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Giving Independents a Fighting Chance

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in keeping pharmacies competitive.

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COVER STORY

PSAOs

Giving Independents a Fighting Chance

Why PSAOs are a real factor
in keeping pharmacies competitive.

by Will Lockwood

Pharmacy services administrative organizations (PSAOs) have grown over the years to provide their members with a wide array of critical services and tools. They are doing much more these days, in an effort to combat low and negative reimbursements. **Story begins on page 11**

Plus sponsored content on services from two featured PSAOs

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by Bruce Kneeland

While community pharmacy received deserved accolades for its role in COVID-19 mitigation and vaccination rollouts, there remain obstacles to overcome around practice parameters, reimbursement rates, and other critical issues. Getting involved with state and national associations is an important first step.

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by Calvin Knowlton,
B.Sc.Pharm., M.Div., Ph.D.,
Tabula Rasa HealthCare

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10 Challenges for Pharmacies with REMS

by Mike Sosnowik, R.Ph.,
President, PharmSaver

As REMS (risk evaluation and mitigation strategy) programs grow to include more pharmaceutical product manufacturers, wholesalers, and distributors, pharmacies face increased compliance challenges. Learn what to be aware of when ordering drugs in this category.

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Kraig McEwen,
CEO of RedSail
Technologies,
LLC, spoke with
ComputerTalk's

Maggie Lockwood about
the company's vision for the
independent pharmacy.

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Technology Dependency

CAN YOU IMAGINE WHAT IT WOULD BE like running your pharmacy without the technology you are using? Technology dependency is very evident across all walks of life.

The current chip shortage is causing auto manufacturers to idle plants. The ripple effect in the supply chain is being felt all the way down to the dealers.

Disruption from the cyberattack on Colonial Pipeline, which transports approximately 45% of the gasoline and jet fuel consumed on the East Coast, is another example of our dependency on technology.

Dependency on biotechnology is what led to the exceptionally short time it took to develop the COVID-19 vaccines.

The term "virtual" took on new meaning during the pandemic. Work-from-home became the new norm, enabled by the technology we use every day. This country would have come to a standstill without the technology at our disposal.

Pharmacy was fortunate to be given an "essential business" status during the early days of COVID-19 and allowed to stay open. As it turned out, pharmacy took a leadership role in providing COVID-19 testing and followed this with a pivotal role in giving vaccinations. Documentation of the vaccinations and reporting of such to the immunization registries is made possible by the computer technology pharmacies use.

Which leads me to the point that not enough recognition is given to the pharmacy technology infrastructure in place. There is a value that should be placed on this in the reimbursements pharmacies receive. But this has not been the case. My take is that computers have become so pervasive in every business and profession that use of the technology is a given to be able to stay in business.

Now to another point, and that is the current plight of Intel. Remember the days when PCs came with a slogan, "intel inside"? However, in an article in the April 12 issue of *Bloomberg Businessweek* titled, "The Decline of a Great American Tech Company: How Intel lost its way," the authors point out that the company missed out with the chips used in smartphones and is dealing with manufacturing delays on its next-generation chip. Here is a company, founded by Robert Noyce and Gordon Moore, that many credit with the start of the chip industry but is no longer the dominant player. NVIDIA, designer of graphics processors, is now the most valuable U.S. chip company. And Apple, Microsoft, and Amazon are designing their own chips. They are no longer dependent on Intel.

We have become a society that is technology dependent. **CT**



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TDS has announced that BlackRock Long Term Private Capital (LTPC) has acquired a majority interest in the company. TDS' previous owner, GTCR, will retain a minority interest.

TDS has also announced that it has added scheduler and telehealth features to its Rx30 and Computer-Rx systems. This will allow pharmacists to take control of their schedules and offer convenient patient appointments for vaccines and other in-store clinical services. This will also allow patients to schedule virtual check-ins for those who cannot visit the pharmacy.

Parata Systems has announced that it has become a national sponsor of Flip the Pharmacy. The sponsorship will support the program's mission of reworking pharmacy practices, moving the focus from counting and filling prescriptions to the goal of improving a patient's health.

"Parata Systems has been supporting the Flip the Pharmacy program since day one as one of our program partners, prior to expanding its commitment to a national program sponsor," says Randy McDonough, Pharm.D., M.S., BCGP, BCPS, FAPhA, director of practice transformation. "This financial commitment really signals to community-based pharmacies across America that Parata Systems is committed to their future success."

In commenting for Parata, Mark Longley, chief strategy officer, says, "There remains an enormous need for pharmacies to not simply be a pillar in the community, but to possess the ability to support patients outside the four walls of a pharmacy."

Flip the Pharmacy is a five-year pharmacy transformation program that is impacting thousands of community-based pharmacies.

MedTech Breakthrough, an independent market intelligence organization that recognizes the top technology companies and products in the global health and medical technology market, has announced that **DrFirst** has been selected as the winner of the Artificial Intelligence Innovation Award in the fifth annual MedTech awards program, recognizing DrFirst's SmartSuite solution.

Despite decades of progress in digitization and standardization, healthcare still has a problem making data functional within electronic health records (EHRs) and pharmacy management systems. SmartSuite solves that problem within the clinical workflow by converting free text from external systems into a user system's unique terminology and placing the data into appropriate fields, saving time for clinicians. The program codifies prescriptions and refill requests and reconciles medication histories when exchanged between EHR systems, payers, pharmacies, and health information exchanges.

SmartSuite also processes continuity-of-care documents from legacy EHR conversions to create normalized and importable medication histories from unusable data.

Speed Script is integrating DrFirst's SmartSuite into its pharmacy management system, used by community and long-term care pharmacies, to address issues with electronic prescriptions. The DrFirst SmartSig application accurately translates 93% of patient directions. Also, using a matching algorithm to pair the specific drug in an electronic prescription to the same medication in a pharmacy's system helps when the prescriber and pharmacy do not use the same drug compendia.

"By integrating SmartSuite into our platform, we are giving pharmacists solutions that are proven to save time and enhance patient safety. We are excited to be the first pharmacy management system provider to offer this technology to pharmacies," notes Chuck Welch, chief technology officer for Speed Script.

Cameron Deemer, president of DrFirst, says that they look forward to working with Speed Script.

Datarithm offers five tips to help pharmacy owners better manage their inventories. The company has found that too often a pharmacy's inventory is neglected and left to grow out of control.

Among the tips offered, one deals with stockpiling. Datarithm calls this panic buying, and points to hydroxychloroquine during the beginning of the COVID-19 pandemic. This locks

up dollars on items that may not be dispensed quickly.

Another is making monthly returns to wholesalers to improve cash flow. The company has found that many pharmacies are operating with a 10% to 15% return opportunity and do not realize it.

For the additional tips go to datarithm.co.

Pharmacy First, a pharmacy services administrative organization (PSAO), has earned URAC accreditation. Pharmacy First is the first and only PSAO to earn this prestigious distinction. The accreditation demonstrates a commitment to quality services and serves as a framework to improve business processes through benchmarking organizations against nationally recognized standards. As part of the URAC accreditation process, Pharmacy First verified the credentials of more than 2,000 network pharmacies and 10,000-plus pharmacy staff members.

"Increased scrutiny of healthcare quality makes credentials verification a vital component in delivering safe and successful care," says URAC President and CEO Shawn Griffin, M.D.

According to Craig Bentley, VP of managed care operations for Pharmacy First, it has made a substantial investment in time and technology to support this initiative. "We must store and readily access credentialing data and documentation from all staff at all member pharmacies," he says.

