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8/18/2011

I have worked in the capacity of a pharmacist with our area non-profit Hospice, Hospice of North Idaho (or HONI) since it's formation in the early 1980's. Our business involvement with HONI grew from simply filling the prescriptions for their clients, to helping them build a small network of pharmacies in the communities that they serve. We eventually introduced the value of compounding services to HONI. As the Hospice continued to grow, dealing with multiple pharmacies and the challenges of keeping their drug expenditures under control, we helped HONI develop a relationship with United Drugs and their PBM services at a favorable rate with the value of multiple reporting capabilities to help with the management of the drug expenses. This went well for the network of pharmacies and HONI for several years. But then United Drugs changed to a different PBM, the favorable rates became not so favorable and they would not adjudicate compounded prescriptions properly causing us to have to go back to "hand-billing" these compounds to HONI. They became swamped in unwanted paper billings again and lost the value of the reporting features that they needed or were required to have by Medicare.

By this time I was doing 50 to 60% of HONI's prescription at just one of my pharmacies do to my personal involvement with Hospice, our close proximity to their facility and the large amount of drug problems that we had helped to solve with our compounding services. When they started to show a high level of discontent with the service (or lack of) from United Drug's PBM, I volunteered to help them find a better solution. They were being catered by Hospi-script and one other big Hospice PBM and I grew concerned about losing a fair share of my Hospice business to mail order that these PBMs were pushing.

Fortunately for me and very timely, while attending the GNP West Region Advisors meeting in May of 2010, AmerisourceBergen introduced the idea of becoming a PBA or Prescription Benefits Administrator with their PHA (Pharmacy Hospice Administration) program. This was structured and setup by AmerisourceBergen and uses PDMI as the processor.

When I came home from this meeting with this potential brewing in the back of my mind, HONI's problems came to a head, and they had to do something about it. The nursing staff was spending over 40 hours a month just sorting through the paper prescription claims not processed by United, and spending more time trying to put reports of drug expenditures together that were required by Medicare and not provided for them by United. So I called my AmerisourceBergen sales rep, Sarah Dalyan, and before the end of the day she had put be in touch with Mark Bernhardt and Rick Goebel that administered the AmerisourceBergen PHA program. They literally took it from there, making contact with HONI and doing all the contracting and footwork to set the program up for me as the PBA for our Hospice. The training for the use of the online system was provided by PDMI and the formulary structure was provided by Synergy Pharmacy Solutions, a Komoto Healthcare Company in California with a lot of Hospice experience and knowledge of working the PDMI system.

So by September, 2010 we were off and rolling as our "own" PBM with a small network of 12 local pharmacies participating. My staff and I provide the HelpDesk services for HONI within our regular pharmacy working hours and we did not have to add extra expense or staff to do the job. The HONI staff could do the HelpDesk for themselves, but at the time they were overwhelmed with a incorporating a new network computer system to administer the work they

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do and their patient's records, and they didn't want the added burden of leaning the PDMI system on top of that. I strongly feel that providing the HelpDesk work for HONI is my way of contributing to their success and their cost savings, and it further solidifies my large share of their business that I am doing with them (now 16% of my overall volume!)

The benefits are that all compounded Rx's adjudicate through the PDMI system and we get paid properly for them. HONI no longer has mountains of paper bills to comb through - the 40 hours of time they were spending a month on drug management and reporting was shaved to less than an hour. All of HONI's reporting needs required by Medicare are easily obtained from PDMI online whenever and whatever they need. Also the system is completely transparent. They see the total cost paid to the pharmacies plus the \$1.50 per Rx that goes to PDMI and AmerisourceBergen. That's it! And the gravy was that I am paid approximately \$5000 every quarter for being the program administrator. That's \$20,000 a year straight to my bottom line.

Thanks, Mark and Rick and AmerisourceBergen for providing this awesome program for me and my business.



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