

How to Manage Expensive Drugs

When some anti-VEGF drugs cost nearly \$2,000 per injection, practices must carefully manage costs.

One of the greatest challenges in managing a retina practice is maintaining the profitability of using anti-VEGF medications. Increased usage of these drugs, along with their high cost and low profit margins, demands continuous process improvement. When 1 mistake can cost the practice thousands of dollars, losses can swiftly spiral out of control if you're not monitoring your procedures carefully.

The first step in managing this challenge is to know your process and document the steps that are involved. You also should review this process frequently to see how it can be improved.

Do You Have a Green Light to Inject Today?

Obtain preauthorization when needed. Unlike Medicare Part B, many insurance companies require prior authorization for intravitreal injections and have policies that do not allow retroactive requests. It is essential that you have a clear protocol for each payer so you can promptly confirm that a prior authorization has been obtained.

Verify insurance eligibility. You should verify insurance eligibility at each visit. Patients can lose coverage for various reasons, change insurance carriers, or add new secondary coverage. Confirming insurance coverage prior to

injections, and obtaining authorization as necessary, will eliminate unnecessary denials.

Samples. Using anti-VEGF samples for the initial treatment of a high-cost drug can give you the time that you need to confirm insurance coverage and authorization.

Patient Assistance

Pharmaceutical companies may have patient assistance programs for the drugs they provide, and these can reduce the patient's out-of-pocket costs.

It will help both the practice and patients if you have a coordinator who is educated on all the programs available for helping patients. After a patient's application is submitted, the coordinator can follow the process to the final approval or denial, based on the patient's insurance coverage or financial need.

If the application was approved, you need to communicate the program benefits to the patient and document the coverage in your practice management system, which will ensure that the doctors and staff are aware of the additional coverage provided for the treatment plan.

Inventory Control

For high priced drugs, implementing a comprehensive inventory system is essential to maintaining profitability. Some practices use a tracking spreadsheet, while others may adopt a com-

puterized inventory tracking system. Regardless of the method, the system should—at a minimum—provide:

- Current inventory totals and value
- Tracking of inventory orders, receipt of drug, and payment of invoices
- Prompts when inventory is low
- Patient assignment of dosages, including: date of service, doctor, and lot number
- Outstanding invoices and false profit
- Auditing capabilities
- Billing reconciliation

Eliminate Coding Errors and Denials

To facilitate prompt payment and reduce denials by insurers, you should create internal procedures to ensure that intravitreal injections are coded correctly.

Insurers' requirements may vary. It is crucial to refine the protocol based on the specific policies of each of your insurance carriers. The requirements for medical necessity, prior authorization, number of days between treatments, and diagnostic testing frequency may vary among insurance carriers. Doing your research to obtain the unique payer policies and committing to ongoing education are essential components of correct coding.

For Medicare Part B requirements, read "Coding for Injectable Drugs" at aao.org/practice-management/coding/injectable-drugs.

Avoid common mistakes. Below are some costly errors that have been discovered during audits:

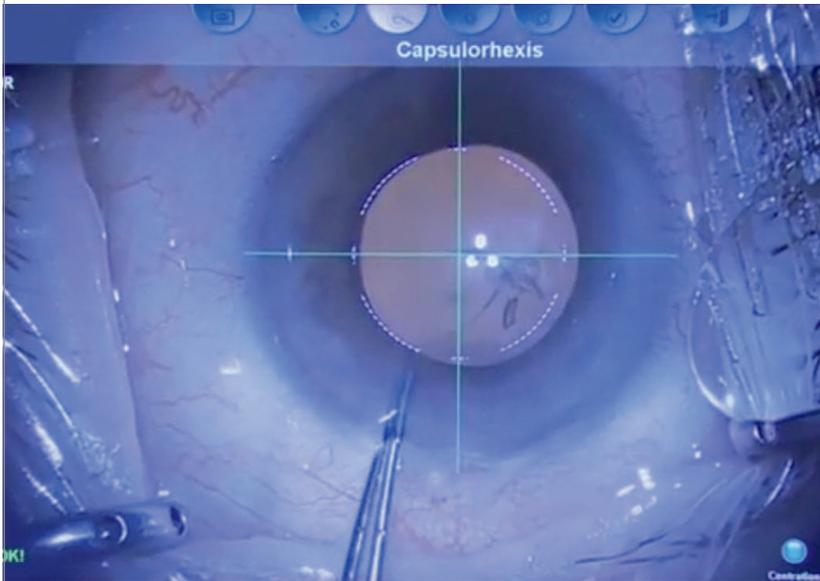
- Billing for Lucentis but injecting



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- Injecting at intervals shorter than 28 days due to human error in counting days between injections
- Obtaining an informed consent for the right eye and injecting the left eye

Note: When the drug is not a covered benefit for a specific condition, the injection is not a covered benefit, either.

Monitor Your Reports

Once your process is documented and implemented, monitoring the system can provide vital feedback about actionable items or areas needing improvement. Some reports that can be beneficial include those listed below.

Inventory reports:

- Missing or incorrect dosage assignments
- Billing accuracy audits
- Average medication usage per doctor
- Outstanding invoices and accounts payable totals
- Expiration dates

Accounts receivable reports per

drug:

- Timely charge entry
- Aging of accounts receivable by insurance carrier and provider
- Rejected claims and denials
- Accurate payment allowables per contract

In Conclusion

Although managing anti-VEGF medication use in a retina practice can seem overwhelming, creating a comprehensive process will help you maintain and improve profitability. To position your practice for success, you should develop a system that will promptly identify and correct errors and can facilitate a consistent workflow. It also is critical to encourage a culture of constant process improvement.

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FURTHER READING. See this month's feature, "Expensive Drugs," on pages 38-44.