The credentials verification solution also includes continuing education and training for member pharmacies, particularly on fraud, waste, abuse prevention, and HIPAA compliance.

Datascan has added features to its pharmacy management system to address the number of independent pharmacies offering clinical services. Among those is a streamlined solution for processing and billing vaccines. Pharmacists can set defaults for a number of fields to set up a template. Once this is created, the patient and the vaccine to be administered are selected and the appropriate fields will be automatically filled in.

New flexibility has also been added for mobile

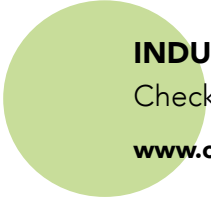
payments through the delivery application. There is support for EMV chip cards, FSAs (flexible spending accounts), and contactless payments through Apple Pay.

Micro Merchant Systems was named the April corporate member of the month by the National Association of Specialty Pharmacy.

The company has also announced the publication of a white paper on the pharmacy of the future. This points out that pharmacies have invested in technology to improve efficiency in the pharmacy. But as with essentially all elements of technology, current capabilities barely scratch the surface on what will be possible. The white paper is accessible by going to micromerchantsystems.com/white-paper/the-pharmacy-of-the-future-technology-based-efficiencies-that-enable-increased-focus-on-patient-care.

SoftWriters has announced that, after working with pilot pharmacies to understand what mass-vaccination workflows look like in the long-term care setting, the company introduced FrameworkLTC Vaccine Management. This module supports the COVID-19 vaccination effort and includes integrated reporting to the immunization registries.

The **American Society for Automation in Pharmacy** (ASAP) has shifted its conference to virtual July 22 – 23. ASAP conferences are the premier events on pharmacy technology, keeping you in the mainstream of market developments impacting pharmacy. ASAP conferences have the reputation for top-notch speaker programs. Presentations in July range from the essential role of pharmacists in precision medicine, to lessons learned from the COVID-19 vaccine rollout, to ASAP PDMP (prescription drug monitoring program) standards, and more. Registration information is available at www.asapnet.org. **CT**



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So, Now What?



by Bruce Kneeland

Despite the heroic efforts made by so many in dealing with the pandemic, pharmacy still faces several daunting problems. Real obstacles need to be overcome. The good news is we now have the attention of the media and the government officials who can help address these issues.

THE POSITIVE PRESS AND ACCOLADES BEING HEAPED upon retail pharmacy over the past few months are impressive and well deserved. The professionalism, compassion, and extra effort that dedicated pharmacy professionals have committed to testing and vaccinating against COVID-19 are being justly recognized.

Pharmacy benefit manager (PBM) abuses, despite a landmark Supreme Court ruling, still exist. Obtaining provider status at both the state and federal level is another major opportunity. Working conditions in many chain pharmacies have become unsustainable.

Enhanced care services are helping patients get better care and lowering the cost of that care. Negative social determinants of health could be overcome by retail pharmacies if adequate reimbursement were to be provided. Point-of-care and pharmacogenetic testing is proving effective in helping people get treated quickly and appropriately. The opioid pandemic is still a major problem in our society.

The point being, real problems persist that can best be addressed by legislative and regulatory reform. With the positive press pharmacy has received, the time has come for pharmacists, no matter the practice setting, to reach out to elected officials and regulators and make the case for how pharmacy can help solve these persistent healthcare problems. Let government officials and other people of influence know you can do much more than help with COVID-19.

As you interact with government officials, it is important that you share examples of how the current situation has a negative effect on consumers. The fact that you are often forced to sell medications below cost is a sad reality. And the sadder fact is that most people don't care about your profitability. The point to be made

is that people — shall I say voters — are suffering, and taxpayers are being shortchanged by your inability to provide the care you are trained to deliver. Keep the focus on helping solve problems that elected officials and regulators confront. That is what will motivate them to act.

One great way to do this is to join — and become a proactive member of — your state pharmacy association and a national pharmacy association of your choosing. With your help, your state association can help pass laws, define regulations, and deal with state agencies that decide on practice parameters, reimbursement rates, and other critical issues. The National Alliance of State Pharmacy Associations (NASPA) has a website with each state's contact information: www.naspa.us.

In addition to government efforts, you should challenge your vendor partners to get involved. Every company that markets a product, program, or service it hopes to sell to you should be actively engaged in helping to pass legislation that will allow you to use your professional skills and be properly reimbursed. After all, their success depends on the success of retail pharmacy. We are all in this together.

Politicians are often quoted as saying, "Never let a crisis go to waste." Perhaps it is a bit crass, but the time has come for pharmacists to take advantage of the goodwill they have earned in this crisis. Take an active role and join with your peers to approach the government agencies that affect your profession and show them what else pharmacists can do. So, to answer the question, "Now what?" I say, "Pharmacists working together to open new doors of opportunity, that's what!" **CT**

Bruce Kneeland is an independent pharmacy veteran, author, and podcaster. He can be reached at BFKneeland@gmail.com and listened to at www.pharmacycrossroads.com.

Personalized Medicine: A Step Closer with Risk Scores



by Calvin Knowlton,
B.Sc.Pharm., M.Div.,
Ph.D.

A new study reveals having access to risk scores gives pharmacists a tool to move away from trial-and-error medication regimens and closer to personalized pharmacotherapy.

WE HAVE MANY PUBLISHED STUDIES, AND INTERNAL STUDIES, that show lowering the science-based MedWise Risk Score effectuates reductions in medical costs and morbidity. The first major study, which was undertaken by an external nonprofit research group (DARTNet), was published using our MedWise platform. The study, “Longitudinal Association of a Medication Risk Score With Mortality Among Ambulatory Patients Acquired Through Electronic Health Record Data,” was peer reviewed extensively and published in the *Journal of Patient Safety*.

We know that medication adverse drug events (ADEs), if they were a disease, would be the third or fourth leading cause of death over the past decade in the United States. We have shown that reducing the MedWise Risk Score lowers the incidence of preventable ADEs, which reduces falls, emergency room visits, hospitalizations, and rehospitalizations. Now we have the first study that demonstrates a further association — that is, the higher the MedWise Risk Score the higher the hazard ratio for premature deaths.

Our Precision Pharmacotherapy Research & Development Institute leaders have been working on the simultaneous, multidrug interaction risk for decades. In this study, using our MedWise system, researchers at the University of Colorado demonstrated that the MedWise Risk Score platform was able to identify medication regimens that put individuals at high risk for premature death. This was limited to Rx medica-

We know that medication adverse drug events (ADEs), if they were a disease, would be the third or fourth leading cause of death over the past decade in the United States.

tions — thus, if OTCs (over-the-counter medications), herbals, and recreationals were included, the risk results would have been even higher. The hazard ratio for those over 65 was 2.42, and even higher for the age group of 50–64, of 4.95. Surprisingly, the hazard ratios for those 20–30, and those >30, was 7.04 and 7.83, respectively.

Having the MedWise Risk Score to help predict who is at risk for an adverse drug event empowers pharmacists and physicians, working together, to improve the safety of medication regimens and

improve outcomes of participants, reducing utilization total costs and enabled life-extension. The MedWise Risk Score is sentinel. Having certified MedWise pharmacists apply the science to reduce a person’s MedWise Risk Score is what we do a hundred times a day at Tabula Rasa HealthCare (TRHC). This is accomplished in collaboration with participants (e.g., separating time of day when metabolic competitive inhibition is detected) and with prescribers (e.g., when metabolic collisions need to be addressed using therapeutic substitution).

