Back to Basics: How to Open a Discharge Pharmacy in Your Hospital

2015 OSHP Annual Meeting
April 24, 2015

Michele L. Holley, MS, PharmD, RPh
Regional Pharmacy Director, OhioHealth
Michele.Holley@ohiohealth.com
Objectives:

- Review opportunities of an in-house ambulatory pharmacy
- Create a checklist of tasks required to open an ambulatory pharmacy
- Evaluate metrics for success
- Outline reporting requirements for fiscal integrity
- Discuss future strategy
Literature Review of Discharge Pharmacies

Information and Limitations
Transitions of Care

• Transition of Care – The movement of a patient from one setting of care (hospital, ambulatory primary care practice, ambulatory specialty care practice, long-term care, home health, rehabilitation facility) to another.¹

• 20% of patients discharged to the home experience and adverse event.²

• Pharmacist involvement in care transitions decreases prevalence of drug therapy problems, improves readmission rates, and lowers preventable adverse drug events.³⁶
Retail Pharmacy in the Hospital

- Outpatient pharmacy services, when properly integrated with hospital discharge procedures, can reduce one of the leading causes of hospital readmissions: patient failure to fill their prescriptions.\(^7\)

- A retail pharmacy presence can also:
  - Enhance the Patient Experience
  - Increase Medication Compliance
  - Improve Organizational Financial Performance
  - Build Brand Loyalty
  - Create Career Opportunities for Pharmacy
Limitations in the Literature

- Numerous articles published about benefits of discharge pharmacy services
- Most articles site use of a 3rd party consultant to set-up retail component and/or already having ambulatory services available
- No information readily available to outline steps for establishing a new retail entity
Overview of Opening a Discharge Pharmacy in the Hospital Setting

Creating your Checklist
From Maze to Road Map…

Current State

Future State
Start a Checklist

✓ Communicate Your Proposal Early and Often
✓ Define Scope of Project
✓ Engage Stakeholders
✓ Obtain Licensure
✓ Set-Up Hospital Finance
✓ Determine Operational Needs
✓ Assess Equipment Needs
✓ Complete 3rd Party Contracts
✓ Measure Success / Opportunities
✓ Continuous Evaluation and Improvement
Sample Timeline

**Business Plan Proposal to Senior Leaders**
- 9-12 months
  - Stakeholder Kickoff
  - Engagement support from Pharmacy Team

**Wholesaler Accounts**
- 6 months
  - Finance Planning
    - Cost Centers
    - Budgeting
    - Capital Needs
    - 340-B (if applicable)

**Recruitment**
- 3 months
  - Pharmacists
  - Technicians

**Equipment Needs**
- 1 month
  - Software
  - Printers/Workstations
  - Point of Sale

**Workflow Development Sessions**
- Go-Live
  - Develop Policy and Procedures
  - Registration / Insurance Info
  - Communication Methods
  - Delivery of Prescriptions
  - Physician Engagement

**3rd Party Accounts**
- Marketing
  - GNPPN
  - Direct Contracts
  - Medicaid

**Set-up Reconciliation Process**
- 3rd Party Accounts
  - GNPPN
  - Direct Contracts
  - Medicaid

**Hire/Train Staff**
- Plan for metric data
  - Must meet CMS Minimum Requirements
  - Fraud, Waste, and Abuse
  - Psuedoephedrine
  - REMS

**Licensure**
- NCPDP
- State Board of Pharmacy
- DEA
- NPI
Define Scope of Project

**Initial Plan**
- Associate Prescriptions
- Inpatient Discharges *(All Discharges vs. High Risk Groups Only)*
- Social Services

**Phase Two**
- Same Day Surgery Patients
- Emergency Department Discharges

**TBD**
- 340-B Contract Pharmacy
- Community
- Hospice
Engage Stakeholders

- Hospital Executives
- Pharmacy Staff
- Physician Leadership
- Nursing
- Information Services
- Registration
- Case Management
- Quality
- Surgery and ED Leadership
- Finance / Treasury
- Managed Care Leadership (if applicable)
- HR Benefits Administrators
- Marketing
Obtaining Licensure: Forms to Obtain Upfront

• Certificate of Liability Insurance
• Employee Identification Number (EIN)
• Tax ID (IRS W-9 Form)
• Tax Exemption Certificate
• Ownership Information (Corporate)
• Wholesaler Account Numbers
Obtain Licensure

