

# ESI Canada's Top Ten Pharmacy Red Flags

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5<sup>th</sup> Annual Outcomes Conference



# Key Message

- **ESI Canada monitors Red Flags**
- **Technology in place to manage the risk**
- **ESI Canada is driving better benefits for its Customers**





# Why do we need red flags?

- **To identify & investigate irregularities within the data**
- **What do we find?**
  - **Misuse or abuse of the card**
  - **Narcotic abuse/misuse**
  - **Potential for fraudulent prescriptions**
  - **Serious cases**





# Pharmacy Red Flags



## 1. Claim Submission Patterns

- **Number of claims per patient**
- **Average claim cost per patient**
- **Submission patterns**



# Pharmacy Red Flags



## 2. Plan Manipulation

- **Drug substitution**
  - i.e. Zyban vs. Wellbutrin
  
- **Prescription splitting**
  - i.e. 100 days supply given as 3 x 30 days for extra dispensing fees
  
- **Days supply vs. quantity**
  - Plan design
  
- **Brand/generic substitution**



# Pharmacy Red Flags



## 3. Compounds

### ➤ Drug eligibility

- Compound as a whole i.e., cosmetic
- Individual components

### ➤ Pricing

- Ingredient costs
- Compound time charges





# Pharmacy Red Flags



## 4. High Narcotics Volume

- Patient abuse/misuse, poly-pharmacy, double-doctoring
- Overall Pharmacy submission and adherence to narcotic regulations

# Pharmacy Red Flags



## 5. High OTC Volumes

- Proper documentation required
- Cost to carrier
- No regulatory repercussion from College



# Pharmacy Red Flags



## 6. Change in Business over time

- **How does the business compare to the same time last year?**
- **New customer business in the area?**
- **Loss of customer business in the area?**



# Pharmacy Red Flags



## 7. Percentage of Voids/Reversals

- Too many – shopping the system for answers
- Too few – credits are not done on items returned to stock
- Opportunity for education of the provider



# Pharmacy Red Flags



## 8. Percentage of Repeats to New Prescriptions

- Higher volume of new prescriptions
  - Medical Centre, Emergency Room, etc.
  
- Higher volume of repeat prescriptions
  - Long-term care facilities



# Pharmacy Red Flags



## 9. Methadone Review

- **Methadone carries**
- **Compounding policies and pricing**
- **Appropriate submission for pain control vs. Opioid dependency management**
- **Narcotic drug combinations**



# Pharmacy Red Flags



## 10. Drug Utilization Review (DUR) Overrides Early Refills

- Change in dosage
- Replacing lost meds



# Managing the Risk

- **System edits – 1<sup>st</sup> line of defense**
- **Profiling – analysis of claims submission patterns and peer comparisons**
- **Claims review**