Along with using pharmacogenomics, this is one more step toward precision, personalized pharmacotherapy, and one step back from traditional trial-and-error medication regimens. **CT**

Calvin Knowlton, B.Sc.Pharm., M.Div., Ph.D., is CEO, chairman and founder, of Tabula Rasa HealthCare. He can be reached at cknowlton@trhc.com.

Challenges for Pharmacies with REMS

AS REMS (RISK EVALUATION AND MITIGATION STRATEGY) programs grow and encompass additional pharmaceutical product manufacturers and wholesaler/distributors, pharmacies are faced with the challenge of compliance. With potential penalties of up to \$250,000 per violation, lackadaisical compliance is not an option. Pharmacies must not only register and report, but are also faced with a supply chain that is slow and/or inefficient in monitoring. Before we dive into specifics, a bit of history.

The FDA (Food and Drug Administration authorization to require REMS programs for specific products is part of the 2007 Food and Drug Administration Amendments Act (FDAAA). The act was created when a number of drugs postapproval were found to cause various adverse effects. The most recognized of these incidents involved the drug Vioxx. Approved in 1999, it was later found to cause serious adverse effects in a significant population. Over the course of five years prior to the drug's removal from the market, it is thought to have caused as many as 60,000 deaths.

This FDAAA empowers the FDA to require of all market participants the additional REMS monitoring requirements. Drugs can be required to have REMS monitoring either postapproval or pre-approval as a condition of approval. Simply put, this is a mechanism whereby tracking begins with the manufacturer, through the wholesale/distributor, to the pharmacy, and then down to the end user patient level. In one common program, iPledge for isotretinoin products, the patients can only receive a 30-day supply that can only be refilled once documentation of appropriate use and absence of adverse effects have been logged.

Manufacturers can set up and manage a REMS program in a number of ways. For some drugs, such as Zolgensma and Tracleer, limited distribution networks are used. This allows the manufacturer a tighter level of control and compliance. Specialty pharmacies purchase product either directly or via drop ship so that the manufacturer is directly verifying eligibility. While this may work for some drugs, others with much wider use, such as clozapine or isotretinoin, require broader distribution. Here, the manufacturer is dependent on the distributor to verify eligibility before shipping product.

In a typical REMS program like iPledge, pharmacies must pre-register to participate. Wholesalers can only ship product once registration and eligibility are ascertained. This can present a



by Mike Sosnowik, R.Ph.

challenge to pharmacies from both inventory and cost-of-goods perspectives. While the primary wholesalers all have automated systems to verify eligibility, McKesson, through a technology division, is actually the current manager for iPledge: this is not the case with many smaller wholesalers/distributors. Many smaller distributors have a manual process to check eligibility or make a business decision not to distribute these REMS-required products.

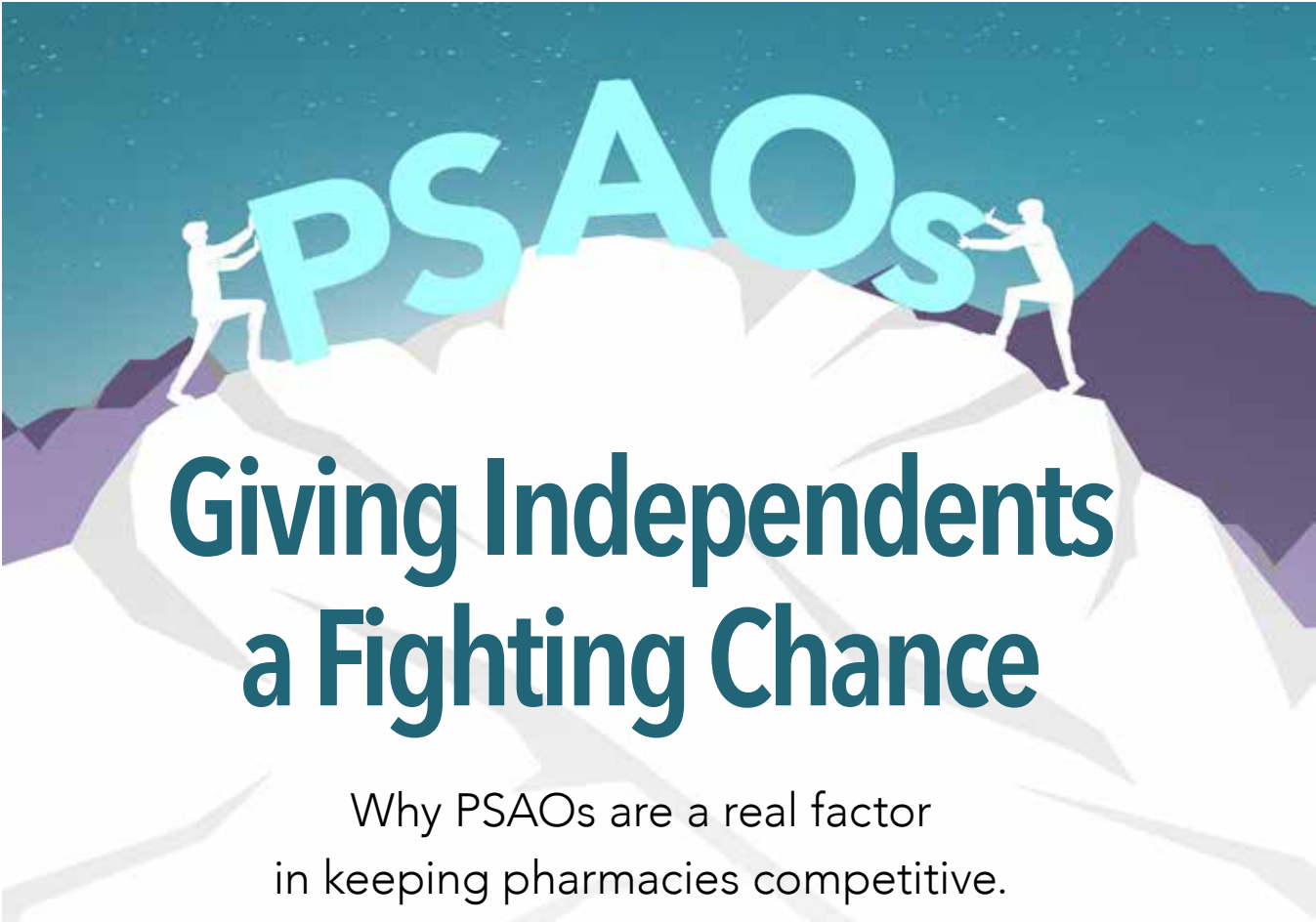
THE IMPACT ON INDEPENDENTS

It goes without saying that in today's reimbursement-driven market, managing costs and inventory are primary concerns. A pharmacy's ability to quickly find competitive costs that assure positive reimbursement is critical. Anything that negatively impacts this normal course of trade can be devastating. In a recent price comparison, the price variance for clozapine products between wholesalers and distributors was 50% or more. However, finding the lower cost of goods is meaningless if the distributor hangs your order up an extra day or longer while going through a manual verification process. In such a case you not only risk the loss of margin but potentially the customer. Pharmacies need to not only identify the best opportunities but to also have the confidence that the trading partner is able to verify and deliver their needs in the normal course of business.

