Pharmacy-Based Bone Density Testing

Question 1
Which of the following is a feasible site for BMD screening services?

A. Physician office
B. Pharmacy
C. Health club
D. All the above

Question 2
What is the standard recognized health care billing form?

A. CMS 1500
B. CMS 1400
C. Care Claim Form
D. ICD-9
Question 3
Which type of BMD device is generally used for screening purposes in a community pharmacy?
A. Central DXA
B. Peripheral DXA
C. Ultrasound
D. B & C

Question 4
What are patients typically paying for a BMD screening test?
A. $5 to $15
B. $10 to $35
C. $25 to $50
D. Nobody pays

Question 5
What is the value in a business plan?
A. Assessment of expenses and revenues
B. Keeps consultants in business
C. Necessary to get third party reimbursement
D. All the above
Instructions

While viewing this multi-media program, you can control the slides and audio by using the “play”, “pause”, “next”, and “previous” controls. You can also jump to a specific slide using the thumbnail images at the bottom of the screen.

Learning Objectives

At the conclusion of this program, participants should be able to:
- List three reasons why pharmacists should consider offering Bone Mass Density (BMD) testing
- Describe the statement of medical necessity and its role in billing for osteoporosis care services
- Define the billing codes necessary to complete a CMS 1500 form
- Develop a business plan for an osteoporosis screening and management services
- Describe the basic procedure for operating an ultrasound BMD testing device
- Discuss the necessity for Quality Control when operating BMD testing devices

Lindsey Stephens, R.Ph., FACA

- BS in Pharmacy from Drake University College of Pharmacy
- Currently the Director of Professional Services for Medicine Shoppe International & Medcap Pharmacies, Inc.
- Spoken nationally on osteoporosis numerous times
- Previously has served on the Proctor & Gamble Osteoporosis Advisory Committee and the Iowa Osteoporosis Coalition Board of Directors

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Planning Considerations

Why?
- Increase customer traffic into pharmacy
- Companion sales opportunity
  - Vitamins, OME
- New revenue source
- Offer disease management services
- Professional image
- Professionally and personally rewarding

Planning Considerations
- Competition
- Testing venues
- Technology selection
- Staff training
- Screening criteria
- Logistics
- Advertising & promotion
- Interpreting results
**Competitive Analysis**

- Identify where people currently receive these services in your community
  - Physician office
  - Other pharmacies
  - Local hospital
  - Health fairs

**Competitive Analysis**

- Evaluate each site
  - Services offered
  - Geographic area served
  - Marketing approaches
  - Strengths
  - Weaknesses

**Local Hospitals**

- Use peripheral screenings to
  - Refer to physician partners
  - Feed downstream services (ie. DXA scans)
  - Help enhance community prevention image

- Fees
  - Often at little or no cost to consumer
  - Used as a “loss leader”
Planning Considerations

- Competition
- **Testing venues**
- Technology selection
- Staff training
- Screening criteria
- Logistics
- Advertising & promotion
- Interpreting results

Testing Venues

- On-Site
  - Your pharmacy
- Off-Site
  - Area physician clinics
  - Local hospitals
  - Health clubs
  - Community centers
  - Places of worship
  - Schools
  - Employers
  - Health fairs

Testing Venues

- Considerations when evaluating a site
  - Potential patient populations
    - Demographics
    - Size of potential pool
  - Cost
    - Labor
    - Transportation to and from
    - Supplies
  - Suitability of space/area for testing
  - If you have been contacted by a site to conduct BMD testing and the size of the patient pool or demographics are questionable, and you are unsure about the financial viability of an event, you could require a flat fee from the testing venue in order to assure you a financially sound event.
Planning Considerations

- Competition
- Testing venues
- Technology selection
- Staff training
- Screening criteria
- Logistics
- Advertising & promotion
- Interpreting results

Technology Selection

- Regulations
- Portability
- Ease of use

Technology Selection

- Regulatory issues for X-ray based devices
  - Machine registration and fees
    » Vary from state to state
    » Usually required upon installation
    » Limited registration periods (1-3 years)
Technology Selection

- Regulatory issues for X-ray based devices
  - Operator requirements
    » Range from none to requiring a Certified Radiological Technician (CRT) to having a permit requiring specific certification and training of technician operator to operate a BMD machine

Technology Selection

- Regulatory issues for X-ray based devices
  - Inspection and renewal
    » Post-installation surveys may be required
    » Re-inspection at set intervals may also be mandated

Technology Selection

- Regulatory issues for X-ray based devices
  - Shielding requirements
    » Generally there are no specific shielding requirements
    » Some states do specify shielding requirement
Technology Selection

Regulatory issues for X-ray based devices
- Machine transportation across state lines
  » Some states require notice be given to a state agency before transporting X-ray equipment into the state

Regulatory issues for all devices
- BMD screening equipment is registered by the FDA as a prescriptive device. Therefore, you MUST either have a prescription, a statement of medical necessity from a physician, a standing order signed by a physician prior to conducting screenings OR contact the patient’s primary care physician for approval

Size and portability of the device
- How much space necessary to operate the device?
- Is weight and ease of moving an issue for off-site testing?
**Technology Selection**

- **Ease of use**
  - Steps involved in Quality Control (QC) and screening
  - Procedure for body positioning
    - Proper body placement is key
  - Use of water baths or gels
  - How much “undressing” is required

**Technology Selection**

- **Quality Control Procedure**
  - Ease of performing
  - Frequency
    - Every day
    - Every week
    - Other
  - Any day a screening will be conducted and anytime the machine has been transported
  - Cost to complete

**Technology Selection**

- **Cost per test**
  - Employees’ time (RPh vs. tech)
  - Supplies (gel, wipes, printer paper, etc)
  - QC testing
  - Transportation
  - Amortized equipment cost
  - Overhead
Technology Selection

- Actual time to complete entire patient interaction
  - Patient prep
    - Undressing
    - Applying gel
    - Appropriate positioning
    - Clean up after test
    - Redressing
  - Testing procedure from start to getting a printed report
  - Patient consultation
  - Documentation

Technology Selection

- Company support
  - What installation services do they provide?
  - What is the training process?
  - How do they handle malfunctioning equipment?
  - Where is the closest service facility?
  - What is the turnaround time for replacement machines?
  - Do they have a call center?
  - What are their hours of operation?
  - What is the average response time to answering calls and average time to solve problems?
  - Do they provide patient educational materials and promotional materials to assist you?