• NCPDP ($275 Fee)
  – The NCPDP Provider Identification number (NCPDP Provider ID) formerly known as the NABP number, provides pharmacies with a unique, national identifier that assists pharmacies in their interactions with pharmacy payers and claims processors.
  – The NCPDP Provider ID is a seven-digit numbering system that is assigned to every licensed pharmacy and qualified Non-Pharmacy Dispensing Sites (NPDS) in the United States.
  – NCPDP can act as your Electronic File Interchange Organization (EFIO). This means that NCPDP will automatically submit changes you make to your pharmacy record to the Centers for Medicare and Medicaid Services (CMS) National Plan and Provider Enumeration System (NPPES).
  – [www.ncpdponline.org](http://www.ncpdponline.org)
NCPDP Online acts as the enumerator of the legacy NCPDP Provider ID number (formerly the NABP number). From this website you can:

- Apply for new NCPDP / NPDS numbers
- View and update your NCPDP information
- Report changes in ownership to NCPDP

Contact NCPDP
Phone: 480-734-2870
Fax: 877-647-0295
Email: pharmacyhelp@ncpdp.org

Attention:
Starting on January 1, 2015 the fees for new NCPDP ID's, Reinstatements and Change of Ownerships will be $275.

© Copyright 2010 National Council for Prescription Drug Programs, Inc.
Best Viewed in IE 6.0 and above.
Obtain Licensure, cont.

- Ohio Board of Pharmacy
  - Contact your local retail agent for a walk-through
  - Complete TDDD Application at www.ohiobop.gov
    - Retail – Category III
    - $150 Fee

- DEA
  - Visit www.dea.gov and complete Form 224
    - $731 Fee

- NPI
  - Complete form online at https://nppes.cms.hhs.gov/NPPES
Set-Up Hospital Finances

- Open a new retail cost center
- Prepare budget predictions
- Establish invoice payment process
  - Good Neighbor Pharmacy Provider Network (GNPPN) Central Pay
- Fiscal integrity plan
  - 3rd party reconciliation services (NHIN)
- Design payment options
  - Elivon®
- Engage managed care contacts
Determine Operational Needs

- Engage Stakeholders
- Obtain insurance information at admission
- Communication
- Capture Rate
- RPh/CPhT ratio
- Recruitment (retail background helpful)
- Time Management
- Measure Discharges
  - 7-days/week
  - Plan for after-hours use of inpatient staff
- Location
  - Convenience
  - Security
  - Walk-up
  - Inventory Space
- Hours of Operation
- Staffing
- Workflow Design
- Engage Stakeholders
  - Obtain insurance information at admission
  - Communication
  - Capture Rate
- Convenience
- Security
- Walk-up
- Inventory Space
- Location
Assess Equipment Needs

Retail Pharmacy Operations
- Software Platform
- Printers
- Workstations
- Phone/Fax
- Register
- Credit/Debit Processor
- Inventory

Meds to Beds Program
- All items for retail pharmacy operations PLUS:
  - Telecommunication tool
    - Cell phone, Vocera®, pager, etc.
  - Point of Sale (POS) technology
Complete 3rd Party Contracts
3rd Party Contracts

• Engage your wholesaler
  – GNPPN (Amerisource Bergen)
  • Managed care negotiating cooperative for independent pharmacies
  • Central Pay Services

<table>
<thead>
<tr>
<th>Reports</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittance Report (For Print)</td>
<td>Print paper remittance reports (with payer headers and totals)</td>
</tr>
<tr>
<td>Remittance Report (For Download)</td>
<td>Download remittance detail (without payer headers and totals)</td>
</tr>
<tr>
<td>Monthly Payment Analysis</td>
<td>List of payers with monthly totals by pharmacy</td>
</tr>
<tr>
<td>Weekly Payment Analysis</td>
<td>List of payers with weekly totals by pharmacy</td>
</tr>
<tr>
<td>GNPPN Central Pay Active Payer Report</td>
<td>List of active payers and bins</td>
</tr>
<tr>
<td>Adjustment Report</td>
<td>List payment adjustments by adjustment code as provided by the 835</td>
</tr>
<tr>
<td>Zero Balance Report</td>
<td>835's with no payments (zero check amount)</td>
</tr>
<tr>
<td>Caremark DIR Report</td>
<td>A report for claim level detail of Caremark DIR fees</td>
</tr>
</tbody>
</table>

