The Future of Dermatology Practice

Steven Grekin, D.O., F.A.O.C.D.
Objectives

- To discuss:
  - New medications which have come to market in the past 12 months
  - Upcoming changes to physician reimbursement models
  - Methods by which we can overcome the obstacles created by these changes in everyday practice
New Medications

- Onexton
- Acticlate
- Soolantra
- Jublia
- Kerydin
- Luzu
Onexton

• Clindamycin phosphate (1.2%) and benzoyl peroxide (3.75%) gel

• Indicated for once-daily treatment of comedonal and inflammatory acne in patients 12 and older

• Efficacy was assessed at week 12 - Onexton gel reduced non-inflammatory lesions by a mean of 52% vs. 28% vehicle, also reduced inflammatory lesions by a mean of 60% vs. 31% vehicle.

Onexton

- Benzoyl peroxide is **microdispersed**
  - Particles evenly distributed in each dose
- **Micronized**
  - 90% of particles less than 10 microns in diameter (average pore is 11-66 microns)

Onexton

✦ Cosmetically elegant formulation
✦ Aqueous gel – no alcohol
✦ Humectant – for hydrating properties
✦ pH 5-6 – consistent with pH of skin
✦ No surfactants, no preservatives

Acticlate

•**Doxycycline hyclate**, a broad-spectrum antibiotic synthetically derived from oxytetracycline, in an **immediate release formulation**

•Used as adjunctive therapy in severe acne

•Dispense 75 mg (round pills) or 150 mg tablet (**scored into 50mg for adjustable dosing**)

•Smaller size than other doxycycline medications, easier to swallow

•Can be taken with food

Doxycycline inhibits bacterial protein synthesis by binding to the 30S ribosomal subunit.

Bacteriostatic activity against a broad range of gram-positive and gram-negative bacteria.

NEW FROM AQUA

OH SNAP!

Acticlate’s 75mg and 150mg tablets let you choose a dose that fits in a snap — or two.

Acticlate
(Doxycycline Hyclate) Tablets
75 mg 150 mg

- Small
- Scored tablet
- Easy to swallow
- Flexible dosing
- Pay no more than $10 a month for 12 months

AQUA PHARMACEUTICALS
& Almirall company

*Oligem maximus sum quae qua quae quo expedit.
Nonne autem si, nescia vole di nostr.
Soolantra

- Ivermectin 1% cream
- Recently FDA approved!
- Indicated as once daily treatment for papulopustular rosacea
- Anti-inflammatory and antiparasitic properties
- Efficacy noted as early as week 2, with continuous improvement in inflammatory lesions
- In a head to head study, shown to be more efficacious vs. metronidazole 0.75% at week 3 and onwards

Demodicidosis, or papulopustular rosacea?
Jublia

• Efnaconazole 10% topical suspension
• Available in 4ml and 8ml
• Triazole antifungal indicated for treatment of onychomycosis due to *T. rubrum* and *T. mentagrophytes*
• Blocks ergosterol biosynthesis in a dose dependent manner

Jublia

- Apply to affected toenails once daily for 48 weeks
- Instruct patients to completely cover the toenail, toenail folds, toenail bed, hyponychium, and undersurface of the toenail plate
- Two identical studies had patients apply Jublia daily for 48 weeks with a 52 week follow up
  - Advertised results as follows…
Jublia - Efficacy

→ Bottom line: 18% and 15% had 0% clinical involvement of target toenail at week 52.

Kerydin

- Tavaborole 5% topical solution available in a 12 ml bottle
- Indicated for treatment of onychomycosis due to *T. rubrum* and *T. mentagrophytes*
- Adverse reactions included application site exfoliation and ingrown toenail in ~2% of patients
- Apply to affected toenails **once daily for 48 weeks**
- Instruct patients to cover the entire toenail surface and hyponychium

Kerydin

✧ A new class of antifungal therapeutic agents...
  ✧ Tavaborole is a unique **boron** compound
    ✧ Naturally occurring element ingested in fruits, vegetables, milk, coffee (nontoxic)
  ✧ Inhibits fungal protein synthesis by inhibition of an aminoacyl-transfer ribonucleic acid (tRNA) synthetase (AARS)

http://www.anacor.com/boron_technology_overview.php
Patients were treated with Kerydin (n=795) or vehicle (n=399) for 48 weeks.

