 5.**Formulary management** - Refers to any activity that determines the contents of an available formulary and the rules associated with its application (e.g., defining first, second and third-line treatment for a condition). A formulary is a list of drugs designated by the PBM for their clinical effectiveness and cost efficiency. A PBM formulary must comply with the DHA Formulary.

- **Major applications of PBM-**
- It contains the formulary drug list of linked TPAs.
- It examines drug to drug interaction.
- It follows exclusions of certain drugs provided by the respective TPAs.
- **Responsibilities of PBM-**
- Process claims from patients and pharmacies.
- Over patient compliance to ensure the medication is taken as prescribed.
- Manage formularies, so individuals know what medications are covered through their health plans.
- Manage distribution among a network of pharmacies.

PBM involves a wide range of real time controls such as:

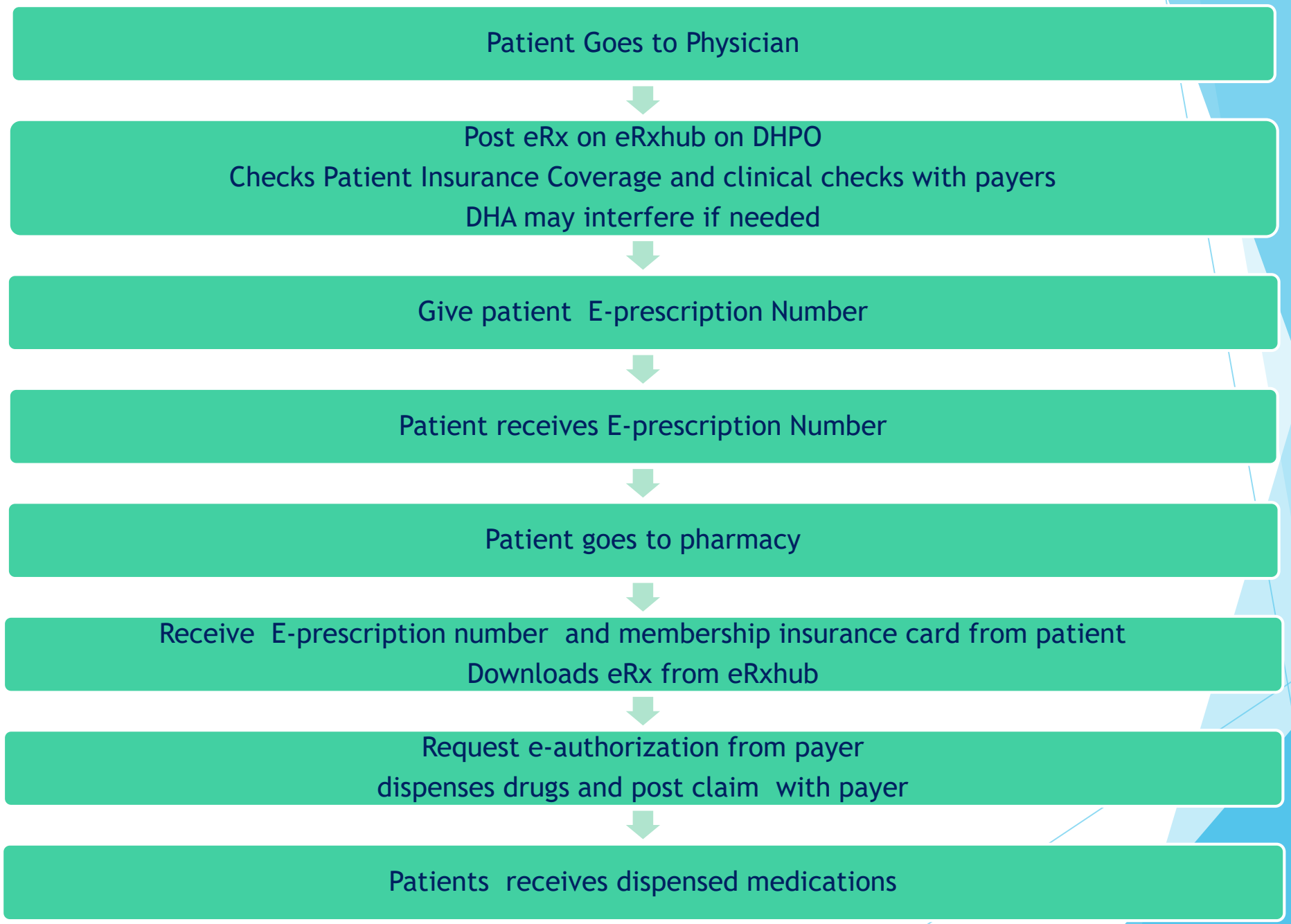
- Drug Indication – checks on prescribed drugs for consistency with diagnosis.
- Drug dosage & refill frequency.
- Drug Age & Gender compatibility
- Drug Allergy.
- Drug Contraindication/Interactions – possible negative drug-to-drug interactions and drug-to-diagnosis contraindications to avoid possible health hazards.
- Drug Duplication – The checks are performed on prescription history available in our database.
- Insurance Coverage – checks such as drug coverage, benefits and plan limits and any other factors relevant to the plan.

