



Preparing for DIR Fee Changes in 2024:

Strategies for Boosting Profitability & Improving Your Pharmacy Cash Flow

Wednesday, June 21, 2023

11:00 A.M. CT

connect@digitalpharmacist.com



Meet Your Hosts



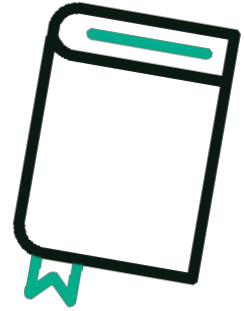
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What You'll Learn

- 2024 DIR fee changes & their implications for independent pharmacies
 - Tips for effectively evaluating PBM contracts
 - Best practices for improving pharmacy profitability
 - Strategies for improved cash flow to tackle double DIR fees
- ...& digital tools to help you do this efficiently



The Intended Impacts of 2024 DIR Fee Changes

The CMS issued a final rule to eliminate retroactive DIR fees and require PBMs to reflect fees based on the negotiated price paid at the point of sale as opposed to months later. These changes are intended to...



Reduce the financial burden on independent pharmacies.



Increase transparency in the pharmacy benefit (PBM) industry.

Between 2010 and 2020, CMS reported that retroactive **DIR fees increased by 107,400%.**

The Impact of DIR Changes on Pharmacy Profitability

In the first half of 2024, pharmacies will have retroactive DIRs from 2023, and the new DIRs will occur at the point of sale which will:

- Result in pharmacies declining to fill more scripts.. (& PBMs are preparing for this).
- Negatively impact pharmacy cash flow, because **in Q1 and Q2 of 2024, pharmacies will be paying double DIR fees.**



Evaluating & Interacting with PBMs & PSAOs

Evaluating Your 2024 Revenue Reductions

A good rule of thumb... Use DIRs paid in 2023 as a benchmark for your revenue reduction in 2024.

When interacting with PSAOs...

- Ask questions – Make sure you have a clear understanding.
- Negotiate – It's not take it or leave it.



Evaluating & Interacting with PBMs & PSAOs

Other Contract Considerations

- Performance metrics
 - And what's changing...
- Monitor plan performance
- Assessing profitability off of reimbursement rates
- Know your patients & pay attention to what plans they are on



Strategies for Improved Cash Flow to Tackle Double DIR Fees

Investment Strategies

- Leverage short-term CDs that mature in March 2024 when double DIRs kick-in.
- Determining what amount to place in CDs:
 - Reference trimester reports
 - Use DIR payments in prior years



Best Practices for Increasing Pharmacy Profitability

- ✓ Have proper reporting
- ✓ Reconcile in-house
- ✓ Implement technology
- ✓ Re-allocate resources
- ✓ What is your niche?



Strategies for Improved Cash Flow to Tackle Double DIR Fees

Implementing additional offerings & services to diversify revenue

- Vaccinations
- Point of Care Testing
- Long Term Care (Higher reimbursement!)
- Hospice Care
- Pet Care
- Specialty Medication
- Compounding

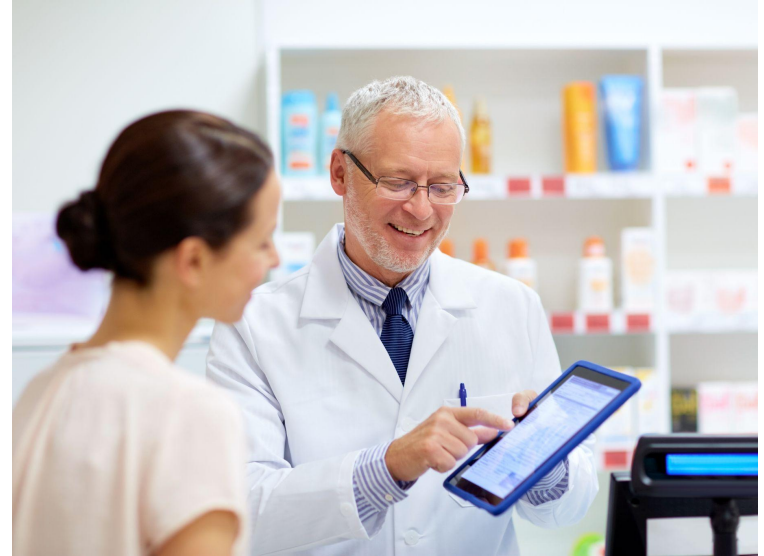
... just to name a few!