<table>
<thead>
<tr>
<th>Efficacy Variable</th>
<th>Trial 1</th>
<th></th>
<th>Trial 2</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>KERYDIN n=399</td>
<td>Vehicle n=194</td>
<td>KERYDIN n=396</td>
<td>Vehicle n=205</td>
</tr>
<tr>
<td>Complete Cure</td>
<td>26 (6.5%)</td>
<td>1 (0.5%)</td>
<td>36 (9.1%)</td>
<td>3 (1.5%)</td>
</tr>
<tr>
<td>Complete or Almost Complete Cure</td>
<td>61 (15.3%)</td>
<td>3 (1.5%)</td>
<td>71 (17.9%)</td>
<td>8 (3.9%)</td>
</tr>
<tr>
<td>Mycologic Cure</td>
<td>124 (31.1%)</td>
<td>14 (7.2%)</td>
<td>142 (35.9%)</td>
<td>25 (12.2%)</td>
</tr>
</tbody>
</table>

- Complete cure defined as 0% clinical involvement of the target toenail plus negative KOH and negative culture.
- Complete or almost complete cure defined as ≤10% affected target toenail area involved and negative KOH and culture.
- Mycologic cure defined as negative KOH and negative culture.

→ Bottom line: 6.5% and 9.1% had 0% clinical involvement of target toenail at week 48.
Luzu

- Luliconazole 1% cream
- Available in 30g or 60g
- Indicated for the treatment of tinea pedis, tinea cruris, and tinea corporis caused by *Trichophyton rubrum* and *Epidermophyton floccosum* in patients 18 and older
- Inhibits ergosterol synthesis which leads to damage of fungal cell wall

Full Package Insert: [http://www.luzurx.com/Content/docs/LUZU_Cream_MarketingPI_US.pdf](http://www.luzurx.com/Content/docs/LUZU_Cream_MarketingPI_US.pdf)
Luzu

- Applied **once daily for two weeks** in treatment of tinea pedis
  - Thin layer to affected area and one inch margin of normal appearing skin
- Applied **once daily for one week** in treatment of tinea cruris and corporis
  - Thin layer to affected area and one inch margin of normal appearing skin

Full Package Insert: [http://www.luzurx.com/Content/docs/LUZU_Cream_MarketingPI_US.pdf](http://www.luzurx.com/Content/docs/LUZU_Cream_MarketingPI_US.pdf)
Luzu - Efficacy

- Tinea cruris
  - Patients treated with Luzu or vehicle for one week and evaluated 3 weeks post treatment

<table>
<thead>
<tr>
<th></th>
<th>LUZU Cream, 1%</th>
<th>Vehicle Cream</th>
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<tbody>
<tr>
<td></td>
<td>N=165</td>
<td>N=91</td>
</tr>
<tr>
<td>Complete Clearance(^1)</td>
<td>35 (21%)</td>
<td>4 (4%)</td>
</tr>
<tr>
<td>Effective Treatment(^2)</td>
<td>71 (43%)</td>
<td>17 (19%)</td>
</tr>
<tr>
<td>Clinical Cure(^3)</td>
<td>40 (24%)</td>
<td>6 (7%)</td>
</tr>
<tr>
<td>Mycological Cure(^4)</td>
<td>129 (78%)</td>
<td>41 (45%)</td>
</tr>
</tbody>
</table>

\(^1\) Proportion of subjects who achieved both clinical cure and mycological cure
\(^2\) Negative KOH and culture and at most mild erythema and/or scaling and no pruritus
\(^3\) Absence of erythema, scaling and pruritus
\(^4\) Negative KOH and negative fungal culture

