PDPorter from Innovatix, LLC

The Challenge

Medicare Part D has brought many changes and challenges for long-term care pharmacy providers, including the 2007 CMS mandate that Medicare Part D contracts must report the disclosure of access rebates or any other price concessions received by LTC pharmacies. Access or performance rebates – price concessions that manufacturers provide to participating pharmacies – may influence the pharmacy's decision to give a specific medication preferred or recommended formulary status. The pharmacy must report these rebates at either the CMS Part D sponsor or contract level, and include rebates received for all Medicare Part D medications.

According to CMS-issued guidelines, this data must be provided in a certain format – specifically in an Excel-type file – on a quarterly basis and must contain the following seven fields:

PDPorter streamlines the reporting of rebates under Medicare Part D.

- Name of the pharmacy reporting the rebates
- The pharmacy's NCPDP (National Council for Prescription Drug Programs) number
- The pharmacy's NPI (National Provider Identifier) number
- Contracting manufacturer name
- Name of medication
- Dollar amount of rebate, per unit received (i.e. gross rebates for the quarter divided by the number of tablets dispensed)
- Any additional technical notes describing the pharmacy calculations

CMS allows only one line per medication, even though you may need to incorporate various forms, quantities, and strengths of the same medication. Even LTC pharmacies that do not participate in rebates for their Medicare Part D beneficiaries are still obligated to report that no rebates were received by indicating "NA" in the appropriate columns. This data must be submitted three months after the close of the previous quarter. Furthermore, the participating Medicare Part D prescription drug plans (PDPs) must report this data to CMS within six months of the close of the previous quarter.

The Solution

Many LTC pharmacies were at a loss for how to begin capturing and reporting this data. Fortunately, Innovatix, an alternate care group purchasing organization (GPO), developed a comprehensive rebate-reporting tool called PDPorter. In April 2007, Innovatix introduced PDPorter to its group purchasing and Innovatix Network LTC pharmacy members, including the Four Seasons Nursing & Rehabilitation Center in Brooklyn, New York, through a series of live, online educational programs that walked users through the actual data collection and submission process.

Four Seasons Nursing & Rehabilitation Center began using PDPorter in May 2007 to capture and report rebates for the first quarter of 2007. The user-friendly, Web-based program consolidates rebate data and other reportable price concessions from multiple sources into an Excel-based report. Furthermore, PDPorter is provided, free of charge, as a value-added service for Innovatix Network members and active Innovatix GPO members. However, it is also available to non-member pharmacies and PDPs for a service fee.

Once we are connected to the PDPorter link, we are able to simply select the appropriate rebate period and review the list of PDPs, pharmacy benefit managers (PBMs), and administrators that will access the report. If we have received rebates through our Innovatix contract, certain rebate information will be pre-populated in the spreadsheet, with all of the necessary components mandated by CMS. We are also able to add additional rebate information that may not be pre-populated in the report.

Once the "Authorized Representative Information" is completed, we are able to submit the data: No calculations need to be performed; we just need to review it and send it off. We can also print out a rebate performance report to compare and track our quarterly rebates. For example, we can track the number of manufacturers we receive rebates from, the medications being rebated, as well as the total rebate, and then report this information to our finance department.

I cannot imagine how we would have developed an internal spreadsheet for capturing and identifying this data. Prior to using PDPorter, the data collection and organization process took about two days every quarter; now it takes as little as a few minutes. Furthermore, because the tool imports data based on our Innovatix purchase history, the risk of calculation mistakes or omissions is greatly reduced. In summary, PDPorter has been a significant aid in our efforts to satisfy our rebate-reporting obligations. ■

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