

# Pharmacy

## PHARMACOMPLETE™

### Minimize out-of-network transactions and gain maximum control of your pharmacy spend.

The value of a pharmacy program is linked to the ability of a service provider to minimize out-of-network spend. To capture the full value of pharmacy programs for our customers, PMSI has introduced a proprietary, comprehensive solution—PharmaComplete™. By partnering with industry-leading service providers, this innovative solution addresses high-cost out-of-network bills throughout the life of a claim through Specialty Network Arrangements, Automated Re-Indexing programs, and Out-of-Network Conversion strategies.

With PharmaComplete, network penetration can be driven from an industry average of 65% – 75% up to 90%. Costs are contained by rates lower than traditional out-of-network bills, administrative savings, utilization controls, and clinical oversight.

PMSI spent a significant amount of time analyzing millions of healthcare transactions and collaborating with customers to understand the drivers of escalating medical costs. Broader access and visibility to analytics and informatics of all transactions allows for total management of pharmacy spend. In addition, PMSI's PharmaComplete solution can be tailored based on areas of out-of-network spend, optimizing pharmacy program performance.

PharmaComplete		
Specialty Network Arrangements	Automated Re-Indexing	Out-of-Network Conversion
Dispensing Physicians Occupational Clinics Outside Mail Order Pharmacies Compounding Pharmacies	Top Pharmacy Chains	Third-Party Billers Pharmacy Outreach Bill Review

## Proven Solution: PharmaComplete

### Specialty Network Arrangements

The key to improving penetration beyond the traditional retail pharmacy network is to extend the network to encompass non-traditional dispensing outlets. To achieve higher penetration, PMSI has developed a series of specialty networks to address the growing concerns of dispensing physicians, occupational clinics, mail order pharmacies, and compounding pharmacies. While each program has unique objectives, these Specialty Network arrangements will:

- Lower costs for transactions
- Apply program controls and formulary
- Create administrative savings associated with paper bill reduction
- Provide full visibility into the injured worker's medication history
- Improve clinical efficacy of programs
- Minimize the number of out-of-network providers

### Automated Re-Indexing

PMSI has formed industry-leading partnerships with two of the largest retail pharmacy chains to automatically adjudicate almost all applicable prescriptions from these chains as in-network transactions. This program consistently demonstrates results of 98% in-network penetration for these pharmacy partners, which make up 38% of all retail transactions. The program:

- Performs adjudication of prescriptions against PMSI eligibility before billing as an out-of-network transaction
- Applies program edits, such as formulary and client parameters
- Drives future processing by capturing data into system for subsequent fills
- Eliminates virtually all out-of-network bills from these pharmacy partners

### Out-of-Network Conversion

Transactions that are not processed correctly through the retail network or one of our prospective PharmaComplete programs result in paper bills for clients. Consequently, PMSI has developed numerous partnerships and has also implemented a state-of-the-art pharmacy outreach program. These combined programs proactively and retrospectively convert transactions to network transactions and achieve results that reduce out-of-network spend in the range of 35% – 45%.

For those bills that cannot be converted into network transactions, the final step is our Bill Review solution that provides average savings of 35% from provider-billed charges to Fee Schedule or U&C rates. While each of the programs performs a different function, overall they work to:

- Bring future transactions into the network through conversion efforts
- Obtain data for future clinical interventions
- Reduce costs through network conversion by reviewing for duplicates, non-related medications, compliance with state regulations, and providing a recommend allowance

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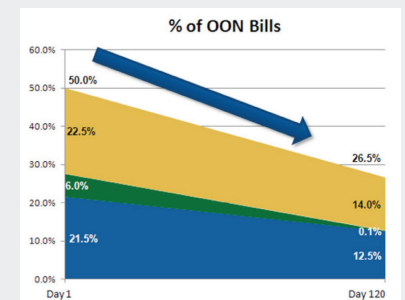
Proven Solutions for Cost Containment

## CASE STUDY: PharmaComplete

By implementing the PharmaComplete program, this client went from a 67% network penetration rate to 83%.

A large insurance carrier achieved a 50% reduction in out-of-network transactions in 120 days through the capture and conversion of:

- 38% of other out-of-network transactions (physician dispensers and outside mail order pharmacies)
- Nearly all Walgreens transactions
- 42% of third-party biller transactions



■ OON: All Other ■ OON: Walgreens  
■ OON: Third-Party Billers

Founded in 1976, PMSI is a leader in developing solutions to control the growth of medical costs in workers' compensation. As one of the nation's largest and most experienced companies focused solely on workers' compensation, we deliver proven solutions for cost containment across the claims lifecycle. PMSI's solutions for Pharmacy, Medical Services and Equipment, and Settlement Solutions deliver quantifiable results and improve the quality of care for injured workers. We provide our customers with the innovation, focus, expertise, analytics and technology needed to successfully deliver workers' compensation benefits.