Full Package Insert: [http://www.luzurx.com/Content/docs/LUZU_Cream_MarketingPI_US.pdf](http://www.luzurx.com/Content/docs/LUZU_Cream_MarketingPI_US.pdf)
Changes to Payments and Reimbursements
Change in CMS reimbursements

- Overall dermatology will see a 2% decline in reimbursements in 2015
- Potential changes to global periods
- Select procedures will see a large decrease in reimbursement
- House has passed and Senate* has yet to pass legislation repealing the SGR
- Prepare for upcoming ICD-10 implementation

*As of 7 Apr 2015
As of 7 April 2015 the United States Congress is closer than ever to SGR repeal.

Uncertainty remains as to how Medicare will further measure doctor performance and how that will impact reimbursement.
AAD has made progress in fighting changes to global periods. Legislation has been drafted but a bill has not yet been passed.

- AAD has also made progress to decrease the burden of EHR reporting requirements.
- On March 18, 2015 members of the House of Representatives Doctors Caucus called upon congressional leaders to pass legislation which would nullify the actions of CMS to eliminate global periods.
Global Period

Global Periods

One time Payment = Multiple Services
Global Periods

- **0-day global period**: some procedures, e.g. Mohs surgery, simple repair, and biopsy, have no pre-operative period or post operative days, and an evaluation and management service (E/M) performed on the same day of the procedure is generally included.

Global Periods

10-day global period: Procedures, e.g., excisions, destructions, and intermediate and complex repairs, have no pre-operative period, and an E/M service on the same day as the procedure is generally included. The total global period is 11 days. Count the day of the surgery and 10 days following the surgery.

Global Periods

90-day global period: These are major procedures, e.g., flaps and grafts. They include one pre-operative day. The day of the procedure is generally not payable as a separate E/M service, when performed. The total global period is 92 days. This includes one day before the surgery, day of the surgery, and 90 days following the day of surgery.
Changes to Global Periods

- Elimination of 10-day global period by 2017
- Elimination of 90-day global period by 2018
- All procedures would have a 0-day global period, follow up visits would be billed separately
- Check with your private payers to familiarize yourself with their specific rules and guidelines regarding global periods
- AAD had been actively fighting this proposal
Changes to Select Codes