12 Week Transition Report
Click Here To View Your Transition Report(s)
3rd Party Contracts, cont.

- Direct Contracts
  - Ohio Medicaid ($542 fee)
  - Humana
  - Catamaran/Cigna
  - Caremark
  - Express Scripts

- Allow 10 – 60 days for processing
- Must grant access to your NCPDP profile
Determining Workflow
Workflow Diagram (Draft)

Registration

- Collect Rx
- Insurance Info at Registration
- Update in eCare

CPhT

- Complete Medication History (if needed) and Update eCare
- Inform Patient About Use of MGH Ambulatory Rx
- Obtain Prescriptions and Fill in QS-1

Nurse

- Notify CPhT of Potential Discharge
- Place Prescriptions on Chart
- Fax Prescriptions to 740-383-8687

Physician

- Write Discharge Prescriptions

Pharmacist

- Discuss with MD
- Clarification Needed?
- Yes
- No
- Check Prescriptions
- Counsel Patient and Document MTM
- Update Home Medication List in MedHost
Metrics for Success

Measuring Effectiveness and Sustainability
Project Charter

Focus Area: MGH Ambulatory Pharmacy (Marion General)

**PROJECT CHARTER**

Approved By: Michele Holley Date of Approval: 11/29/14

---

**BACKGROUND/PROBLEM STATEMENT**

To address hospital issues with high readmission rates, physician satisfaction, and patient experience, Marion General Leadership requested the implementation of a new retail pharmacy located within the hospital to provide medication therapy management and prescription delivery to patient bedside. The retail pharmacy can also process associate prescriptions in accordance with new benefit plan at Marion beginning 1/1/15.

**HIGH LEVEL OBJECTIVES**

Open MGH Ambulatory Pharmacy at Marion General Hospital to meet inpatient and associate prescription needs.

**GUIDING PRINCIPLES**

Follow the PEx Process
Make all decisions keeping the patient (or end user) in mind
Utilize fact based decision making
Be communication-biased to maximize the understanding of staff in the affected areas
Be action-biased when a reasonable amount of information is available

**SCOPE**

In Scope:
- Inpatient Care Areas
- Associate Prescriptions

Out of Scope:
- Emergency Department
- Community Use/Refills
- Hospice, LTC, etc.

**KEY METRICS**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Baseline</th>
<th>Target</th>
<th>Quality &amp; Pt Safety</th>
<th>Service</th>
<th>Worklife</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCAHPS Medication Domain Score Improvement</td>
<td>35%</td>
<td>65%</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discharge Patient Prescription Capture</td>
<td>0%</td>
<td>25%</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Readmission Rate Reduction (avg. PNE and CHF)</td>
<td>16.95%</td>
<td>&lt;14.9</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TIMING**

Start Date: 7/1/14
Target Completion Date: 2/28/15

Milestones / Other Timing Considerations:
- Associate Scripts start 1/1/15 with new insurance

**ORG CHART**

Steering Committee
- Champion (VP or Dir) - Michele Holley
- Steering Team - Justin Hamper, Scott Tekancic, Jordan Counts
- Physician(s) -
- PEx/IS/Regulatory or Compliance -

Process Owner
- Michele Holley
- Kaizen Facilitator, Leader - Kate Donaldson

Process Improvement Team
- Justin Hamper
- Scott Tekancic
- Jordan Counts
- Sarah Persinger
- Kurt Lauder, RPh
- Jennifer McAndrew

Additional Resources Required:
- MGH Leadership Team / Finance
## Project Charter, cont.

| Number | KEY DRIVER / METRIC (from Charter) | Metric Owner | Unit of Measure | Baseline | Jan 15 | Feb 15 | Mar 15 | Apr 15 | May 15 | Jun 15 | Jul 15 | Aug 15 | Sep 15 | Oct 15 | Nov 15 | Dec 15 |
|--------|------------------------------------|--------------|----------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1      | HCAHPS Medication Domain Score Improvement | Holley | System Scorecard | 0.35     | Plan ACTUAL 0.35 | 0.35 | 0.35 | 0.40 | 0.40 | 0.50 | 0.50 | 0.65 | 0.65 | 0.65 |
| 2      | Discharge Patient Prescription Capture | Lauder | % fills / % Rx Written | 0        | Plan ACTUAL 0.00 | 0.05 | 0.10 | 0.10 | 0.15 | 0.15 | 0.20 | 0.20 | 0.20 | 0.25 |
| 3      | Readmission Rate Reduction (avg. PNE and CHF) | Holley | System Scorecard | 0.1695  | Plan ACTUAL 0.1695 | 0.1695 | 0.1695 | 0.161 | 0.161 | 0.153 | 0.153 | 0.14535 | 0.1454 | 0.1454 |

*5% reduction each quarter*
Continuous Evaluation and Improvement
Reporting Requirements

How to manage the daily/weekly/monthly reports for fiscal integrity
Welcome to the Ohio Automated Rx Reporting System

What is OARRS?

