

Discharge Medication Specialist
Request 1.5 FTE
Reason: Expedite Inpatient Discharge, Increase Revenues

Proposed new position: Discharge Medication Specialist

FTE Request: 1.5 FTE if 7 days per week (includes vacation relief)

Proposed Hours: 0800-1630, with weekend rotations

Position Reports to: - Assistant Director, Ambulatory Pharmacy Services
- Coordinated Care Resource Center

Funding: Pharmacy Account XXXX

Job Responsibilities:

This position will review drug benefit information for Hospital XX patients, third parties and HMOs to promote a smooth discharge medication process and to ensure reimbursement requirements are met.

Problem prone areas of drug specific third party requirements will be identified and addressed prior to discharge. Discharge medication needs are coordinated between patient/guarantors, insurance companies and hospital personnel.

Incumbent will:

- Proactively identify high-cost, high-risk patient populations and resolve/document prescription benefit plan issues for provision of required medications. Document a plan of action for clinical staff to resolve problems.
- Review patient's pharmacy of choice for discharge medication per information collected by admissions and will review the ability of the pharmacy chosen to provide medications needed at discharge considering common availability of drug and reimbursement issues.
- Verify take home medication insurance for patients prior to discharge and assist with medication reimbursement/billing issues of discharge patients
- Possess considerable knowledge of pharmacy third party payer requirements regarding drug reimbursement including participating pharmacy agreements, HMO formulary issues, federal and state drug reimbursement programs. In addition, a thorough understanding of in-house computer applications including billing/accounts receivable and pharmacy computer systems and an understanding of Patient Accounts policies. The incumbent will work with prior authorizations, and will update computer systems for correct medication insurance information.

This position works in coordination with Clinical Practice Groups, which form the structure of the case management model, including outcomes managers, case managers, social workers, and physician advisors. The position should reside at CSC and will work closely with the resource center, admissions staff and will assist with research on discharge medication options considering reimbursement, continuity of care and patient preferences. This position will work with the payer specialist(s) and the referral specialist(s) and will coordinate discharge medication issues with the pharmacy department staff including inpatient pharmacists, outpatient pharmacists, and pharmacy mail order staff in resolving questions and issues in preparation of patient discharge. The incumbent also works together with the Medication Assistance Program staff and the admissions staff in determining the appropriateness of referrals to alternate funding decisions when patient is in need of medications where medications are not covered by

insurance at time of discharge, i.e. limited supplies, cash payment, etc. Coordinate these activities with the discharge planning activities, case managers, pharmacist, and patient relations

Benefits to Hospital XX:

- **Reduced cost of drugs placed on patient bill that become written off.** A study would need to be done to determine the % of these that may have been avoided or handled differently. (For Jan 2004, 254 new prescriptions were filled by the Outpatient Pharmacy and billed to patient accounts per OK to charge from fiscal with an average charge of \$79.50 per RX. This would annualize to over \$240,000 of charges placed on patient accounts and not processed via drug insurances or collected in cash. It is estimated that at least 50% of these are discharge medications, or \$120,000 annualized. It is difficult to know without further study what % of these may have been handled differently. For example, filled with smaller supply until remainder can be filled at local pharmacy of choice, filled with different medication, evaluated for pharmaceutical assistance program for future fills, etc. If 25% of this could be affected, it would result in a **\$30,000 annual savings** to Hospital XX.
- **Increased revenue and margin** if we increase good business in OPP by being more proactive. It is estimated that our Outpatient Pharmacy currently fills about 20% of the discharge medications written due discharge system issues such as lack of lead time given for time orders are written to time of expected discharge, insurance issues, etc. A more streamlined system could actually attract business. A conservative estimate is an additional 30 prescriptions per day could be filled with a more streamlined discharge system offered to patients, or approximately 10,000 prescriptions per year. The prescription revenue generated would result in \$500,000 – 1,000,000 depending on patient population served, with revenue over total expenses in account 1375 of 16% or net revenue of \$80,000-160,000 per year.
- **Improved customer service to our patients** via faster and more efficient discharge processing
- **Time savings for case managers, nurses and pharmacists** who are now spending their time resolving complicated insurance issues.
- **Earlier hospital discharges** (in some cases by several hours) due to improved discharge planning and documentation.

Financial implications:

The following have been built into the XXXX FY05 budget proposal (versus FY04 forecast) based on this new position:

Additional Prescription Volume	10,000
Revenues	\$500,000
Drug Cost	\$420,000
Personnel Expense (Total of 1.5 FTE)	\$63,000 including fringe; \$14/hour salary
Personnel Expense (Net Increase vs. FY04)¹	\$21,000 including fringe
Workspace in CSC²	\$2,740
Net Financial Impact Year-1	\$56,260 profit (11.3% GM)

1. Pharmacy will eliminate the 1.0 FTE recruiter technician position in exchange for the approval of this new position, resulting in a net labor cost increase of \$21,000 annually
2. Projected costs for office needs includes chair, file, phone, PC, printer have been incorporated into the 1375 minor equipment budget. Approximately 20 hours per week at desk/workspace to identify insurances, update computer for discharge issues. The rest of the FTE time would be on units working with hospital staff and patients.

Summary: The discharge medication system has been problematic for years. An added resource such as this position devoted to discharge prescription processing could improve good prescription business, and decrease inappropriate “bad business”, more than covering the cost of this new position. Most case managers and pharmacists would find this service to be a great resource to assist them in their daily

discharge issues and hospital discharges would likely be expedited with the addition of the position. Patients of Hospital XX would experience an improved discharge service.