NEW TO MARKET

New to the market, opioid medications have only been approved of late with a REMS component. Looking at the growth in number of medications requiring REMS (initially, 16 products required REMS at initiation; currently, there are 76 drugs requiring REMS), the potential for many existing therapies (potentially the entire opioid class), and products new to market, REMS monitoring looks to become more of a dynamic in the marketplace. The need for pharmacy technology providers to build and include seamless programs that address and solve these REMS-driven pitfalls is critical. PharmSaver downloads registration data on a daily basis from iPledge, verifying the pharmacy's eligibility status at the time of ordering. The certification status is passed to the wholesaler in the purchase order and displayed with the order on the PharmSaver website. **CT**

Mike Sosnowik, R.Ph., is president of PharmSaver. Learn more about the company at www.pharmsaver.net.



PSAOs

Giving Independents a Fighting Chance

Why PSAOs are a real factor
in keeping pharmacies competitive.

by Will Lockwood
VP | Senior Editor

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Pharmacy services administrative organizations (PSAOs) have grown over the years to provide their members with a wide array of critical services and tools. While dealing with pharmacy benefit managers (PBMs) has always been at the core of the PSAO mission, they are doing much more these days.

continued on next page >

AN INDEPENDENT STATE OF MIND

WE'LL HEAR FROM TWO PSAO members and dig deeper with an industry expert into some of the current headwinds in the market, such as PBM efforts to undermine these organizations in an attempt to maintain what many consider to be an unfair advantage as middlemen between plan sponsors and pharmacies.

Craig Rowland, R.Ph., is the owner of Pine Hill Hometown Pharmacy, an independent community pharmacy located within a medical complex in rural Cato, N.Y. Pine Hill Hometown Pharmacy has been a Pharmacy First member since it opened in 2008, and Rowland stayed with the PSAO when he took over ownership in 2014. "I've been courted by several other PSAOs,"

Craig Rowland, R.Ph., owner, Pine Hill Hometown Pharmacy



says Rowland. "Being an independent, one of the things that I weigh heavily when I make decisions is how a company sees independent pharmacies.

Some PSAOs are either owned by or very tightly aligned with major wholesalers. Pharmacy First is not, and that's been important to me and my decision to stay with them throughout the years."

Ron McDermott, R.Ph., is senior vice president of pharmacy operations at The Hometown Pharmacy, an independent pharmacy group that operates 16 locations in Western Pennsylvania and Eastern Ohio. The group is an Arete Pharmacy Network member. McDermott has three things that he recommends considering when assessing a PSAO. As with Craig Rowland, McDermott suggests assessing the affiliation with a wholesaler. If you've got a long-time relationship with a wholesaler, as The Hometown Pharmacy does, and you've worked hard to get into a certain contract with that wholesaler, you may very reasonably not want to undo all that work. "We have built a great relationship with a regional wholesaler," says McDermott. "It is important to us that we can continue our contract with our wholesaler and still be a part of a PSAO with Arete Pharmacy Network, since it is wholesaler agnostic."

Next, McDermott also prioritizes a PSAO's processes for listening to pharmacy members. "You want to find out if a PSAO

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Arete Pharmacy Network

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How quickly does Arete Pharmacy Network pay out the funds from pharmacy benefit managers?

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Arete Pharmacy Network helps a pharmacy owner plan for and mitigate DIR fees. Our performance-focused solutions work together to maximize outcomes in performance and help mitigate DIR fees.

Tools that Arete Pharmacy Network offers to support activities such as MAC appeals, MTM (medication therapy management) opportunities, adherence opportunities, audit assistance, reporting, and compliance.

MAC Appeals

A web-based solution for automated submission and tracking of generic prescription claims reimbursed below cost.

MTM and Adherence Opportunities

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An all-in-one solution that combines education on best practices, benchmark reporting, and claims review with real-time audit consultation services.

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A robust reporting toolkit for group administrators and users designed to support performance, planning, and forecasting across multiple programs.

Compliance

Required training modules designed to help maintain regulatory compliance such as HIPAA and FWA (fraud, waste, and abuse).

Arete Pharmacy Network helps increase revenue streams. A portfolio of value-added programs such as a cash discount card program, pharmacogenomic testing, and pharmacy diagnostic testing, offered in collaboration with trusted industry partners.

Arete Pharmacy Network helps members to efficiently manage licensure and credentialing information, maintain contract access, and more. In addition to the required training modules, our compliance solution is designed to help monitor training status; verify that no pharmacy employee is on the OIG (Office of Inspector General) or GSA (General Services Administration) sanction list; simplify attestation to Medicare Part D plan sponsors; and renew licensure, as well as complete credentialing to remain in network. We also provide manual templates for HIPAA policies and offer a dashboard that can be used to monitor/identify opportunities to keep up to date with credentials, training, and sanctions.

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takes feedback from its member pharmacies," he says. "I'm on the advisory board with Arete Pharmacy Network, and we meet and we throw ideas around, and they take that feedback very, very seriously. We really impact how decisions are made at the top of Arete Pharmacy Network." Giving members an advisory role just makes sense, according to McDermott. It's a matter of listening to people out in the field rather than just trying to make decisions from the corporate office. "You want your PSAO to allow you to be involved in decisions," he concludes.

McDermott's third point to consider is the ancillary services a PSAO offers. "You aren't just looking for pharmacy contracts with the PBMs," he explains. "You want to find out if a PSAO brings to the table services such as a quality center that can, for example, review how you're hitting certain guidelines within those contracts. Does the PSAO offer you somebody who gives you individual representation and somebody who checks in on you every once in a while? You want more than a pile of executed contracts once a year. You also want a PSAO with a team that brings to the table special opportunities for members. For example, with Arete Pharmacy Network we have something coming up with a pharmacogenetic testing company, and we've been able to get a special rate because we negotiated it as a group."

Much of this speaks to maintaining that independent mindset, as Craig Rowland emphasizes, while gaining from the expertise that a PSAO provides. "You are looking for the highest level of expertise in a PSAO's staff," says Rowland. "Reading the fine print, that should be their forté. We rely on Pharmacy First to analyze each payer contract carefully, certainly, but there are so many other ways you should look for a PSAO to put those skills to work for you." For example, there's reconciliation. Rowland relies on Pharmacy First to follow claims and provide reporting that gives insight into any areas of concern. And when Rowland finds that there are issues with payers, he's able to go to his PSAO for support, rather than having to deal with them himself. "This is where strong relationships with PSAO staff come into play," Rowland says. "It's a major benefit of bringing on the support system that a PSAO should offer."

GAINING REPRESENTATION

Ron McDermott has a quarterly review with his dedicated

Ron McDermott, R.Ph., SVP, pharmacy operations, The Hometown Pharmacy



representative at Arete Pharmacy Network, but this rep is also available on an ongoing basis. "I can pick up the phone or send an email about a claim that doesn't go correctly," McDermott offers as an example. "This means I'm not starting from square one with the PBM help desk. Instead I'm talking to my rep, and she's seen this issue before maybe, and she's got her own contacts at the PBMs. It's important to know that you can use your PSAO as that resource, that they've got expertise in these situations, and that they understand your business as a pharmacist. So build those relationships with the staff."

Rowland leverages the relationships he's built with Pharmacy First staff to share experiences and gain insights, and he reaches out to his rep regularly as well. "Our rep is talking with a lot of other Pharmacy First members," explains Rowland. "And so she may have just worked through an issue similar to what I'm calling about. She's got a high-level view of reimbursement issues, or formulary issues, or dealing with a particular third-party payer. And I contribute to her knowledge with my insights, of course. There's a healthy dialogue. Pharmacy First has a great staff of very well-trained, knowledgeable individuals with strong communication skills, and it's a very helpful relationship that we have with them."