- Destruction of premalignant lesions (17000, 17003) received the largest decrease of ~11% and ~43% respectively
<table>
<thead>
<tr>
<th>CPT(^1/) HCPCS</th>
<th>Mod</th>
<th>Global</th>
<th>Description</th>
<th>2015 Payment Amount(^2)</th>
<th>2014 Payment Amount(^2)</th>
<th>% Payment Difference $</th>
</tr>
</thead>
<tbody>
<tr>
<td>11100</td>
<td>000</td>
<td></td>
<td>Biopsy skin lesion</td>
<td>$103.82</td>
<td>$102.45</td>
<td>1.34%</td>
</tr>
<tr>
<td>11101</td>
<td>ZZZ</td>
<td></td>
<td>Biopsy skin add-on</td>
<td>$32.94</td>
<td>$32.60</td>
<td>1.04%</td>
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<tr>
<td>11300</td>
<td>000</td>
<td></td>
<td>Shave skin lesion 0.5 cm/&lt;</td>
<td>$98.10</td>
<td>$96.01</td>
<td>2.18%</td>
</tr>
<tr>
<td>11301</td>
<td>000</td>
<td></td>
<td>Shave skin lesion 0.6-1.0 cm</td>
<td>$120.29</td>
<td>$118.22</td>
<td>1.76%</td>
</tr>
<tr>
<td>12055</td>
<td>010</td>
<td></td>
<td>Intmd rpr face/mm 12.6-20 cm</td>
<td>$481.17</td>
<td>$478.59</td>
<td>0.54%</td>
</tr>
<tr>
<td>12056</td>
<td>010</td>
<td></td>
<td>Intmd rpr face/mm 20.1-30.0</td>
<td>$504.44</td>
<td>$551.31</td>
<td>-8.50%</td>
</tr>
<tr>
<td>14060</td>
<td>090</td>
<td></td>
<td>Tis trnfr e/n/e/l 10 sq cm/&lt;</td>
<td>$786.91</td>
<td>$784.52</td>
<td>0.31%</td>
</tr>
<tr>
<td>14061</td>
<td>090</td>
<td></td>
<td>Tis trnfr e/n/e/l 10.1-30sqcm</td>
<td>$1,027.14</td>
<td>$1,018.44</td>
<td>0.85%</td>
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<tr>
<td>17000</td>
<td>010</td>
<td></td>
<td>Destruct premalg lesion</td>
<td>$66.95</td>
<td>$75.23</td>
<td>-11.01%</td>
</tr>
<tr>
<td>17003</td>
<td>ZZZ</td>
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<td>Destruct premalg les 2-14</td>
<td>$5.73</td>
<td>$10.03</td>
<td>-42.89%</td>
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<tr>
<td>17004</td>
<td>010</td>
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<td>Destruct premal lesions 15/&gt;</td>
<td>$151.80</td>
<td>$149.38</td>
<td>1.62%</td>
</tr>
<tr>
<td>17110</td>
<td>010</td>
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<td>Destruct b9 lesion 1-14</td>
<td>$111.34</td>
<td>$109.26</td>
<td>1.91%</td>
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<tr>
<td>17111</td>
<td>010</td>
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<td>Destruct lesion 15 or more</td>
<td>$132.46</td>
<td>$129.68</td>
<td>2.15%</td>
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<tr>
<td>17311</td>
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<td>Mohs 1 stage h/n/hf/g</td>
<td>$666.62</td>
<td>$656.27</td>
<td>1.58%</td>
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<tr>
<td>17312</td>
<td>ZZZ</td>
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<td>Mohs addl stage</td>
<td>$392.02</td>
<td>$384.74</td>
<td>1.89%</td>
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<tr>
<td>17313</td>
<td>000</td>
<td></td>
<td>Mohs 1 stage t/a/l</td>
<td>$623.66</td>
<td>$613.64</td>
<td>1.63%</td>
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<tr>
<td>17314</td>
<td>ZZZ</td>
<td></td>
<td>Mohs addl stage t/a/l</td>
<td>$376.27</td>
<td>$368.97</td>
<td>1.98%</td>
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<tr>
<td>17315</td>
<td>ZZZ</td>
<td></td>
<td>Mohs surg addl block</td>
<td>$80.55</td>
<td>$79.17</td>
<td>1.75%</td>
</tr>
<tr>
<td>88305</td>
<td>XXX</td>
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<td>Tissue exam by pathologist</td>
<td>$73.03</td>
<td>$70.57</td>
<td>3.49%</td>
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<tr>
<td>88305 TC</td>
<td>XXX</td>
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<td>Tissue exam by pathologist</td>
<td>$34.01</td>
<td>$32.24</td>
<td>5.49%</td>
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<tr>
<td>88305 26</td>
<td>XXX</td>
<td></td>
<td>Tissue exam by pathologist</td>
<td>$39.02</td>
<td>$38.33</td>
<td>1.81%</td>
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<tr>
<td>99212</td>
<td>XXX</td>
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<td>Office/outpatient visit est</td>
<td>$43.68</td>
<td>$43.70</td>
<td>-0.06%</td>
</tr>
<tr>
<td>99213</td>
<td>XXX</td>
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<td>Office/outpatient visit est</td>
<td>$73.03</td>
<td>$73.08</td>
<td>-0.06%</td>
</tr>
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SGR

- Protecting Access to Medicare Act (HR 4302) was passed 04/01/2014
  - Delayed changes to SGR for one year
  - Delayed implementation of ICD-10 to October 2015
- Interest in eliminating the SGR is on the rise in Congress
- AAD continues to advocate for repeal of SGR
Changes to Fee-for-Service