The Ohio Automated Rx Reporting System (OARRS) was established in 2006 as a tool to assist healthcare professionals in providing better treatment for patients with medical needs while quickly identifying drug-seeking behaviors. An OARRS Prescription History Report can assist in assuring that a patient is getting the appropriate drug therapy and is taking their medication as prescribed.

Prescribers, pharmacists, and officers of law enforcement agencies whose primary mission involves enforcing prescription drug laws can register for an OARRS account. Registered prescribers may also permit delegates to register for an OARRS account in order to request Prescription History Reports on the prescriber's behalf.

Instructions for Reporting to OARRS (Prescribers AND Pharmacies)

HB341 requirements prior to prescribing Opioids and Benzodiazepines

Instructions to Add or Remove a Delegate

Client Login

Log In

User Name:

Password:

Log In

Forget your username?

(Enter User Name above and click here)

Don't have an account?

Click here to register.
## Report Browser

<table>
<thead>
<tr>
<th>Customer</th>
<th>Report Name</th>
<th>Filename</th>
<th>Date</th>
<th>File Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>AssistRx: Elite</td>
<td>ACH Remittance Detail</td>
<td>remotdetail.txt</td>
<td>04-01-2015</td>
<td>1 KB</td>
</tr>
<tr>
<td></td>
<td>Aging Detail Report</td>
<td>agingdetail.xlsx</td>
<td>04-01-2015</td>
<td>91 KB</td>
</tr>
<tr>
<td></td>
<td>Aging Summary</td>
<td>agingsummary.pdf</td>
<td>04-01-2015</td>
<td>10 KB</td>
</tr>
<tr>
<td></td>
<td>Aging Summary</td>
<td>agingsummary.xlsx</td>
<td>04-01-2015</td>
<td>5 KB</td>
</tr>
<tr>
<td></td>
<td>Check Provider Report</td>
<td>EOPcheckprovider.xlsx</td>
<td>04-01-2015</td>
<td>4 KB</td>
</tr>
<tr>
<td></td>
<td>Check Provider Report</td>
<td>checkProvider.xlsx</td>
<td>04-01-2015</td>
<td>3 KB</td>
</tr>
<tr>
<td></td>
<td>Check Provider Report</td>
<td>checkProvider.pdf</td>
<td>04-01-2015</td>
<td>4 KB</td>
</tr>
<tr>
<td></td>
<td>Check Provider Report</td>
<td>EOPcheckprovider.pdf</td>
<td>04-01-2015</td>
<td>6 KB</td>
</tr>
<tr>
<td></td>
<td>Historical Claim</td>
<td>historicaloverpay.xlsx</td>
<td>04-01-2015</td>
<td>3 KB</td>
</tr>
<tr>
<td></td>
<td>Historical Claim</td>
<td>historicaloverpay.pdf</td>
<td>04-01-2015</td>
<td>4 KB</td>
</tr>
<tr>
<td></td>
<td>Manual Write-Off Report</td>
<td>manwriteoff.xlsx</td>
<td>04-01-2015</td>
<td>3 KB</td>
</tr>
<tr>
<td></td>
<td>Partial Pay Report</td>
<td>partialpay.pdf</td>
<td>04-01-2015</td>
<td>4 KB</td>
</tr>
<tr>
<td></td>
<td>Problem Check Report</td>
<td>problemcheck.xlsx</td>
<td>04-01-2015</td>
<td>3 KB</td>
</tr>
<tr>
<td></td>
<td>Problem Check Report</td>
<td>problemcheck.pdf</td>
<td>04-01-2015</td>
<td>5 KB</td>
</tr>
<tr>
<td></td>
<td>Reject Report</td>
<td>reject.pdf</td>
<td>04-01-2015</td>
<td>4 KB</td>
</tr>
<tr>
<td></td>
<td>Sales Detail Report</td>
<td>priorsales.xlsx</td>
<td>04-01-2015</td>
<td>3 KB</td>
</tr>
<tr>
<td></td>
<td>Sales Detail Report</td>
<td>priorsales.pdf</td>
<td>04-01-2015</td>
<td>4 KB</td>
</tr>
<tr>
<td></td>
<td>Sales Summary Report</td>
<td>salessummary.pdf</td>
<td>04-01-2015</td>
<td>3 KB</td>
</tr>
<tr>
<td></td>
<td>Trial Balance Report</td>
<td>partialbal.pdf</td>
<td>04-01-2015</td>
<td>4 KB</td>
</tr>
<tr>
<td></td>
<td>Trial Balance Report</td>
<td>partialbal.xlsx</td>
<td>04-01-2015</td>
<td>5 KB</td>
</tr>
<tr>
<td></td>
<td>Trial Balance Report</td>
<td>trialbalance.xlsx</td>
<td>04-01-2015</td>
<td>3 KB</td>
</tr>
<tr>
<td></td>
<td>Trial Balance Report</td>
<td>trialbalance.pdf</td>
<td>04-01-2015</td>
<td>5 KB</td>
</tr>
</tbody>
</table>
Lessons Learned

