



Restructuring the Pharmacy Pricing Algorithm



The NuBase Group

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Approach

To achieve project objectives, NuBase consultants will use its Pharmacy software tool, RxPricer™, to analyze your hospital's existing Pharmacy Formulary Charge Data and Pricing. NuBase's RxPricer™, uses state-of-the-art mapping and benchmarking technology. Upon receipt of the required Pharmacy Formulary, revenue and usage data files, and current Pharmacy pricing algorithm, an off-site benchmarking of Pharmacy charging data will be performed and NuBase will model alternative Pharmacy pricing algorithms in line with current industry practice and marketplace. NuBase will present a preliminary model via web-conference and obtain your feedback. Upon evaluating this feedback, NuBase will promptly make any necessary modifications. NuBase will then present the recommended final pricing model and formulas, which if implemented, will represent a more rational and defensible approach to Pharmacy pricing.

Deliverables

- **Executive Summary Conference** - NuBase will conduct an on-site conference with selected hospital staff responsible for coding, billing and revenue capture to present and review the pricing models and recommendations.
- An **Executive Summary Report** will be developed and will include the following:
 - **Financial Impact Report** - describes the impact that a new pricing algorithm has on gross revenue generation
 - **Revenue Detail Report** - describes recommended revisions required to be made in the hospital's Pharmacy Formulary and / or billing system as it may relate to drug cost, tiered mark-up factors, dispensing fees, drug group mapping, mapping between formulary and chargemaster or the actual drug charge itself if the current practice is to generate pharmacy billing directly from the CDM

Additionally, NuBase will provide the following:

- **RxPricer™ Report** - shows NuBase proposed alternative pricing and gross revenue projections for all Pharmacy items utilizing actual acquisition cost (AAC), or wholesale acquisition cost (WAC), and/or average wholesale price (AWP)
- **Comparison of Hospital's Pharmacy Charge to Cost Ratio** to Peer Group Hospitals and State Hospitals

For additional information, pricing, or to set up an appointment, please contact us at: info@nubasegroup.com