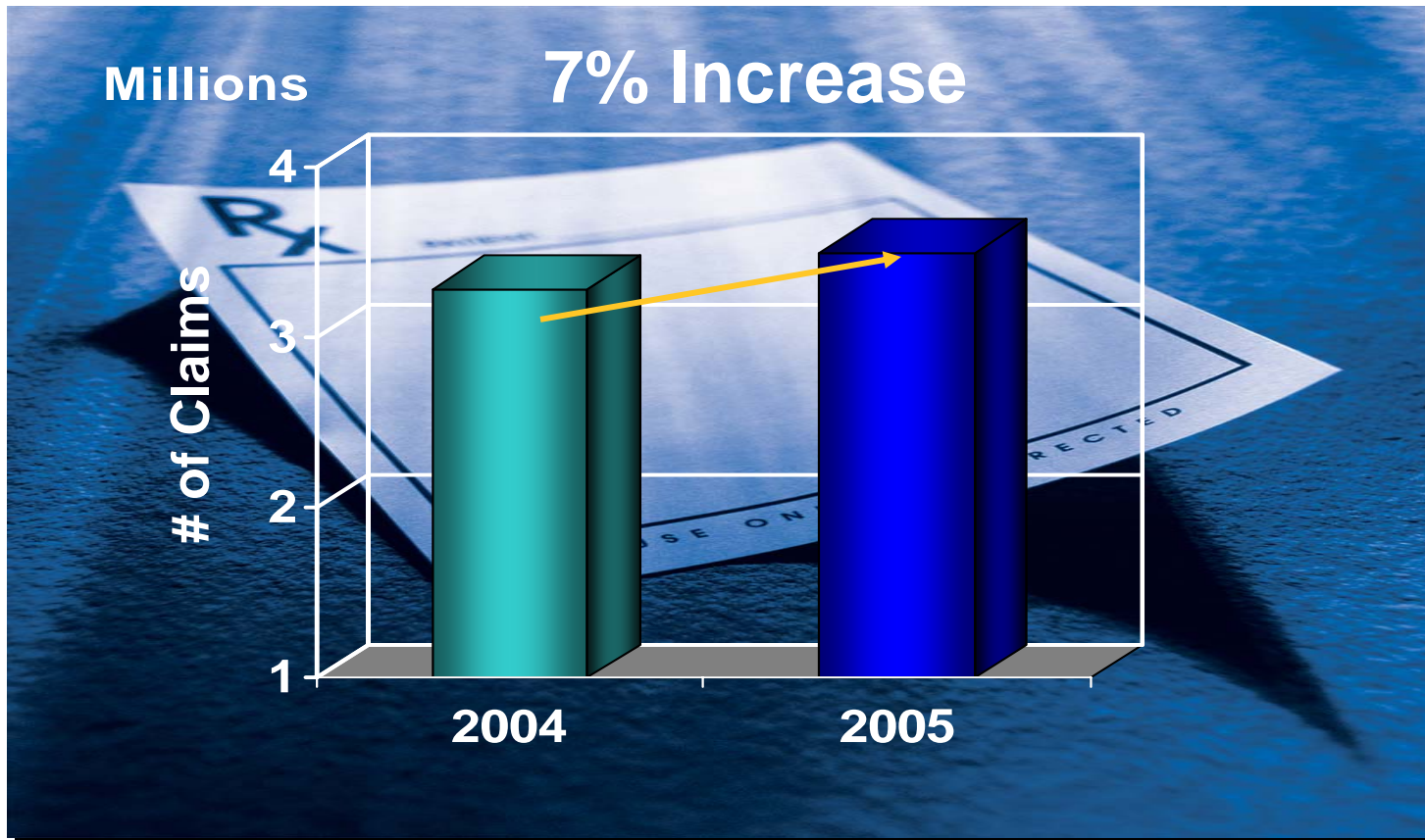


# Technology

- **Purchased profiling tool – implemented in mid-2005**
- **ESI Canada is able to review more claims**
- **46% increase in the number of claims reviewed when comparing January to June 2005 over July to December 2005**
- **Implemented for Next-Day Pharmacy; Profiling and Dental scheduled to move in 2006**