- CMS is working to implement alternative payment models, moving away from fee-for-service
- Proposed to move 30% of Medicare reimbursements to alternative payment models by 2016
- Increased to 50% by 2018
- Details on the alternative payment models have not yet been provided
Physician & Group Penalties

- **Electronic prescribing** – requirement which ended in 2014
- **PQRS** – initially an incentive, is a penalty in 2015 of (1.5%) and increases to (2%) in 2016
- **Value Modifier** – beginning 2015 will affect groups of 100 eligible providers, 2016 groups of 10, 2017 All physicians
- **EHR** – 1% penalty in 2015 increasing yearly to 5% by 2019

http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/Payment-Adjustment-Information.html
Example: a physician or group who does not satisfactorily participate in PQRS, VM or EHR could be penalized as much as 9% by 2017

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<tbody>
<tr>
<td>Electronic Prescribing (eRx)*</td>
<td>-2.0%</td>
<td>----</td>
<td>----</td>
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<td>----</td>
<td>----</td>
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<tr>
<td>PQRS</td>
<td>0.5% incentive payment</td>
<td>-1.5%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
<td>-2%</td>
</tr>
<tr>
<td>VM</td>
<td>----</td>
<td>-1%</td>
<td>-2%</td>
<td>-4%†</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>EHR Incentive Program</td>
<td>Incentive Payment</td>
<td>-1% or -2%*</td>
<td>-2%</td>
<td>-3%</td>
<td>-4%</td>
<td>-5%</td>
<td>-5%</td>
</tr>
<tr>
<td></td>
<td>(2014 is the last year to begin participation to earn an incentive payment which is paid over three years)</td>
<td>Begin in 2014: 12,000</td>
<td>2nd payment 2015: $8,000</td>
<td>3rd payment 2016: $4,000</td>
<td>$24,000 total for beginning program in 2014$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Potential Penalty       | -2.0% | -3.5% or -4.5% | -6%   | -9%   | TBD   | TBD   | TBD   |

https://www.facs.org/advocacy/regulatory/medicare-penalties
Stay informed of Changes

✦ Subscribe to Dermatology Advocate through the AAD
✦ Subscribe to updates from AOCD
How can we overcome the challenge of increased practice costs in the face of decreased reimbursement?
The only guarantee in life is change. Not only do I accept change, I embrace it. I am an agent for it, and I help others to accept and embrace it. I am committed to finding and creating new and better ways to serve our patients and their needs. This includes finding and implementing more innovative internal processes, products, procedures, and medicines.
Consolidate

- Independent physician practices declined from 57% in 2009 to 39% in 2012:
  - Declining reimbursement
  - Lowered contract negotiating power of smaller providers
  - Shifted referral patterns
- Consider joining groups to spread out overhead and strengthen reimbursement negotiations

Stay Informed

- Become familiar with practice realities in your respective marketplace
- Learn about the different payment models
- Policymakers predict the currently primary care-centered ACO payment model will spread to specialty care
See More Patients

✦ What is the impact of a 2% cut on your bottom line?
✦ If average collection for office visit is $150, reimbursement then becomes $147
✦ 50 pts x $150 = $7500 vs 50 pts x $147 = $7350
✦ Add one more patient per day to fill gap
Establish a Dashboard

- Measure, measure, measure!
- Determine where you can improve revenues and increase efficiency
- Invest in resources that compare yourself to similar practices
- Assess practice patterns that may trigger an audit
Calculate

- What is the procedure value per hour?
- Utilize non-physician clinicians and other ancillary personnel to the full extent
- Free up the physician to see more pts and generate more revenue
- Cut wasteful spending. Analyze expenditures quarterly
Collect

- Collect co-pays upfront
- Keep credit cards on file
- A practice utilizing technology-driven solutions has increased patient collections from 42% to 50%
  - Patients check-in with tablets
  - Credit cards swiped and kept on file, automatically charging co-pays at every subsequent check-in
  - Prompted to pay outstanding balances

Prior experience is the most important antecedent of satisfaction

Heed advice from business colleagues: *The customer is always right!*

Use your patient’s name and details about personal life

Give them realistic expectations of treatment outcomes
Improve Patient Satisfaction
Patient Satisfaction & Reimbursement

- Understand what the patient is being asked
- All survey information is available from CMS at

Example Questions

Your Care From This Provider During Your Most Recent Visit

These questions ask about your most recent visit with this provider. Please answer only for your own health care.