How we will incorporate into future health-system expansion
Lessons Learned

• Obtain your NCPDP number early
• Gather the required forms from finance, administration, etc. ahead of time
• Understand MAC/Wholesaler Pricing
• Establish and communicate realistic timeline
• Clearly set expectations for administrative needs at time of FTE requests
• Engage a legal contact for oversight
• Manage the expectations of the project
• Know the limits of your expertise
Timeline Revisited

Business Plan Proposal to Senior Leaders

Establish and Communicate Timeline

Stakeholder Kickoff

Gather Required Legal Forms for Licensure

9-12 months

Wholesaler Accounts

Recruit for Administrative Support

Recruitment

- Pharmacists
- Technicians

6 months

Equipment Needs

- Software
- Printers/Workstations
- Point of Sale

Set-up Reconciliation Process

- Engage Finance
- GNPPN Central Pay
- NHIN

3 months

Workflow Development Sessions

- Develop Policy and Procedures
- Registration / Insurance Info
- Communication Methods
- Delivery of Prescriptions
- Physician Engagement

Hire/Train Staff

- Must meet CMS Minimum Requirements
- Fraud, Waste, and Abuse
- Psuedoephedrine
- REMS

1 month

Update Stakeholders

Update Stakeholders

Update Stakeholders

Go-Live

Marketing

- Associate Handouts
- Patient Handouts
- Website

Engage Stakeholders and Promote Program

Plan for metric data

- Who, How, What, When and Where

Engage Support from Pharmacy Team

Engage Support from Legal and Managed Care Representatives

Licensure

- NCPDP
- State Board of Pharmacy
- DEA
- NPI

3rd Party Accounts

- GNPPN
- Direct Contracts
- Medicaid

Finance Planning

- Cost Centers
- Budgeting
- Capital Needs
- 340-B (if applicable)

Workflow Development Sessions

- Set-up Reconciliation Process

3rd Party Accounts

- GNPPN
- Direct Contracts
- Medicaid

Update Stakeholders
Future Strategy

Where to we go from here?
What’s Next for MGH Ambulatory Pharmacy and OhioHealth?

<table>
<thead>
<tr>
<th>MGH Ambulatory Pharmacy</th>
<th>OhioHealth Ambulatory Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Phase 2</td>
<td>- Expand to System</td>
</tr>
<tr>
<td>- <em>Same Day Surgery</em></td>
<td>- Mail-Order</td>
</tr>
<tr>
<td>- <em>ED Discharges</em></td>
<td>- Specialty Pharmacy</td>
</tr>
<tr>
<td>- Expand Hours</td>
<td></td>
</tr>
<tr>
<td>- Analyze Metrics</td>
<td></td>
</tr>
<tr>
<td>- EPIC Integration</td>
<td></td>
</tr>
</tbody>
</table>
References


Back to Basics: How to Open a Discharge Pharmacy in Your Hospital

2015 OSHP Annual Meeting
April 24, 2015

Michele L. Holley, MS, PharmD, RPh
Regional Pharmacy Director, OhioHealth
Michele.Holley@ohiohealth.com