Best Practices for Increasing Pharmacy Profitability

Encourage Medication Adherence

- Synchronize medications
- Offer a delivery service
- Send refill reminders
- MTMs and other counseling services can improve adherence (while also increasing revenue)



Digital Tools to Help You Do All of This in Less Time

EQUIPP

- Intermediary that sits between pharmacies, PSAO and PBMs to determine pharmacy and PSAO performance.
- Every pharmacy gets Equipp for free, paid by their PSAO.

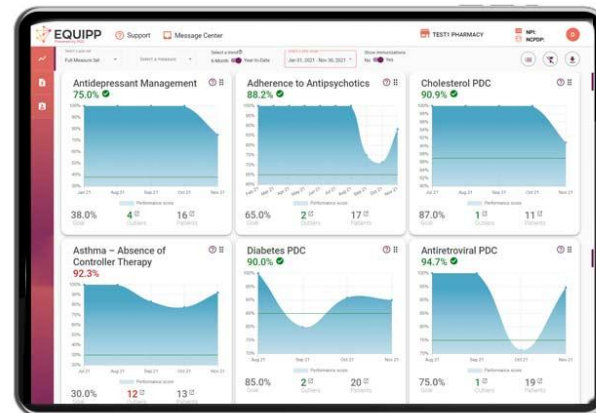


Photo Credit: pharmacyquality.com

Digital Tools to Help You Do All of This in Less Time

Website & SEO

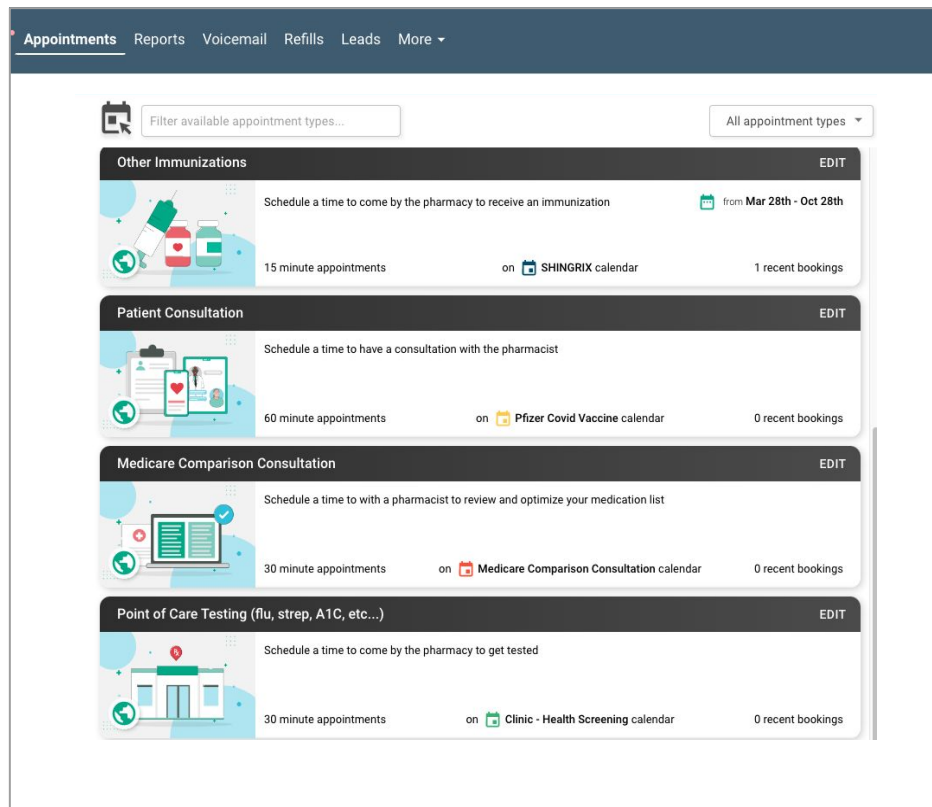
Make sure your website is optimized and highlights the services that differentiate your pharmacy from the competition and drive revenue.



Digital Tools to Help Your Do All of This in Less Time

Online Scheduling

Streamlines appointment scheduling to help you implement more clinical services with ease and efficiency.



Digital Tools to Help You Do All of This in Less Time

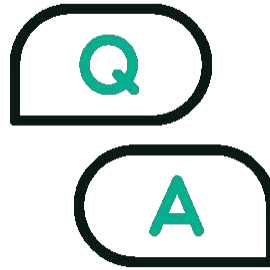
Vow IVR (Interactive Voice Response)

- Manage inbound calls, process prescription refill requests, and provide pre-recorded pharmacy information - letting you focus on the patient in front of you.
- Use on-hold messaging, greetings and menu prompts to promote pharmacy services – an easy way to market revenue-driving offerings without additional budget.



Questions

Live Q&A: Type in your questions!



Contact Us

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