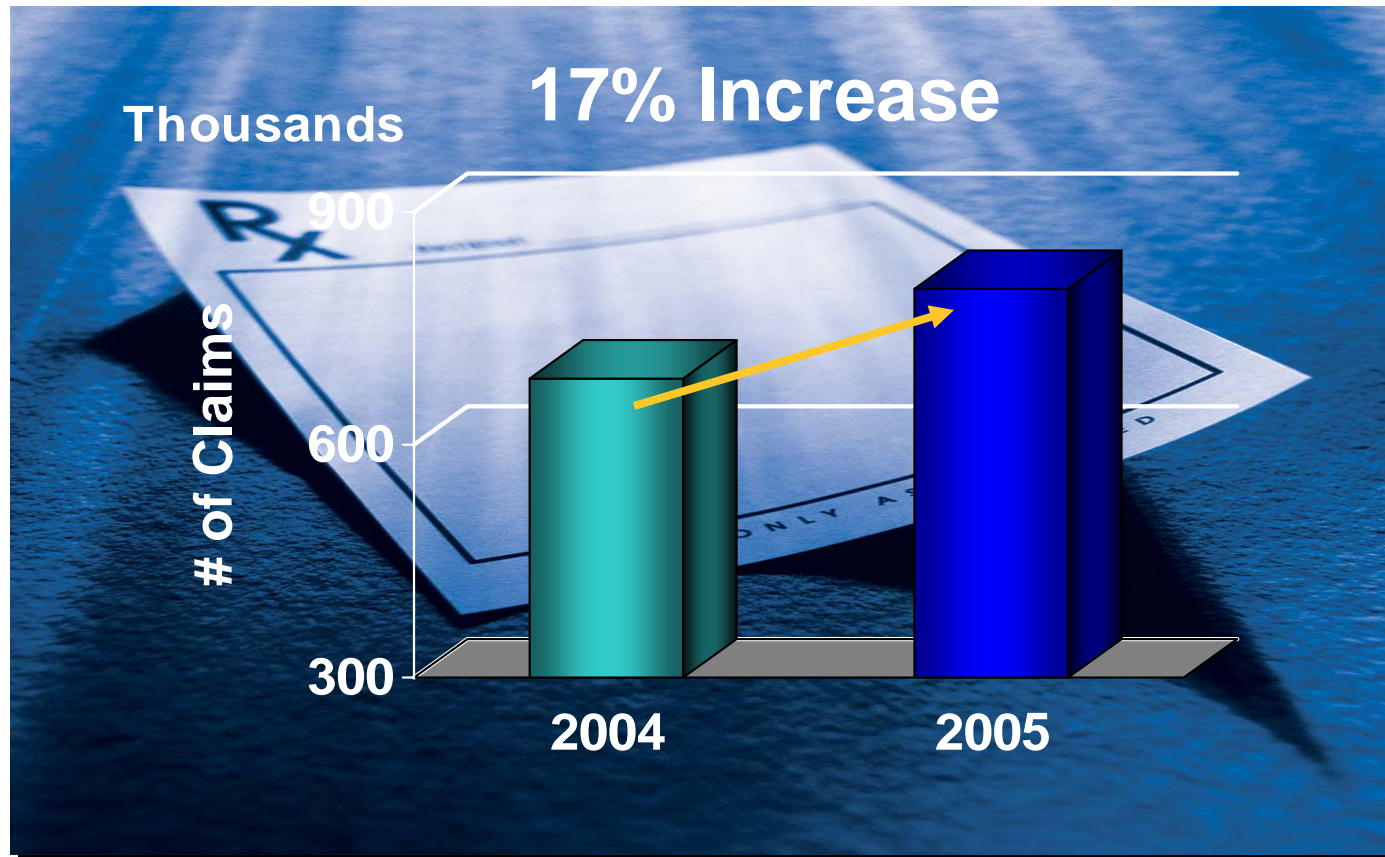


# Increase in # of Claims Reviewed