PHARMACY CLAIMS

- “PBMs offer their clients highly automated claims – processing environment. Over 99% of all pharmaceutical claims are electronically adjudicated at the point of services (i.e. the pharmacy where the drug is dispensed) when the claim is entered by the dispensing pharmacist”.
- “The claims system tests the member’s eligibility and benefit design to determine the pharmacy reimbursement and member’s co-pay”.
- “The claims processing system also applies a series of edits and messages during adjudication to verify the drug is covered and does not conflict with other drugs the patient is taking”

E PRESCRIPTION OF AAFIYA

AS PER OBSERVATION



Problem Statement

- “The clients of a PBM are primarily major employers, insurers and managed care organizations. PBMs electronically process claims at the point of service (e.g., pharmacy where prescription is dispensed). Over 99% of pharmacy claims are processed in this manner, at an average cost of $.30 to $.40 per claim”.
- “Using false audit practises, generating wrong or old regulatory licence number and creating minor typographical human errors on system while updating about the required basic information; that may affect the pharmacy claims. For example; delay in downloading of claims, increasing turnaround time for processing pharmacy claims etc”.

Rationale of The Study

- PBMs process claims perform utilization review and formulary management functions, handle customer service issues, develop and manage provider networks, maintain eligibility data and information. Many issues have been raised regarding the pharmacy claims which have been impacting the health care providers. Nothing is more disconcerting than to learn about the delay in claims processing and; or your PBM is not processing your claims timely".

Objectives of The Study

- “To determine the percentage level of non-updated pharmacy licence followed by discount % (system & agreement), PBM dimension and claims resubmission”.
- 2. “To find out the possible reasons for Non Updation of licence on system & dimension”.
- 3. “To study the impact on pharmacy claims due to Non Updation of licence via prospective analysis of pharmacy claims and the monthly utilization report”.
- 4. “To suggest the possible ways to decrease the number of pharmacy claims rejections due to Non Updation of licence in the system & dimension”.

Methodology

- **Study design** – Descriptive Study.
- **Setting** – Aafiya Medical Billing Services LLC, Dubai.
- **Duration of Study** – 15th Feb 2018 –6th May 2018.
- **Sample size** – The sample size of 769 pharmacy providers of Aafiya Medical Billing Services has been taken. Data has been taken from secondary source.
- **Sample selection** – Pharmacy providers of Aafiya medical billing services LLC and the department undertaken would be claims & operations, risk/audit and networking.
- **Data collection procedure-**
- Primary data – Prospective Analysis of pharmacy claims data. (March &April)
- **Secondary data-**

  (i) Pharmacy providers' verification

  (ii) Data from PBM dimension list.
- **Source of Data** – Networking and Claims Departments of Aafiya TPA.
- **Data analysis** – Using Pareto tool & Root Cause Analysis (Fishbone analysis) on the software Microsoft excel.

Continued…

- Parameters Assessed -
- Network Department Portal for the evaluation and auditing of the pharmacy providers.
- TPA Contracts, Agreements and Addendums.
- E claim ID link. (MOH/DHA Licence)
- PBM Dimension data list.
- Pharmacy Approvals and Claims Process.
- PBM calls management.
- Pharmacy Claims utilization report. (March and April 2018)
- Nature/Type of Data- Qualitative data collected via auditing/verifying of pharmacy providers and direct observation of PBM Claims.
    - Reasons for Non-Updation of licences gathered via interaction with different staffs of Network, Approvals, Claims, Risk/Audit department.
    - Information obtained through utilization records in claims.
    - Information gathered through internet.
- Ethical Considerations- The confidentiality of records was maintained and not shared elsewhere. It was taken only for study purpose and no information of the organization was revealed elsewhere other than the academic purpose.

