



## THIRDWAVE RX CASE STUDY: LTC PHARMACY

# Precision and Savings: Custom Adjudication Implementation for a National Pharmacy Chain

## A Case Study in Lowering Costs and Improving Operations Through Expertise and Automation

### Who is the Operator?

A national long-term care (LTC) pharmacy chain. During the first phase, we implemented Thirdwave's adjudication platform and supporting services for **8 pharmacies serving over 300 SNFs and over 150K prescriptions per month.**

### Thirdwave Services

- Drug Manufacturer Rebates
- Real-time Adjudication
- Therapeutic Interchange Formulary

### Project Timeline

- Onboarded and implemented the majority of its pharmacies within two months
- Expand services to all pharmacies in Q1 2024

## The Challenge

A national chain of long-term care (LTC) pharmacies wanted to maximize rebate savings and establish extremely precise adjudication services for its pharmacies serving over 300 skilled nursing facilities (SNFs) across the country.

They required additional layers of adjudication edits on top of Thirdwave's typical rebate administration process. This included:

- Checking the price for all claims against contract rates that varied by pharmacy and the SNFs they served.
- Therapeutic interchange formularies for each pharmacy to support cost-savings and efficient operations.
- Establishing location-specific rules that govern the dispensing of drugs and cost thresholds.

This amounted to thousands of custom rules and custom pharmacy messaging being built within Thirdwave's adjudication platform. The target date to complete this project was August 2023.

### What is a Therapeutic Interchange Formulary?

A formulary that establishes alternatives to prescribed drugs as approved by an overseeing physician and/or pharmacist to ensure the dispensing of cost-effective drugs. This enables providers to maximize rebate opportunities while supporting quality clinical care.



## The Thirdwave Solution

### Step 01.

Created a dedicated team of specialists in coding, adjudication, and plan design

- Two experts in long-term care operations
- Two experts in pharmacy operations and adjudication processes

### Step 02.

Established secure connections with all pharmacy locations to transfer claims data seamlessly.

- This enabled Thirdwave automation to handle rebate administration independent of any additional action from the pharmacy. All data elements and files necessary were captured in real-time, increasing rebate savings for all locations.

### Step 03.

Implemented custom therapeutic interchange formularies designed according to the needs of each pharmacy and the SNFs they serve. This involved coding precise rules for thousands of drugs to ensure that only approved drugs would be dispensed. Alerts notify the relevant personnel at the pharmacy in the event of a rejection.

### Step 04.

Created an additional layer of rules for each pharmacy location that specify operational preferences for how certain drugs should be dispensed and a tightly managed list of approved OTCs to dispense. All other OTCs would be rejected.

### Step 05.

Adjudicated pricing for all claims against contract rates to ensure price adherence. These rules vary across locations and notify pharmacy personnel if an item is billed at a price that deviates from contract rates. Maximum cost threshold rules were also put in place, requiring authorization from a facility if any drug exceeds a pre-determined price.

### Step 06.

At individual pharmacy locations, unique billing identifiers were also set up for all SNFs being serviced, allowing each pharmacy to bill facilities more precisely and according to the payer associated with each transaction.

## Rapid Deployment Meets Unrivaled Results

By our target date, every pharmacy during this phase one rollout was connected to the Thirdwave system. Every claim is now being adjudicated in real time with extremely precise rules in place to support pharmacy operations.

*This process, from design to implementation, proved the capacity of the Thirdwave system and the expertise of our staff. With these pharmacies and the SNFs they serve, we doubled the volume of claims being processed.*

### Savings Increased and Operations Streamlined

For such a large pharmacy operator, implementing these custom rules amounts to untold hours of work saved or avoided, enabling staff and pharmacy systems to conduct more profitable work.

With all claims now being monitored, the Thirdwave service also enables this client to achieve its lowest net drug cost with rebate claims being automatically submitted and no opportunity unclaimed.

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