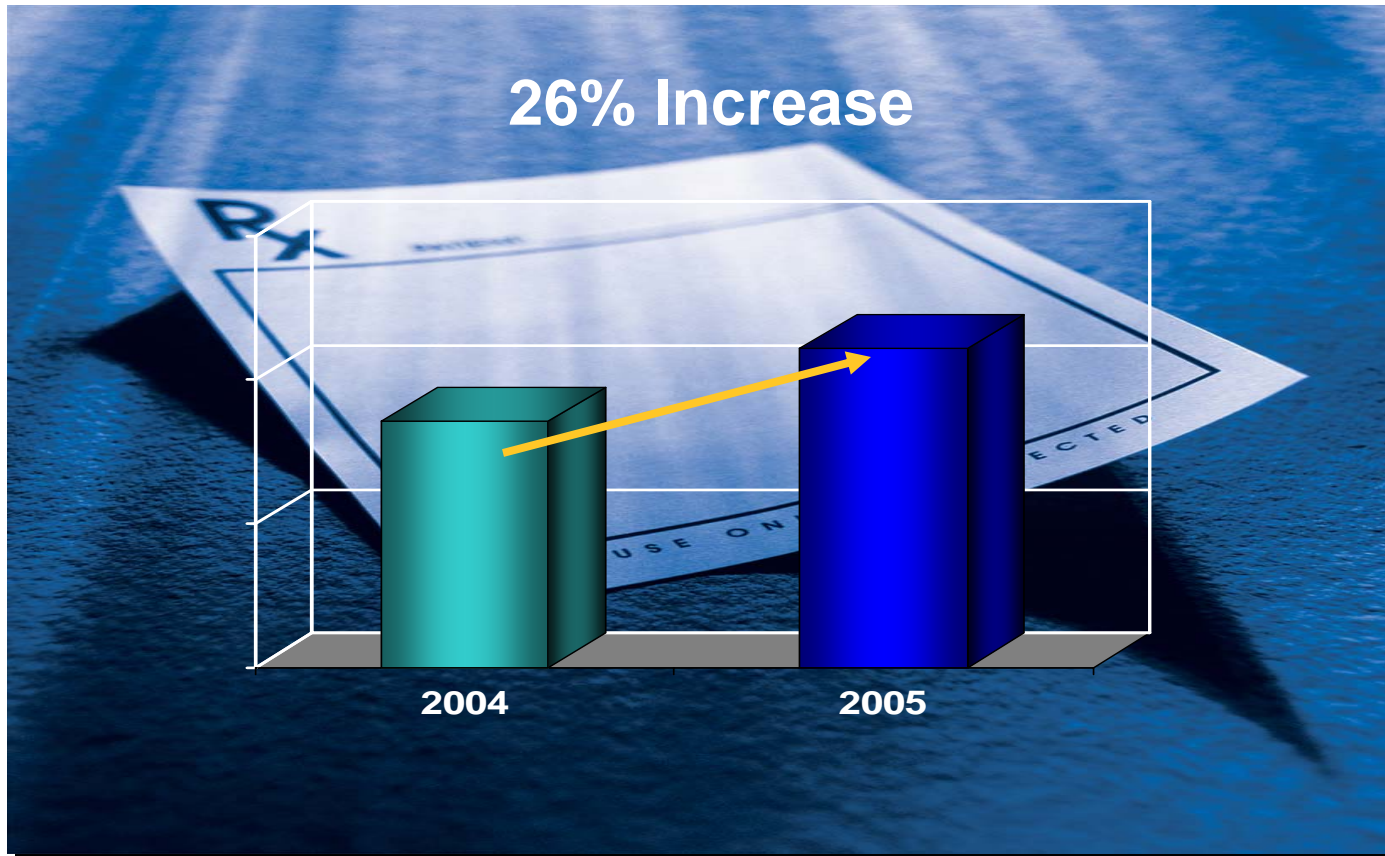
*Optimizing the value of drug and dental benefits*