Analysis and Results

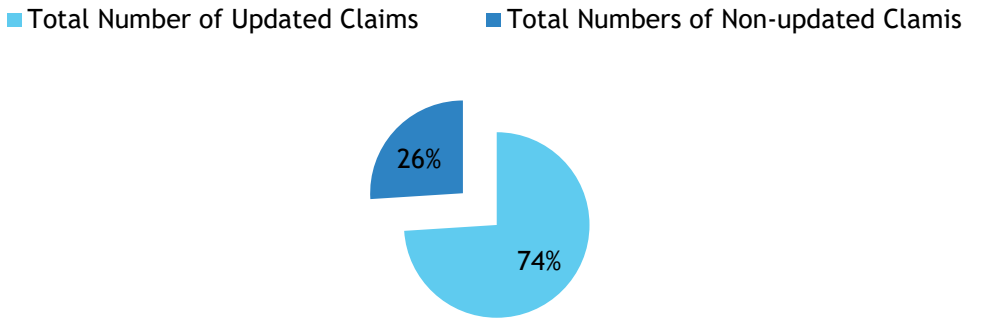
- The data with required information, areas and remarks were entered in sheets provider wise and then analysed with the help of graphs and charts for determining percentage level of non-updated pharmacies. Thus, the impact on PBM claims was studied likewise. Further, the Utilization record was taken into consideration for the study on PBM Claims.
- Fishbone (Ishikawa diagram) is a project methodology that identifies many possible causes for an effect or problem and sorts ideas into useful categories.
- Pareto Chart shows on a bar graph which factors are more significant.

Networking Department-

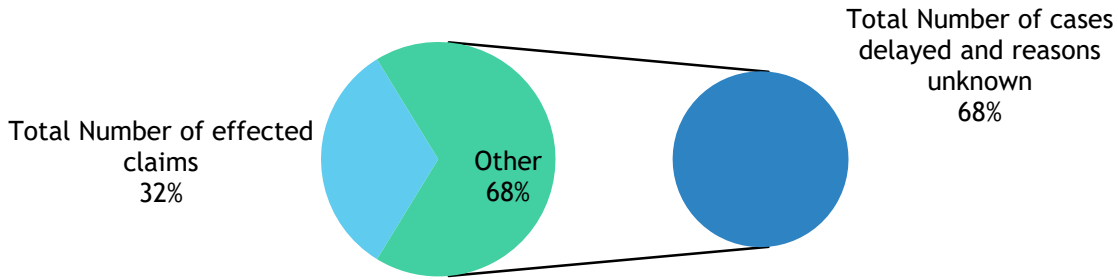
- Auditing was done of the pharmacy providers with respect to RL No., discount%, PBM dimension list and claims resubmission.
- Root Cause Analysis (fishbone analysis) for the Non Updation of Pharmacy Providers in the Aafiya Portal.

