

Just do it.

**But ... If you fail to prepare,
you prepare to fail.**

by Jayne Cannon

Believe it or not, when it comes to the topic of medical billing, those two ideas aren't mutually exclusive.

Pharmacy owners who are doing medical billing successfully urge their colleagues to get started as soon as possible, but they have plenty of tips and best practices to share before you jump in.

As 2024 approaches, pharmacy owners are facing something NCPA refers to as the DIR hangover. That's what can happen when cash flow might get a bit tricky as the new DIR rules take effect on Jan. 1, 2024. Starting on that date, pharmacy price concessions will be transparent to the pharmacy at the point of sale, but the pharmacy DIR bills for the end of 2023 will come due, creating a potential cash flow crunch. Experts agree that one way to cope with the DIR hangover is to build up other income streams within the pharmacy. And setting aside the DIR hangover, it just makes good business sense to add pharmacy services that increase revenue and profitability.

During the pandemic it became more obvious than ever that pharmacists are on the front line when it comes to accessible community health care. Pharmacists can provide a range of services to their communities, and they deserve to be compensated fairly for those services.

And there's the complication: *compensated fairly*. How do you make that happen?

A successful medical billing system is the answer.



Every state has different laws, so you need to figure out what services you can offer AND be reimbursed for doing. Talk with providers and find what they'll pay for and what is needed.



FIRST STEPS

If you're not providing services, there's nothing to bill. And if you're not providing services, why aren't you? Pharmacists can provide many billable services, including health screenings, health risk assessments, health status monitoring services, smoking cessation classes, point-of-care testing, immunizations, adherence programs, care coordination, medication therapy management, durable medical equipment sales, diabetes education, and more.

One of the best ways to get on board is through collaborative agreements with providers in your community. CPESN® USA's clinical network is a smart way to start.

Leslee Kern, pharmacist-owner at R&S Drugs in Duncan, Okla., is an advocate for what CPESN offers to pharmacies. "Being part of a network helps you get a foot in the door," Kern says. "Big insurance companies don't want to deal with individual pharmacies." Sometimes, Kern says, pharmacy owners are reluctant to join CPESN. They'll say, "I'll wait 'til (the network) gets some big contracts." And that's the catch, she says. The network is growing, but it will grow faster when more pharmacies are in the network. Insurers and businesses want to make sure their patients will have adequate coverage.

As Matthew Yeates, director of clinical services at Grants Pass Pharmacy in Grants Pass, Ore., says, "You have to connect with patients and get the conversation started."

DEFINE YOUR SPACE AND MARKET YOUR SERVICES

Every state has different laws, so you need to figure out what services you can offer AND be reimbursed for doing. Talk with providers and find what they'll pay for and what is needed. Determine what is within your state's scope of practice for pharmacists. This is an area where joining a state network, such as your local CPESN, can be most helpful.

All the preparation in the world doesn't matter if no one knows what you're offering. Once you figure out what you can offer, spread the word. You can put up signs in the pharmacy, use bag stuffers, reach out to patients by phone or text, or engage them in conversation when they're in the store. Social media is especially helpful. Make sure your patients and social media followers are aware of the services you provide and make sure they know if these services are approved by Medicare or Medicaid.

The conversations can be simple, Yeates says. "You can say something like, 'I see that you're a smoker. Have you ever thought about quitting?'" If they say no, fine, he says. But if they say they have, let them know you offer smoking cessation classes. Talking with your patients will open many doors, he says.

"You're actually sitting down and counseling with patients," he adds.

GETTING PAID

Being a pharmacist in 2023 is about “more than slinging pills,” Yeates says. Wellness is the operative word, and providing health services is key to making that shift. The most important thing to know about billing a third party for services is that you do not know at the point of sale what will be covered. So, you have to submit a bill, and that means knowing a lot of codes. It's not easy, and it's not something you can have an already maxed-out pharmacy technician do when they find the time. Successful medical billing requires a level of expertise, Kern says. She found that out the hard way.

Kern used a third-party company to do her medical billing. She paid them to submit the bills and they did what she paid them to do. But she learned that rejected claims went unchallenged. The company she used submitted the claims, but that was as far as it went. So, Kern never knew the claims were rejected or why. She simply knew that billing for services wasn't turning out to be as lucrative as she'd hoped.

That step – ensuring that claims are paid – is called revenue cycle management. It's taking time to confirm claim transmission, monitoring through rejection and denial management, and following up on claims until successful payment is received. It's a step most third-party companies don't offer, and it's one reason Kern chose to look for an in-house biller. Fortunately for Kern, she has a sister-in-law who lives in another state who has done medical billing and was an experienced coder. She hired her sister-in-law, Samantha Henderson, and things began to turn around.

“Make sure you have an in-house biller,” Henderson says. “The billing companies submit the claims, but they don't check to see that they've been paid correctly. So much can fall through the cracks, and you never know it.”

It's really a quality control issue, Henderson says. The job is too complex for someone with no coding experience and other duties to do successfully, she adds.

“They need to have that billing background,” Henderson says. Without it, she says, you won't know what you don't know. “You just won't know what questions to ask,” she says.

CALLING CERTIFIED CODERS

Medical billing and coding certification is available online and at some community colleges and career centers. Find either a certified coder or someone who is experienced in coding, having worked in a medical office, Kern says. Even with a certified or experienced coder on board, it may take a month or so to get your operation up and running.

Earning coding certification is an investment of time and money. If you're anxious to get up and going with in-house billing, you might want to find someone who has prior coding experience. But, as Kern says, having someone on staff handle the billing in addition to other duties is not the best solution. Henderson does the job from her home in another state and she has no other duties at Kern's pharmacies, so she strictly works with billing, which Kern believes is more efficient.

Some alternatives are emerging to meet market demand. Tara Pfund, a pharmacist and project manager at AssureCare, says her company is offering a billing solution service that focuses on community pharmacies and manage all aspects of provider billing from claim submission to denial management.

So, as hangover time approaches, here's a little advice:

- Take in all NCPA has to offer on mitigating the DIR hangover – we'll have a plethora of podcasts and a wave of webinars, all devoted to this important topic.
- Check *America's Pharmacist*[®] and *qAM* for timely updates.
- Get started with medical billing and enhanced services. Visit the NCPA Innovation Center ([ncpa.org/resources](https://www.ncpa.org/resources)) for updates.

The bottom line? Just do it. ■

Jayne Cannon is a contributing writer for America's Pharmacist[®].