TRUSTING THE PROCESS

One thing that is important is understanding just what a PSAO can really do for its pharmacy members, though, when it comes to contracts. Not happy with contract terms? Even with all the skills, expertise, and size that a PSAO brings to the table in the contract evaluation process, and even with the goal of executing contracts with the most favorable terms for pharmacy members, unfortunately, the playing field is still heavily tilted in favor of the PBMs. This is a sad but clear truth for all independent pharmacies and all those working to support independent pharmacies. As Scott Pace, Pharm.D., J.D., points out, the core activities of a PSAO is evaluating and ex-

ecuting the contracts with PBMs and helping pharmacies manage their payment reconciliations to ensure that the PBMs pay them what they are owed. Pace is a partner at Impact Management Group, the director of the PSAO Coalition, and co-owner of Kavanaugh Pharmacy in Little Rock, Ark. He has a long history working in and on behalf of community pharmacy. He is quick to emphasize that the one thing that a PSAO cannot do is truly negotiate on behalf of pharmacy members as if they were all owned by the same entity. This is an important point, according to Pace. "Federal antitrust law impacts a PSAO's ability to effectively negotiate with PBMs because their members do not share common ownership. Only a few industries, such as unions and professional sports, have exemptions to these laws," he explains. "What the PSAO can do is evaluate contracts on behalf of members and exe-

Scott Pace, Pharm.D., J.D.,
Partner,
Impact Management Group



cute the contracts or decline to execute the contracts, which provides administrative efficiencies to individual pharmacies." This, in Pace's mind, is an extremely valuable and time-saving administrative service for member pharmacies, akin to other professional services such as accountancy and bookkeeping that a pharmacy may use.

This is truly a critical service, according to Ron McDermott,

continued on page 20

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cover story: PSAOs

continued from page 17

because in a world without PSAOs, there's just not going to be a way for individual pharmacy businesses to effectively review all the contracts, manage the flow of amendments PBMs make over the course of a contract term, keep up with the changing contract terms, and hit all the numbers. It's not unusual for a PBM to discover, over the course of a contract, that it is starting to miss its numbers, notes McDermott.

"Whether it's a generic percentage that they were supposed to hit or some margin that they were supposed to hit," he says, "it's not happening, and then it gets sent back to the pharmacy — and reimbursements can change a couple of times a year within each contract."

PSAOs can provide, for example, electronic remittance advice and claims reconciliation services that make sure pharmacies are getting paid according to contract terms. "Every pharmacy should have these claims-monitoring services in place," says Craig Rowland. "If a claim is underpaid or if we have submitted some inaccurate information, whether it's a quantity or a cost amount, you need the tools to catch and rectify these errors." Sometimes the amounts are just pennies, which certainly matter in today's low margin environment, notes Rowland. But it's not unusual to be dealing with errors in the hundreds of dollars too. "We're going in so many different directions, especially nowadays. It's not possible for us to keep up with all of this, and so when you can rely on your PSAO for error resolution and claims reconciliation, it has a big positive impact on the financial end of the business," he says.

THE FUTURE OF PSAOS

A solid relationship with a PSAO is going to remain a key component in the continuing battle against low and negative reimbursements from pharmacy benefit managers. "There's an ongoing risk in pharmacy that you will find you are being paid for prescriptions at less than the cost of the medications," says Ron McDermott. "Never mind the cost of the time and technology we invest in dispensing, medication therapy management, and all the other clinical activities we undertake. PSAOs are battling this. Independent pharmacy owners are going to continue to need to be working alongside PSAOs to stand up to some of these terrible contract numbers and to help bring ancillary services to



Get a Detailed List of PSAOs

at wp.me/p9LtTd-47W

the table that support our clinical care and business goals."

But the very presence and role of the PSAOs has drawn the attention of the powerful forces arrayed against community pharmacy. In fact, PBMs have mounted efforts to misdirect toward PSAOs the scrutiny that PBMs are falling under. The PBMs are trying to use this misdirection to create uncertainty among those who don't really understand the pharmacy market and to pretend that PSAOs are shadowy organizations that aggregate independent pharmacy members into chain-like behemoths, which is strictly not the case. This effort to misrepresent the role and capabilities of PSAOs is meant to fuel opposition to legislation proposed to reign in egregious practices such as aggressive MACs (maximum allowable costs) or effective rates for generics, brands, and dispensing fees. These PBM efforts to weaponize PSAOs against legislation supported by community pharmacy is something to keep an eye out for, notes Scott Pace, and there's an ongoing need to make sure that legislators are educated about the role of PSAOs.

This will help keep the pressure on PBMs and ensure that PSAOs can continue to provide much-needed services for their pharmacy members. "Everybody's blaming big pharma and community pharmacy for high drug costs," says Craig Rowland. "But many people just don't have a clue that this all comes back to the contracts PBMs work to force on us. The statistics and the studies that are out there show so clearly that, in state after state, there's a growing understanding of the money being lost by looking into these PBMs. Specifically, we've seen that when state Medicaid programs drop some of these contracts, they're locating millions and millions of dollars that they had been losing. So as an independent pharmacy, we need a strong PSAO in our corner. My hope is that by working with a PSAO we are going to gain a little more leverage in dealing with these large PBMs." **CT**

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THERE ARE DIRECT AND INDIRECT EFFECTS

from the COVID-19 pandemic. Direct effects like death, mental illness, drug overdoses, and financial losses due to lockdowns are easily identified. Indirect effects are more challenging to pinpoint. We think of indirect effects as those outcomes that are enabled or facilitated by the pandemic but are not specifically caused by the pandemic. In many cases, indirect effects occur because our attention is diverted due to the pandemic. Here in the Auburn, Ala., area, our friends in the community pharmacy setting have described to us the realities of the pandemic diverting their attention from normal routines.

Even in situations of “normal” operations, we must prioritize our attention to address the most pressing issues. Patients standing at the counter are going to receive high priority, as are prescribers returning a call to clarify a patient’s therapy. And while payers may not always prioritize calls from the pharmacy, the pharmacy staff certainly prioritizes conversations with payers to clarify a patient’s coverage. Other times, our prioritization may be driven by external forces. For example, prescriptions for Schedule II medications obviously require a higher level of attention than most all other prescriptions, at least from a regulatory standpoint.

Other components of pharmacy oper-

Predictions call for continued escalation of cyberattacks in healthcare in 2021.

ations may not receive attention until a problem is identified. Does your pharmacy have a schedule for routinely checking automation devices for signs of pending failure? Is the staff routinely updating software critical to pharmacy operations? In many cases, updates may occur automatically and are pushed to the pharmacy by the vendor. Does your website vendor provide a service to monitor your site’s availability and uptime?

These are all important topics. But what about systems security? Are you devoting the necessary attention to ensure your pharmacy management system — the foundation of operations — is secure? Privacy and security are the two key terms in this space. Privacy is the state of maintaining control over information and its use. Security is the ability to protect information from unauthorized access. These concepts are closely related, but we will focus on security.

The pandemic led to loosening of regula-

tions around telehealth, and information technology allowed people to reconsider where they lived due to the new ability to work remotely. While many businesses (i.e., hospitality, restaurants, travel, etc.) were profoundly impacted, technology enabled many personal and business interactions to continue. This collective shift to new digital and internet-based work and personal life activities does pose challenges for healthcare, including pharmacy.

While the United States, and the world, have been fighting the pandemic and simultaneously adjusting to new personal and business normals, nefarious individuals and groups launched unprecedented cyberattacks on hospitals and health systems (after a brief ceasefire). Due to a variety of factors, hospitals and health systems are popular targets for hackers. Reports of cyberattacks on community pharmacies are currently more common outside of the United States. This does not mean attacks have not occurred here. *ComputerTalk* readers are likely familiar with local incidents that did not receive widespread media attention.