Graph-1

Updated and Non-updated Pharmacy providers



Affected and Unaffected Clamis of Non Updated Pharmacy Providers

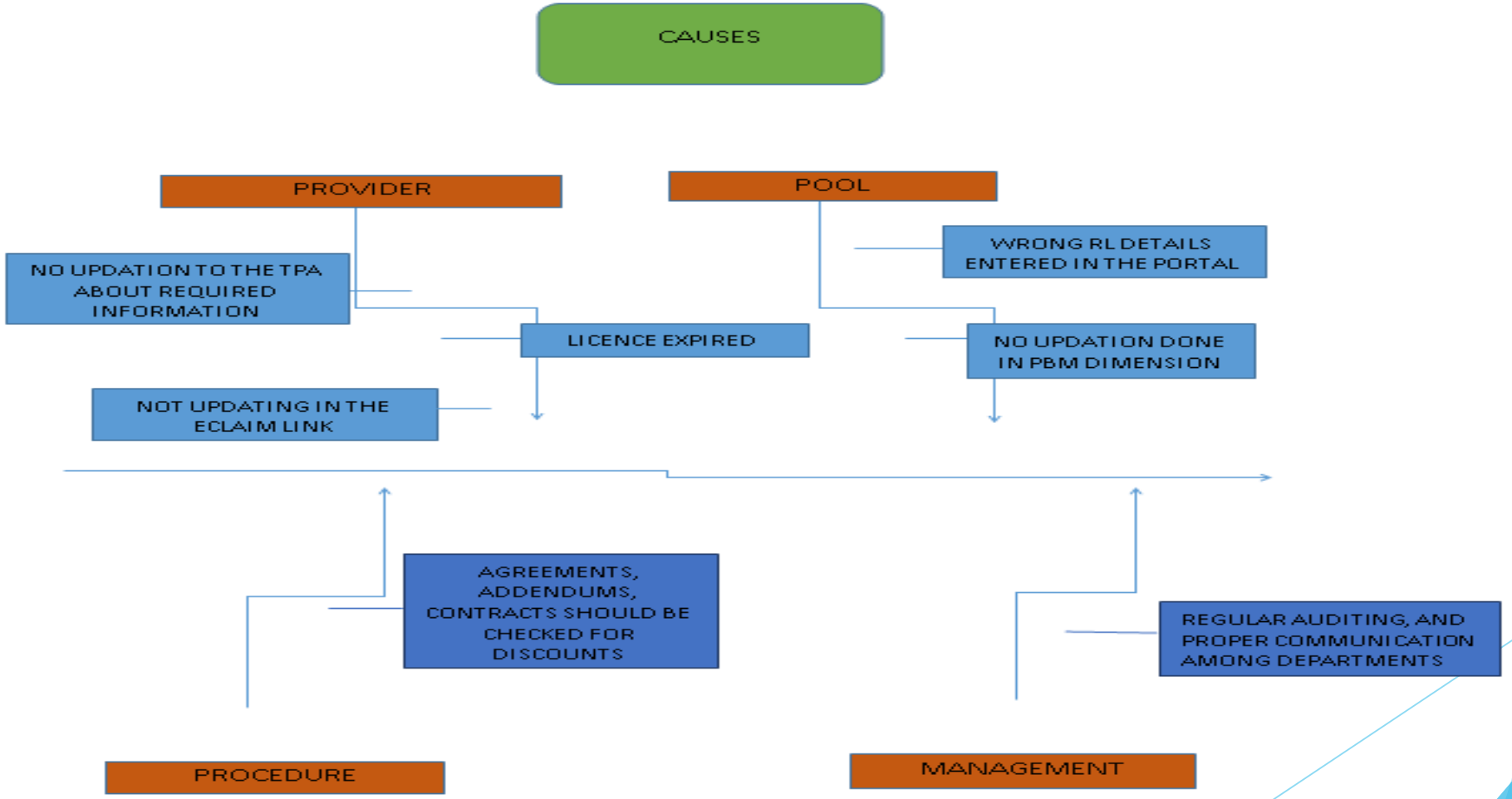


From Graph -1 :

- Out of 769 Pharmacy Providers; discrepancies with Updation in terms of discount%, PBM dimension list & claims resubmission were found in 200 pharmacies which impacted 65 PBM Claims from these. Percentage level of Non Updation is 26.01%. Percentage level of affected pharmacy claims from month of JAN 32.5%.

ROOT CAUSE ANALYSIS (n-200)