# Increase in # of Claims Investigated



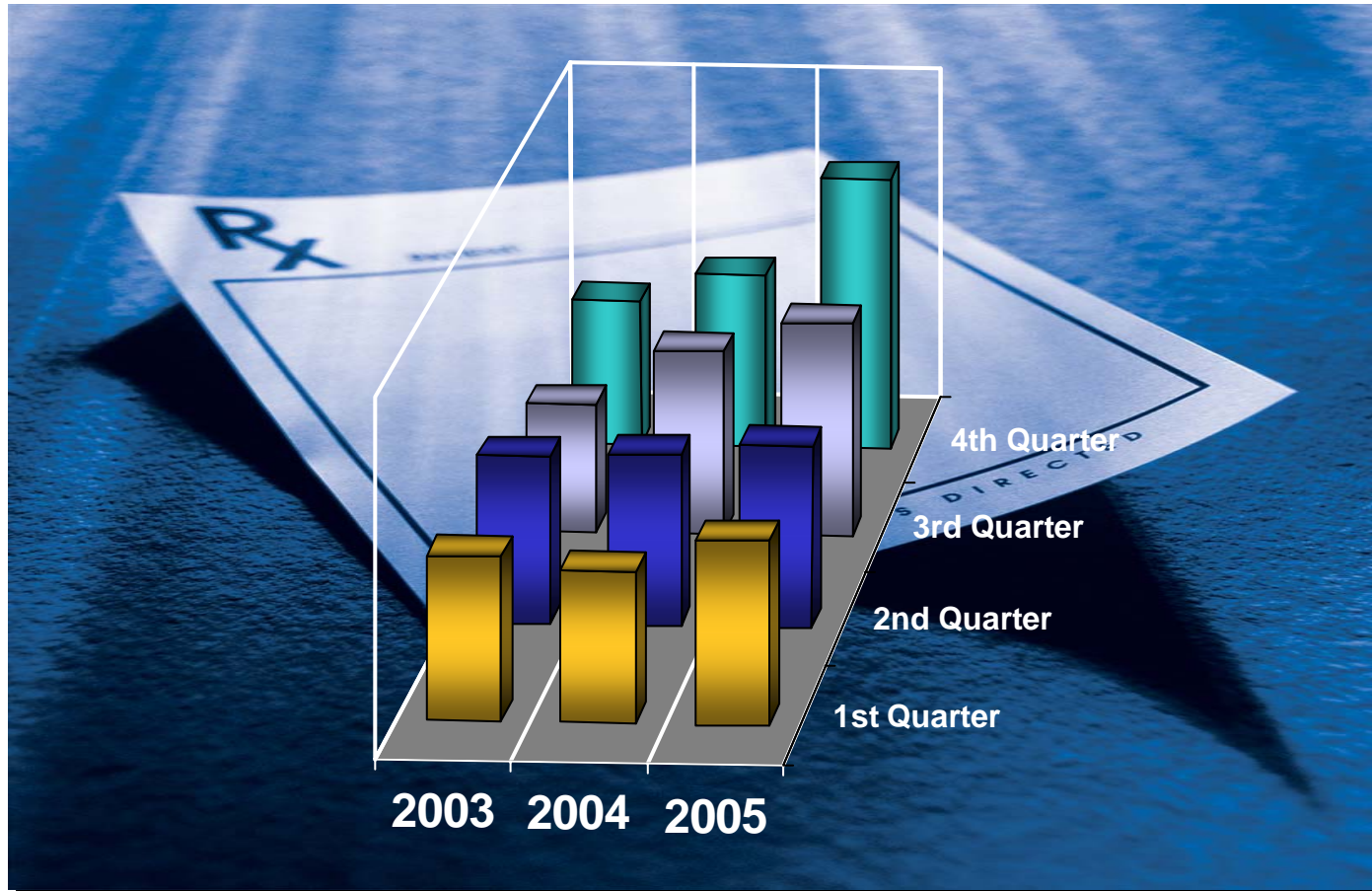
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# Increase in Recoveries 2004 vs. 2005



*Optimizing the value of drug and dental benefits*

# Quarterly Increase in Recoveries 2003 through 2005



*Optimizing the value of drug and dental benefits*



# Other Initiatives

- **Information sharing with Customers**
- **Quebec On-site Audits**
- **Industry involvement**
  - **CHCAA – Canadian Health Care Anti-Fraud Association**
  - **NHCAA – National Health Care Anti-Fraud Association**
  - **EHFCN – European Healthcare Fraud and Corruption Network**





## Other Initiatives (Cont'd)

### ➤ Pharmacy Awareness

- Joint presentations with:
  - ❖ Ontario Pharmacists Association
  - ❖ Ontario College of Pharmacists
  - ❖ Ministry of Health
  - ❖ Ontario Provincial Police
  - ❖ Workplace Safety Insurance Board
  - ❖ CHCAA “Audits, Investigations and Inspections”





## In Summary...

### ESI Canada...

- ✓ actively monitors Red Flags
- ✓ uses technology to manage the risk
- ✓ is driving better benefits for our Customers



# Questions?



*Optimizing the value of drug and dental benefits*

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