Accordingly, community pharmacists must be vigilant in efforts to ensure the security of their critical software and hardware infrastructure. The first term to know is ransomware, which was the primary method of attacks against hospitals in



Brent I. Fox, Pharm.D., Ph.D.

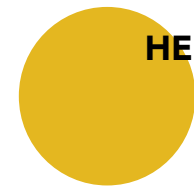
Joshua C. Hollingsworth, Pharm.D., Ph.D.

2020. McAfee.com defines ransomware as, “malware that employs encryption to hold a victim’s information at ransom.” Essentially, the victim’s data is encrypted by hackers who do not provide access until a ransom is paid. The recent attack on Colonial Pipeline was a ransomware event. Phishing (another key term) occurs when a hacker sends an email appearing to be from a reputable company or known individual. The email recipient is tricked into providing personal information (e.g., passwords, Social Security number, etc.) that is subsequently used for unauthorized purposes. Phishing emails often contain active hyperlinks, which are sometimes used to install malware on the recipient’s computer. This is a common method to initiate a ransomware attack.

So what can you do? The first step in securing your pharmacy’s system is to talk to your vendor. They can — and should — be a partner in securing your system. They can likely provide training for your team. Beyond training, how do they proactively help secure your system? How are firewalls and encryption deployed to minimize risk? What security-related support options do they provide (e.g., antivirus software, multifactorial authentication)? Depending on your system’s design, are there reconfiguration options that minimize risk? Can your vendor conduct a vulnerability assessment to identify potential security gaps? Can you designate specific patient records as “high profile” and receive a notification whenever they are accessed?

TRAINING TOPS THE LIST

There are a variety of measures that can be deployed at the pharmacy. Regardless of the source, training is a key method to minimize security risks. Training should raise employees’ awareness of the problem, its causes, and the implications for patients,



HELPFUL RESOURCES:

The Federal Trade Commission website offers useful tools to recognize phishing: <https://www.consumer.ftc.gov/articles/how-recognize-and-avoid-phishing-scams>

the pharmacy, and employees. Training should also emphasize specific threats (e.g., ransomware, phishing) and how employees can fight these threats. Employees should be trained on how to recognize phishing emails. The Federal Trade Commission provides helpful information to recognize phishing (<https://www.consumer.ftc.gov/articles/how-recognize-and-avoid-phishing-scams>). It is generally advisable that internet use and personal email access are not allowed on computers that are used for patient care. If this cannot be avoided, employees should understand safe email and browsing practices (e.g., avoid questionable links and downloads). It is also generally advisable that portable devices (i.e., USB drives) are not connected to patient care computers. If this is necessary for patient care purposes, the drives should be encrypted. Similarly, if patient data is stored on laptops, their hard drives should be encrypted. Lastly, patient care computers should not be used to access personal cloud storage services.

Password hygiene is a critical step as well. While your vendor likely has password requirements, the Small Business Administration recommends passwords contain at least 10 characters with one uppercase and lowercase letter, at least one number, and at least one special character. Passwords should never be reused. A variety of free and fee-based password management apps are available for smartphones and computers. Your author has more than 500 unique passwords in one such app.

Speaking of your computers, it is important to know where the most valuable data is stored — if your data is stored in the pharmacy. This piece of equipment may need additional access restrictions, depending on the physical design of the pharmacy. Related backup procedures should ensure that data is routinely stored in a secure, physically safe location. In today’s pharmacies, this is often handled by your vendor partner. Additionally, user management principles should ensure that access to your system is limited to those who need it to perform routine pharmacy functions.

In reviewing this list of steps, it is somewhat daunting to consider the array of threats and the variety of measures that can and should be leveraged to secure your pharmacy. If we had to pick three recommendations from above as the minimum, we recommend (1) calling your vendor, (2) training employees about phishing and password hygiene, and (3) ensuring software is up to date. We sincerely hope **ComputerTalk** readers use the tools at their disposal to avoid becoming victims of an attack. **CT**

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The Pandemic: An Opportunity for Pharmacy?

PHARMACISTS HAVE BEEN AMONG THE HEROES OF THE

COVID-19 pandemic — first, in coming to work even as everyone else was forced to stay home, so that no one had to go without medications. Pharmacy was designated an essential business. Now that multiple COVID-19 vaccines have been authorized for use, pharmacists are vaccinating millions of Americans, demonstrating pharmacy's ability to positively impact the health of the nation. The question now becomes: Can pharmacists leverage this positive experience to expand, and more importantly, get paid for their clinical services?

PHARMACISTS HAVE FACED CHALLENGES IMPLEMENTING CLINICAL SERVICES

In a presentation at the January conference of the American Society for Automation in Pharmacy (ASAP), we addressed the question: What is the real root cause that has prevented pharmacist clinical services from success in the marketplace? The roadblock to success for clinical services has been demonstrating a return on investment (ROI) through hard dollar (cost reduction) versus soft dollar (cost avoidance) savings. We examined a few examples, listed, in the chart (on the next page), of pharmacist-delivered clinical services and which type of savings they delivered.

Many studies evaluating the savings associated with pharmacists' clinical services use the estimated cost avoidance (ECA) metric. An industry standard currently does not exist to measure an ECA.

One study estimated the value of pharmacists' interventions on cost avoidance in an ambulatory cancer center at \$282,741 per pharmacist per year. After subtracting the cost of employing a pharmacist, the net savings was estimated at \$138,441, further validating the financial benefit of employing a clinical pharmacist in an ambulatory cancer center.

ECA can only estimate soft dollar savings. This is not necessarily a "bad thing," but requires pharmacists to target entities willing to spend on soft dollar savings. This is likely limited to organizations at financial risk for both the medical and pharmacy spend, such



Melissa Sherer Krause,
Pharm.D.



Patty Milazzo, R.Ph.

as accountable care organizations (ACOs), large self-insured employers, and Medicare Advantage plans, where they are working with a fixed capitation amount for all patient healthcare services.

PROFESSIONAL ORGANIZATIONS SUPPORT THE SERVICES

Both the American Pharmacists Association (APhA) and the National Community Pharmacists Association (NCPA) have advanced efforts to support pharmacist-delivered services. APhA has advocated for the chronic care management (CCM) model, which includes varying levels of complexity and time involved. Both CCM and complex CCM are structured around a reimbursement model similar to medical billing using CPT (current procedural terminology) codes. See the table at the bottom of the next page.

NCPA supports the Community Pharmacy Enhanced Services Networks (CPESN) as a means to support independent pharmacies' participation in clinical services and contracting with payers. As of September 2020, CPESN had 40 local networks in 45 states, with 2,561 pharmacies. CPESN generated over 422,572 Pharmacists eCare Plans transmitted by 1,968 CPESN pharmacies.

The growth and acceptance of pharmacist-delivered clinical services depend on the volume and type of savings generated, hard or soft dollars, as well as scalability. Where possible, programs should generate hard dollar savings through easily measured metrics. For soft dollar programs, pharmacies need to align with those payers that benefit from soft dollar savings. Pharmacist-delivered clinical services are expected to continue to expand, but require definitive and sustainable reimbursement models.