Possible reasons for non Updation of pharmacies-

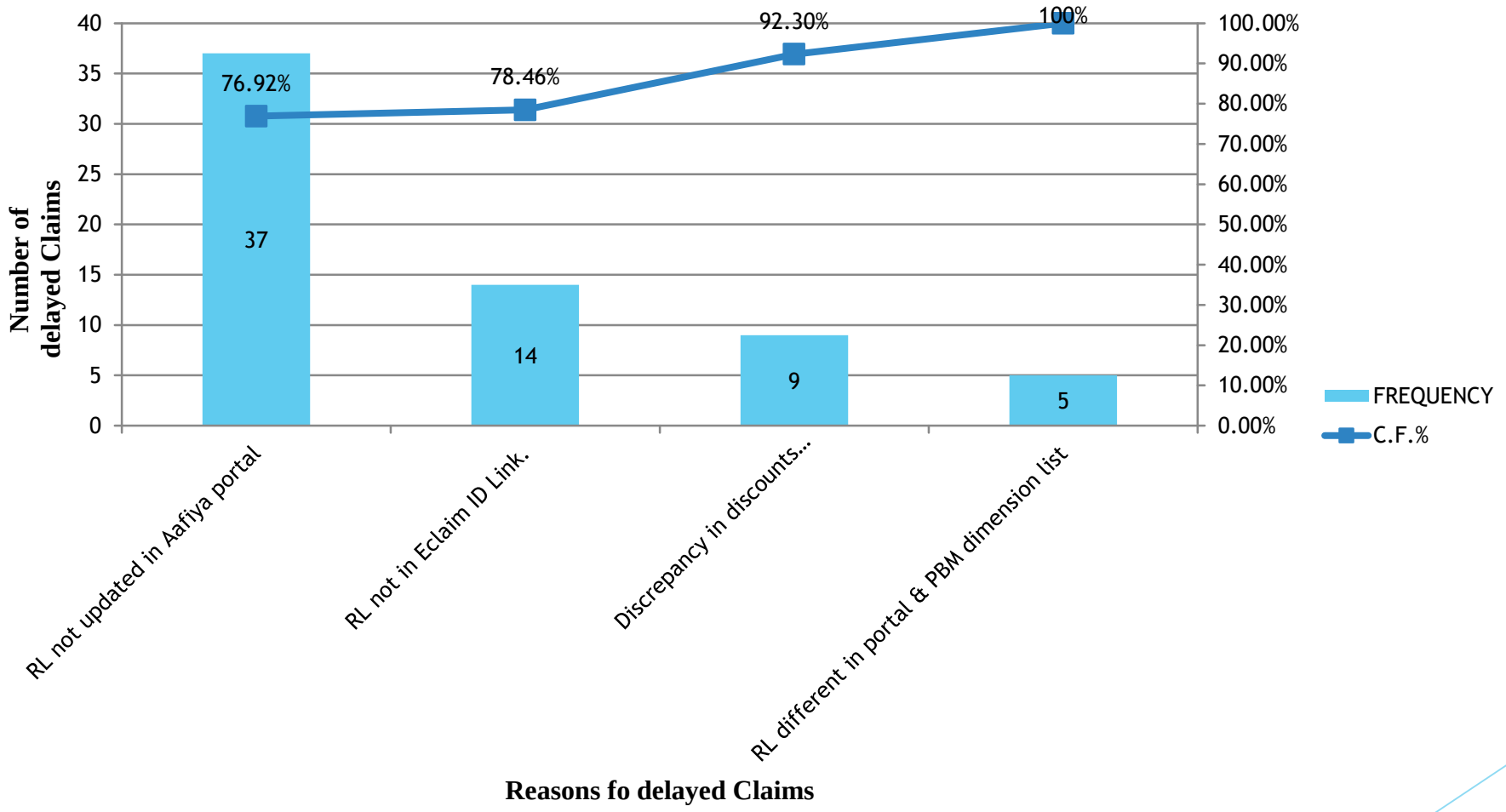


A session was held with the networking, claims and finance staff engaged in the updation/auditing and approvals of pharmacy claims and a root cause analysis in form of fishbone analysis was done to reduce the errors in updation.

IMPACT ON PBM CLAIMS PROCESSING

- As per the March and April utilization report; ***65(n-200)*** claims of different pharmacy providers got delayed that were raised in the month of January. When investigated and explored with departments like Claims and network; the claims which got delayed had discrepancies in the following areas of Updation in the Portal System -
- Regulatory licence not updated in the Aafiya online portal system as per contract/agreement or vice versa.
- Discrepancy in discounts. (system/contract/dimension)
- RL not found in the Eclaim ID link.
- RL different in portal and dimension list.

GRAPH 2: PARETO ANALYSIS- Prioritization of the reasons



In the above Graph-2 reasons for delayed claims has been analysed and presented in graphical form. The analysis states that 76.92% cases are delayed due to RL not updated on Aafiya portal which is maximum and 7.7% cases are delayed due to RL is different in portal and PBM dimension list which is minimum(n-65).

CONCLUSIONS & SUGGESTIONS

CONCLUSIONS-

- Claims will not get downloaded over the old or wrong licence number.
- Pharmacies will dispense the medicines but claims will not be processed. And/or also if the licence is activated by the name of another provider; medications might get dispensed for that provider.
- There might be a huge delay in Turnaround Time process for PBM claims because of the pending claims for long time.
- Temporary suspension of services by the provider.
- Payment might go to different provider under which licence is updated.
- Approvals or payments can’t be processed for such large number of claims at the moment.
- A great number of complaints raised by the providers regarding the payments and delay in procedure. It might also lead to dissatisfaction and loss of the client.

SUGGESTIONS-

- Conduct timely auditing of the data document wise and system wise.
- To ask the providers to communicate regarding the licence and other relevant details with the TPA on regular basis.
- Providers may be given the online access of their related pharmacy group in the portal to change or add the relevant details in the networking portal themselves.
- An appropriate coding system can be designed in the Aafiya portal for claims delay reason as well; so that providers might know about the faults at their end regarding necessary updates of the details.
- Incorporate advance technical features so that system should provide an update a month before the license validity expires.
- IT team should check if any Claim is pending on monthly basis.
- Proper communication between the Networking, Claims and Finance departments about the complaints from providers regarding the payment.

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Thank You