PBM Embrace New Technology To Enhance Efficiency and Service

From the use of comprehensive company Web sites to computer systems that integrate medical and pharmaceutical data, PBMs are embracing technology to improve speed and accuracy and to provide better customer service. "Responsiveness is a key thing that technology enables," says Bill Masters, who recently joined National Medical Health Card Systems, Inc. (NMHC) as chief information officer. According to PBM executives and information technology experts, here are several technological tools that companies are relying on to enhance their services:

(1) Customized Web sites. HealthTrans CEO Jack McClurg says the Internet is probably the least costly and most efficient "medium" by which to communicate information to members, providers and clients. For example, a pharmacy could use the provider portal on HealthTrans' Web site to view claims and payment data without having to request lengthy and cumbersome — not to mention costly — paper reports, says McClurg. And for health plan customers that have call centers, the Internet offers members an alternative information resource rather than calling a person-to-person communication line, which can be more expensive for the client.

Masters says the Web allows for client and member self-service "anytime anywhere, in a fully HIPAA-compliant format." Clients can use personalized browsers to run reports, view them and print them. Members can use a secure browser to look at their personal plan features, view claims history, request temporary ID cards or submit refill orders. "It's a capability that all PBMs need to offer, and to have those things rolled out according to how fast the clients want them...should become a core offering for all PBMs," says Masters.

In addition to providing drug-safety alerts or information about new generic drugs and other savings opportunities, Medco Health Solutions' member Web portal acts as an Internet pharmacy that is being used by more and more members to obtain refills, according to spokeswoman Ann Smith. In the third quarter of 2004, the company processed 4.5 million prescriptions through its Internet pharmacy, a 25% year-to-year increase, according to a Medco earnings conference call.

(2) Automated mail fulfillment. Prescriptions from the Internet, along with mailed or faxed prescriptions, go through one of Medco's two automated mail facilities, starting with the processing center, explains Smith. This is where the actual "cognitive or intellectual portion of pharmacy takes place," she says. The pharmacist scans the prescription, reviews the patient's pharmaceutical history, checks for potential drug interactions and determines coverage. Once the script is deemed acceptable
and is in the computer system, the pharmacist hits the “dispense button” and the request is electronically sent to the actual dispensing facility. The system is integrated — any scripts that come in for the same patient would be processed, dispensed, and mailed together, says Smith. The only time an Internet or mail-order request would not go through the automated dispensing facility would be if it’s a compound or specialty drug. These pharmacies have the capacity to fill at least 2 million scripts a week, Smith adds.

(3) Automated call technology. When Merck & Co. voluntarily recalled Vioxx at the end of September, PBMs and health plans had to work quickly to notify Vioxx patients of their options so that they wouldn’t discontinue pain therapy. FamilyMeds, a specialty pharmacy company, used voice-activated technology from Silverlink to communicate the Vioxx recall to patients within 24 hours of the recall.

According to Silverlink CEO Stan Nowak, this technology pulls patient information from databases and uses a recorded human voice to provide or obtain information from patients. Health plans and PBMs can use this technology for all kinds of member outreach, from notifying patients of a formulary change to converting patients from retail pharmacy to mail order to reminding patients that they are due for a prescription refill, says Nowak. It also captures any information received from the patient as data, and clients can view those data and the response rates, he adds. Other Silverlink clients include ScripSolutions, Group Health Incorporated and Chronimed, according to Nowak.

(4) Integrated data systems for improved workflow, patient-centric care and customer reporting. Masters says NMHC’s “workflow management technology” automates the tracking of work across all departments for strengthening operations and the swift implementation of new business. “Many plans are able to get up and live and running in 30 days or less, and [this] enables us to minimize impact to members,” he says. McClurg says HealthTrans relational databases are integrated across all of its financial functions from the setting up of individual members’ copy of data to payment to providers. Because there’s so much data output to manage after a claim has been adjudicated, there’s less room for error if the various departments handling the data are working from one integrated system, he says.

The more medical and pharmaceutical data a system can integrate, the better equipped a PBM is to “manage benefits in a patient-centric manner,” says McClurg. For instance, if a prescription comes in for a patient who has lab results in the system that indicate the script is not appropriate, HealthTrans’ system would reject the request and require pharmacist intervention. And Medco’s RationalMED program uses an integrated data system to prospectively review prescriptions for potential drug errors that could land patients in the hospital, identifies patients at risk and notifies their physicians. The program achieves an annualized savings of approximately $60 million in health plan drug spending, according to the company.

Integrated data systems also allow PBMs to help health plans identify areas in which they could improve generic utilization or implement prior-authorization requirements, says Masters. NMHC uses an automated compilation of key performance indicators to come up with “accountability benchmarks,” which it compares to customers’ specific results in areas like per-member per-month cost, member cost-sharing percentage, and brand vs. generic performance.

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