THE PANDEMIC SILVER LINING

On March 29, 2021, President Biden announced the administration was increasing the number of pharmacies in the Federal Retail Pharmacy Program from 17,000 to 40,000 to facilitate COVID-19 vaccination efforts. President Biden stated that retail

pharmacies were able to vaccinate large numbers faster and at lower cost than the federal deployment. This announcement reflects the significant changes happening in retail pharmacy. Shifts have occurred in almost every aspect of pharmacy practice, including responding to unanticipated drug shortages, managing COVID-19 exposure for frontline pharmacy employees, complying with sweeping regulatory changes at both state and federal levels, and participating in the largest vaccination effort in this country's history. The changes are diverse, and pose the questions: Which of these changes are temporary, and which are permanent?

One potential temporary change was the surge in mail-order pharmacy prescriptions during the pandemic. People were hesitant to go out in public. Retail pharmacies responded rapidly by offering delivery services. Prescription rates dropped for products associated with elective surgeries or procedures in Q1–Q3 of 2020. While these sales are now returning to pre-COVID-19 levels, this could change if a COVID-19 surges appear, and it becomes necessary for hospitals to restrict elective procedures.

Permanent changes are not as clear, but trends are identifiable. The pandemic drove the mobilization of pharmacists and pharmacy technicians in nationwide vaccination efforts. Retail pharmacies were awarded federal contracts for congregate living vaccinations. Many states expedited provider status for pharmacists. For example, new Arkansas pharmacy regulations permit pharmacists to test and treat certain health conditions; prescribe and administer vaccinations for patients age three and up; and initiate therapy and dispense oral contraceptives. States created new or provisional approvals for pharmacy students

Pharmacist Clinical Service	Typical Savings Type
Medication therapy management (MTM), including comprehensive medication review	Could be either, but more commonly soft dollar
Transitions of care-medication reconciliation	Soft dollar
Immunizations	Hard dollar
Chronic disease management, such as diabetes self-management education	Soft dollar
Medication synchronization	Soft dollar

and/or technicians to administer vaccines under the supervision of a pharmacist. With the probable need for annual COVID-19 booster vaccinations to address appearing variants, pharmacists, pharmacy students, and technicians are likely to be permanent additions to national vaccine efforts. Currently over 37 states now recognize pharmacists as healthcare providers, a number that is expected to grow, and efforts are underway at a national level to create federal healthcare status, also creating reimbursement opportunities beyond vaccinations.

Another permanent change to pharmacy operations will be the ability for patients to make online appointments for clinical services. Pharmacies began online scheduling, first for COVID-19 testing and eventually expanding this to include vaccinations. The ease of online scheduling, coupled with the convenience of a local pharmacy, is a high motivator for patients and allows the pharmacy to more accurately project staffing requirements.

We have learned from the past year to expect the unexpected. Retail pharmacy will adjust as the nation's needs continue to grow, as evidenced by pharmacy's rapid response to this massive vaccination effort. The real opportunity for pharmacists is to leverage COVID-19 successes to expand clinical services beyond

vaccinations and get reimbursed for them. APhA, NCPA, and the National Association of Chain Drug Stores (NACDS) are all lobbying Congress to designate pharmacists as providers in federal statute. It's time for this next step to take place. **CT**

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CPT Codes for Reimbursement of Pharmacist-Led Chronic Care Management

CPT Description	CPT Code	Revenue (est)	Minimum Time Requirement	MDM Requirement	Application in Pharmacist Led CCM
Comprehensive Assessment and care planning	G0506	\$64	None	Moderate to Complex	Applied to physician-pharmacist co-care initiating visit
Chronic care management services	99490	\$43	20 min	None	Applied to CCM services delivered with or without pharmacist employing MDM
Complex chronic care management services	99487	\$94	60 min	Moderate to Complex	Applied when pharmacists employ moderate to complex MDM through CPA
Add-on for complex chronic care management services	99489	\$47	30 min (in addition to 99487 requirement)	Moderate to Complex	Applied when pharmacists employ moderate to complex MDM through CPA

Abbreviations: CPT, Current procedural terminology; CCM, chronic care management; MDM, medical decision-making; CPA, collaborative practice agreement

Reproduced from: Martin R, Tram K, Le L, Simmons C. Financial performance and reimbursement of pharmacist-led chronic care management. *Am J Health Syst Pharm.* 2020 Nov 16;77(23):1973-1979.

ONC Sunsets Interoperability Roadmap

I RECENTLY RECEIVED

an email update from the Office of the National Coordinator for Health Information Technology (ONC) that grabbed my attention with its headline story, “Sunsetting the Interoperability Roadmap.” *ComputerTalk* readers may recall several of my columns over the years that have featured updates from the ONC since its formation in 2004. ONC exists to support the adoption of health information technology and the promotion of nationwide, standards-based health information exchange to improve healthcare. It has released a number of roadmaps and health IT strategic plans for the nation. Six years ago, this column featured the then-just-released strategic plan that outlined ONC efforts through 2021, which coincided with the roadmap’s release. While much of our attention has been focused the past year on the COVID-19 pandemic, ONC efforts have continued toward its mission.

In a recent blog by the deputy national coordinator for health information technology, Steven Posnack, he notes that the roadmap “helped lay the groundwork and set the direction for policy development on information blocking, reducing provider burden, and nationwide, electronic health information exchange,” among other areas. In particular, he noted that the

Both the 21st Century Cures Act final rule and the new Federal Health IT Strategic Plan will advance interoperability, enhance health IT certification, and reduce the burden and costs in the healthcare system.

roadmap set the stage for investment toward interoperability through the HL7 Fast Healthcare Interoperability Resources (FHIR) standard and application programming interfaces (APIs). The roadmap set goals within three periods of time: 2015–2017, 2018–2020 and 2021–2024. Posnack goes on to say that when it was released, the roadmap spurred action and dialogue across policy and technology arenas. Since then, he says, “the entire health IT



Marsha K. Millionig
B.Pharm., M.B.A.

ecosystem has made substantial leaps forward in many areas highlighted by the roadmap.”

As a result, he reflects, “there comes a time when the future becomes the present. Collectively, we have all made solid progress on many of the early milestones identified by the roadmap. It’s important to recognize those successes while at the same time acknowledging that the roadmap itself no longer drives our work.” The document will continue to be accessible for referential purposes.

Further advancement in health IT will now be the result of the ONC final rule implementing the 21st Century Cures Act’s IT provisions and the 2020–2025 Federal Health IT Strategic Plan that was released last October with little fanfare, as the pandemic continued to be in the forefront. The Health Information Technology Advisory Committee (HITAC) will continue to guide ONC’s work, according to Posnack’s blog. Additionally, ONC will continue to coordinate across government and industry as it aligns investments in standards development, pilots, and programs. It will also focus on promoting implementation and use of “what’s been built over these many years; and drive to outcomes not yet fully realized,” Posnack says.

The 21st Century Cures Act rule focuses

on a number of key health IT areas:

- Requirements for health information technology (health IT) developers under the ONC Health IT Certification Program.
- Voluntary certification of health IT for use by pediatric health-care providers.
- Reasonable and necessary activities that do not constitute information blocking.

The last provision is critical toward expanded patient access and data sharing with providers. The rule prohibits gag clauses in EHR (electronic health record) vendor contracts. ONC National Director Micky Tripathi (appointed in January 2021) says the rule requires APIs to be standardized by December 2022. From a practical standpoint — say a patient is treated at one organization that uses the Epic EHR and is able to download the medical record to a phone app, then wants to share this with a provider at a different organization that uses

System providers should access and read the ONC Final Rule on the Cures Act to see what provisions might impact your company and its offerings.

the Cerner EHR — the new rule forces the standardization that will make this possible. The information-blocking components also apply to information exchange between providers, not just patients and providers.

