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## Real-time PBM technology solutions produce real savings results

When it comes to technology in today's workers' compensation world, "real time" often can have more than a single meaning, but only one really works. And while technology has evolved to where it is a fairly common service offered by many PBM's and ancillary medical services providers, the difference between how "real time" is applied becomes the primary variable to determine the ultimate benefit and value of these tools. Many new Web portals may offer a slick interface, but not all of them have the power "under the skin" to provide what payers need to maximize program savings and overcome the key challenges associated with managing these types of services.

Time is money – in the case of pharmacy benefits, whether it is the early detection of inappropriate and costly prescription treatments, the ability to quickly address point of sale (POS) prescriptions requiring prior authorizations to deter them from processing out-of-network, or reducing the amount of time claims professionals spend on managing prescription benefits, each challenge can be greatly minimized by processing information faster. All of these issues need to be resolved to achieve the best program results.

As is the case with any workers' comp pharmacy benefit program "you want all point of sale prescription transactions to be prospectively adjudicated, where all the clinical rules, pricing, eligibility, etc., are applied before the product or prescription is provided," says Daryl Corr, president of Healthsystems, the Tampa, Fla., PBM. "That's one of the most basic functions of any effective PBM program."

To get there, Corr explains, requires a PBM adjudication/processing environment where all the disparate systems involved in a pharmacy transaction are capable of exchanging information in true "real time." This means everything from the systems used by the pharmacies, the PBM adjudication system, the PBM tools provided to customers, and for the customers that are capable, full integration of data into their claim systems.

Corr notes prescription medications are one of the most frequently provided medical components when treating injured workers, and as these claims age, they can account for a large portion of the medical spend. "Frequently, prescription medications are one of the first things you see as a bill for medical treatment," he says. "An injured worker goes to the doctor and a prescription is a likely result. It may only be one prescription or it can turn into many, but it is often one of the first medical treatment indicators a payer receives."

As a result, being alerted about this information as soon as possible is crucial for identifying where a claim is headed. For example, a prescription for narcotic drugs at the outset of a claim is likely a good indicator of how serious a claim is and how much attention a claim will require.



And therein lies the rub. While most PBM's have the technology to prospectively adjudicate POS prescription transactions, significant processing challenges remain. For many PBMs, the real time exchange of information stops there and degrades to a batch processing environment where subsequent transmissions of data can be delayed anywhere from a few minutes to every 24 hours. Therefore, even if all the real time POS edits are processed correctly, yet a prescription requires a prior authorization, sometimes the claims professional may not know about it for more than a day. At that point, it is already too late, since the pharmacy is likely to take the path of least resistance and bill the script on paper.

"This is a very common scenario," Corr explains, adding that when you consider that more than 30 percent of workers' compensation pharmacy transactions trigger an initial reject/prior authorization at the point of sale, that is a significant increase in work effort for a pharmacist when dealing with a relatively small number of claims. In many cases, pharmacists operate in a hectic retail environment. Should an obstacle occur when trying to fill a prescription for a workers' compensation claimant, a pharmacist is likely to do whatever is easiest to move to the next customer. Depending on their decision, it typically equates to lost network savings for the payer.

The key is to incorporate real time information processing among all disparate systems, and proactively engage with the pharmacy when an obstacle occurs, providing them with the appropriate assistance or direction. "Using technology such as real time Web services, for example, can have a significant impact for better program performance, saving more money and ensuring patients receive the most appropriate care," Corr says. Most of all, he says, it is critical that a PBM develop processes that are interoperable with both the customer, as well as with pharmacy providers.

Corr draws an analogy with the financial services industry, which uses "straight through processing" (STP) methodologies to manage stock transactions. In a similar vein, the most effective PBM and ancillary medical services programs must incorporate comparable real time methodologies to be more effective.

"The financial services industry processes stock trades automatically, and only requires people to be involved when necessary," he says. "From a PBM's perspective, STP is about exchanging information with all appropriate parties in real time, identifying any obstacles as they occur and incorporating a customer centric response as quick as possible." This includes having concurrent communication and processes occurring between all the parties involved with managing a transaction and maximizing the speed of information.

The sooner a PBM can see an obstacle or "initial reject" occurring at the point of sale, the higher the odds it can keep the transaction in network. Of course, generating as many in-network transactions as possible sits at the heart of any top-level PBM's service delivery strategy.

"When it comes to addressing these types of issues, we are talking minutes, not hours or days. To be effective, it literally has to happen within less than 20 minutes," Corr says.

When pharmacists receive an initial reject (requiring a prior authorization) for a workers' compensation transaction, more than a quarter of the time they don't even make a phone call in a timely manner (in less than a few hours), or they never call at all. Instead, the transaction gets processed out of network and the payer loses the opportunity to receive the network rates, etc. "Based upon our stats, if there isn't any communication with the pharmacy within this narrow window of time, the transaction is likely to process out of network," Corr says. "As you could imagine, this becomes even more critical when the injured worker is waiting at the counter – which is about 15% of the time. You need to have every part of the pharmacy program process succeed and happen fast. Which means immediately alerting the claims professional when a prior authorization is required, rejecting the inappropriate scripts before they get dispensed and quickly assisting the pharmacy when necessary".

It's easy to see why a PBM can't base its service model, or technology, on waiting for the phone to ring. To truly help both the payer and the pharmacy, a PBM must be able to see and react to these situations in true "real time," with a process to proactively engage and clear the obstacle for that transaction. If it can't do that, the payer has already lost.

The success of implementing all this technology is dependent upon the PBM's expertise with being able to integrate as much as possible with the payer. "The quicker PBMs can exchange information with clients, the more effective the program will be," Corr says.

Also, the more time a PBM can save for the claims professional, the more time they can spend actually “managing” claims. Plus, by presenting the most relevant and critical data, adjusters can make more informed treatment decisions. This becomes even more powerful when you are simultaneously able to present alerts and other clinically related information to the claims professional to determine treatment appropriateness. As an example, due to the ease of use and efficiencies Healthsystems’ customers have gained from the company’s Vertice™ self-service claims portal, more than 80 percent of all transactions requiring a prior authorization are processed using this tool - eliminating phone calls when they aren’t necessary. This is a highly adopted product used by over 4,000 claims professionals including adjusters, nurses and claims management executives.

This is the completely opposite model to a Web portal having nothing more than a fancy or eye-pleasing front end that feeds into a paper-intensive, retrospective process unable to manage claims in true real time. “The key to all this PBM technology is to ensure the management of quality data and quickly turn it into actionable information,” Corr says.

“The true test is, can the PBM do all of the ‘heavy lifting,’ in many cases helping customers do things that they may not have the expertise or resources to do on their own?” Corr concludes. “It’s all about helping payers. It takes technology, sure. But it takes technology that delivers real time processing that actually can overcome the obstacles payers encounter in workers’ compensation.

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