14. How long has it been since your most recent visit with this provider?
   1 □ Less than 1 month
   2 □ At least 1 month but less than 3 months
   3 □ At least 3 months but less than 6 months
   4 □ At least 6 months but less than 12 months
   5 □ 12 months or more

15. Wait time includes time spent in the waiting room and exam room. During your most recent visit, did you see this provider within 15 minutes of your appointment time?
   1 □ Yes
   2 □ No

16. During your most recent visit, did this provider explain things in a way that was easy to understand?
   1 □ Yes, definitely
   2 □ Yes, somewhat
   3 □ No

17. During your most recent visit, did this provider listen carefully to you?
   1 □ Yes, definitely
   2 □ Yes, somewhat
   3 □ No
Example Questions

18. During your most recent visit, did you talk with this provider about any health questions or concerns?

   1. Yes
   2. No → If No, go to #20

19. During your most recent visit, did this provider give you easy to understand information about these health questions or concerns?

   1. Yes, definitely
   2. Yes, somewhat
   3. No

20. During your most recent visit, did this provider seem to know the important information about your medical history?

   1. Yes, definitely
   2. Yes, somewhat
   3. No

21. During your most recent visit, did this provider show respect for what you had to say?

   1. Yes, definitely
   2. Yes, somewhat
   3. No

22. During your most recent visit, did this provider spend enough time with you?

   1. Yes, definitely
   2. Yes, somewhat
   3. No
Impact upon reimbursement

- CMS Value-Based Payment Modifier
- In 2015 will affect groups of 100 eligible providers, 2016 groups of 10, 2017 All physicians accepting CMS payments will be affected
Impact upon reimbursement

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<td>----</td>
<td>-1%</td>
<td>-2%</td>
<td>-4%†</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

By 2017 all providers will be affected and could face as much as a 4% penalty.
Our Mission

To provide the highest quality dermatologic care for the entire family in a compassionate, caring, and comfortable environment utilizing cutting edge medicines, procedures, and products.
Plug and Play

- Airlines provide satisfaction by demonstrating efficiency
  - Concept of line-up
  - Cohesiveness
  - Communication
Plug and Play

- Car dealerships know when lease is up
- Reach out to patients
- Is winter coming? Send reminder to atopic derm patients

Send reminder e-mails, texts or postcards about appointments, full body exams, etc
Text and Email reminders
Social Media

- Keep up with the times
- Facebook, Instagram and Twitter are all FREE outlets for advertising
Create a Website

- Create a **website** that sells you and your practice
  - Provide educational material
  - Provide a link for “feedback” for continued improvement
Alter Perception

- AAD researched the perceptions of dermatology practice by other physicians
- Dermatologists are perceived as valuable colleagues

Alter Perception

- Negative perceptions:
  - Access to dermatologists is limited, both for inpatient and outpatient
  - Favor surgical cases over routine problems
  - Unwilling to accept insurance
  - Shifting focus to cosmetic-related services
  - Not visible or engaged in local communities
Get Involved

- **Word-of-mouth** is the most important method for referrals
- Accept consults at a hospital
- Stay in contact with your referring physicians
- Offer free services, such as skin cancer screenings
Bottom Line

- Do not ignore the business aspect of medicine
- Constantly measure for constant improvement
- Cut wasteful spending
- See more patients
- Communicate to increase efficiency and reduce errors
- Continue improving patient satisfaction
- Utilize all staff and mid-level providers
"The only human institution which rejects progress is the cemetery."

-Harold Wilson
References

- https://www.facs.org/advocacy/regulatory/medicare-penalties
- http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeedbackProgram/ValueBasedPaymentModifier.html