Prior to the December 2022 deadline requiring information to be made available via a FHIR API, beginning April 5, 2021 the rule requires providers to

make information available to patients through means the providers already have, such as through their EHR system's continuity of care document (CCD). In essence, the rule says patients should have access to their electronic health information when they want it and in the format in which they want to view it.

Tripathi also refers to the importance of the Trusted Exchange Framework and Common Agreement (TEFCA), which was released by ONC in April 2019. TEFCA outlines a common set of principles, terms, and conditions for a common agreement designed to help enable nationwide exchange of electronic health information across disparate health information networks (HINs). ONC notes, "The TEFCA is designed to scale EHI exchange nationwide and help ensure that HINs, health care providers, health plans, individuals, and many more stakeholders have secure access to their electronic health information when and where it is needed." The analogy Tripathi gives is, say person A is on Verizon and person B is on AT&T, and they can't call one another. The common agreement will allow the call to happen.

Both the 21st Century Cures Act final rule and the new Federal Health IT Strategic Plan will advance interoperability, enhance health IT certification, and reduce the burden and costs in the healthcare system. I'll focus on the 2020–2025 Federal Health IT Strategic Plan in my next column. In the meantime, I encourage all system providers to access and read the ONC Final Rule on the Cures Act to see what provisions might impact your company and its offerings. **CT**

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LINKS TO MORE INFORMATION

Interoperability Roadmap: <https://www.healthit.gov/topic/interoperability/interoperability-roadmap>

21st Century Cures Act's IT Provisions: <https://www.govinfo.gov/content/pkg/FR-2020-05-01/pdf/2020-07419.pdf>

2020–2025 Federal Health IT Strategic Plan: https://www.healthit.gov/sites/default/files/page/2020-10/Federal%20Health%20IT%20Strategic%20Plan_2020_2025.pdf

The Health Information Technology Advisory Committee (HITAC): <https://www.healthit.gov/hitac/committees/health-information-technology-advisory-committee-hitac>

The 21st Century Cures Act and Its Impact on Healthcare IT: <https://www.myndshft.com/blog/the-21st-century-cures-act-and-its-impact-on-healthcare-it/>

Resilience and Innovation: RedSail Technologies' Next-Gen Vision

Kraig McEwen, CEO of RedSail Technologies, LLC, spoke with ComputerTalk's Maggie Lockwood about the company's vision for the independent pharmacy.

ComputerTalk: Thanks for speaking with us, Kraig. Let's start with your background and RedSail's mission. How is this leading to an evolution in the industry?

Kraig McEwen: I've been in healthcare technology for 20-plus years, and the last 10 of those have been in pharmacy, including with Francisco Partners, which typically looks for markets or segments that have either experienced massive disruption or that have been dormant for a variety of reasons. Pharmacy is undergoing changes, and we think leveraging technology investment can really drive meaningful clinical and market transformation.

We've studied the pharmacy management system market for quite a few years and have admired the independent pharmacy market specifically. What we really liked about independent pharmacy is for 30 years people have been saying, "Independent pharmacy is dead." But we're inspired by the resilience of independent pharmacy. And when you look at some of the broader trends in the market, such as a shortage of primary care physicians that is only going to worsen, we believe independent pharmacy can be a really important growth market for the country.

What's great about independent pharmacies? They're responsive and innovative. They deliver personalized care, but they don't scale with clinical outcomes. Because of this, payers can lock them out of networks. We believe it's important to demonstrate the superior clinical care at an aggregate level — to flip that paradigm. We also believe we can improve the ability for independent pharmacies to deliver clinical care as well as aggregate the outcomes across the network — thus, enabling us



Kraig McEwen

to create the most clinically advanced and financially sustainable network in the country.

That is the vision behind RedSail and how we got here. The first step in the process happened when we acquired QS/1. As we were acquiring QS/1, we were also pursuing Jeff Key at PioneerRx. We viewed scale as a necessity, and PioneerRx has done an awesome job innovating. Combining the two businesses became really important.

CT: Independents aren't necessarily ahead when it comes to the data they can share.

McEwen: We can help solve for this by aggregating outcomes and services for the 9,000 independent pharmacies that are effectively doing eCare plans today. This can help show pharma and payers how pharmacy is driving greater adherence rates and can bring dollars and patients back into independent pharmacies.

CT: Tell us a little more about the payment model.

McEwen: A lot can be done on a state-by-state basis. We can now leverage our density in states where we have a sizable population of the retail pharmacies and go to specific payers and specific states and run programs that are unique to that state or that payer to drive different models. Part

of what we see as important is making sure we help pharmacies understand the value of the information they possess

CT: Now let's touch on Integra.

McEwen: Integra is and will continue to develop innovative long-term care solutions. The Integra team is helping develop our next-generation long-term pharmacy management system, and once again Integra is going to introduce cutting-edge technology that will redefine the category. The long-term care [LTC] market is going through a significant change. An example of this is the trend toward care moving into the home much more extensively. These trends will demand contemporary SaaS [software-as-a-service] technology platforms. Integra is leading the way with what will be the first truly modern and cloud-enabled LTC pharmacy management system.

CT: With the vision you're sharing for pharmacy, what is your plan for growth?

McEwen: We will, in my opinion, invest in organic development — technology development and customer support — which is the lifeblood of this company. And we will do so aggressively in those areas. We will see this first and foremost through PioneerRx. PioneerRx has a remarkable set of features coming to market, from COVID/ vaccine solutions to exciting mobile patient engagement innovations.

We're also very interested in expanding our breadth in the areas we've talked about, particularly clinical services, and trying to ensure we're using our scale to bend the curve for independent pharmacies. **CT**

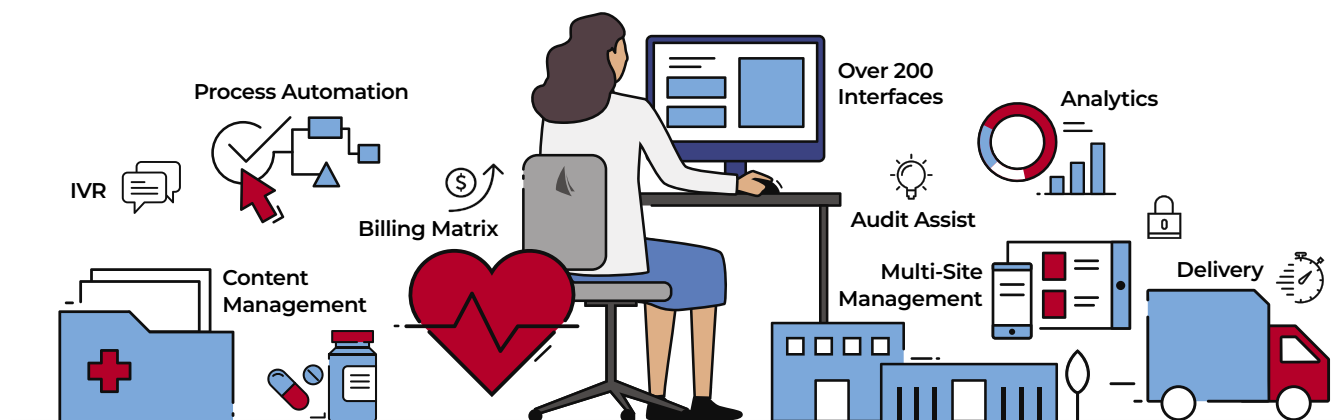
Read more from Kraig McEwen on the technology that elevates pharmacy at wp.me/p9LtTd-48a.



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