Peripheral X-Ray Based Equipment

- Absorptiometry – hand
- Absorptiometry – heel and forearm
- Absorptiometry – forearm
- Absorptiometry - heel
Absorptiometry - Hand

Method: dual energy x-ray absorptiometry
Site: hand
Radiation Dose: 0.3 mRem
Scan Time: 30 sec
Reference Pop: females of various ethnic backgrounds & Caucasian males
Components: scanner with microcomputer, optional printer
Weight: 70 lb
Dry system

Absorptiometry – Heel and Forearm

Method: dual-energy x-ray absorptiometry
Site: heel and forearm
Radiation Dose: 20 mRem
Scan Time: 5 sec
Reference Pop: female & male Caucasians
Components: scanner, computer, printer
Weight = 70 lbs
Dry system
Absorptiometry - Forearm

Method: dual energy x-ray absorptiometry  
Site: forearm  
Radiation Dose: < 3 mRem  
Scan Time: 5 min  
Reference Pop: males and females of various ethnic groups  
Components: scanner, computer, printer  
Weight = 59 lbs  
Dry system
Absorptiometry - Heel

Method: dual-energy x-ray absorptiometry
Site: heel
Radiation Dose: < 0.2 mRem
Scan Time: 15 sec
Reference Pop: males and females of various ethnic groups
Components: scanner, control console, printer
Weight = 64 lbs
Dry system

Ultrasound-Based Equipment

- Ultrasound - Heel
**Ultrasound - Heel**

Method: ultrasound  
Screening Site: heel  
Radiation Dose: none  
Scan Time: ~1 min  
Components: scanner with microprocessor & printer  
Weight: 22 lbs  
Uses a water based gel

**Ultrasound - Heel**

Method: ultrasound  
Site: heel  
Radiation Dose: none  
Scan Time: 1 min  
Components: scanner, built-in microprocessor and printer

**Insert Video Here**
Planning Considerations

- Competition
- Testing venues
- Technology selection
- **Staff training**
  - Screening criteria
  - Logistics
  - Advertising & promotion
  - Interpreting results

---

**Planning Considerations**

- When training your staff on the technology selected to screen patients be sure to educate them on:
  - How it works
  - The precision & validity of the test compared to a DXA and other peripheral devices
  - The use of the machine for screenings
  - The use of the machine for monitoring
  - Review the step-by-step instructions on technical use for the equipment
  - The legal environment in your state associated with offering BMD screenings and assessing fracture risk of patients screened without actually providing a diagnosis

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**Staff Training**

- Assigning responsibility
  - Economic & skill level consideration
- Topics to address
  - Clinical knowledge
  - Device operation & maintenance
  - Overall operation of service (policy & procedures)
- Initial training & ongoing updates

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**Staff Training**

- Must ensure accuracy of testing results
  - Proper operation of device
  - Ongoing QC
  - Periodic evaluation of staff

**Planning Considerations**

- Competition
- Testing venues
- Technology selection
- Staff training
- Screening criteria
- Logistics
- Advertising & promotion
- Interpreting results

**Screening Criteria**

- Testing Guidelines according to the NOF
  - All postmenopausal women >65 years old who have 1 or more additional risk factors for osteoporosis
  - All women >65 years old regardless of additional risk factors
  - Postmenopausal women who present with fractures (to confirm disease and determine disease severity)
  - Women who are considering treatment for osteoporosis
  - Women who have been on HRT for prolonged periods

Refer to the Bone Density Consent Form in the Osteoporosis Care Toolkit to see a risk factor checklist.
Peripheral Screenings in Men and Ethnicities

- DXA
  - Some reference populations for men and ethnicities
  - Consensus is to avoid the use of peripheral screening in men
- Ultrasound
  - Not FDA approved
  - No reference populations
    » Difficult to compare

Planning Considerations

- Competition
- Testing venues
- Technology selection
- Staff training
- Screening criteria
- Logistics
- Advertising & promotion
- Interpreting results

Logistics

- Applies to in-store and off-site operations
  - Space requirements
  - Adequate and qualified personnel
  - Hours of operation
  - Appointment scheduling
  - Consent forms and necessary documents
  - Adequate supplies & equipment

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Planning Considerations

- Competition
- Testing venues
- Technology selection
- Staff training
- Screening criteria
- Logistics
- Advertising & promotion
- Interpreting results

Advertising and Promotion

- In-store promotion
  - Bag stuffer, banner, personalized letters to select patients
- Advertising
  - Newspaper ads, radio, cable television, direct mail (Val-Pak)
- Detailing referral sources
  - MCOs, hospitals, employers, physician practices

Advertising and Promotion

- Considerations
  - Hitting target audience
  - Cost effectiveness
  - Address why patients should have BMD testing
  - Garner support of physician opinion leader in community
  - Community partnerships
Partners

- Pharmaceutical representatives
  - Detailing physicians and having them partner with you
  - Providing financial assistance for screenings in physician offices and the community

Partners

- Pharmacy wholesalers - national and regional pharmacy organizations
  - Disease management programs
    - Bone Health programs
  - Financial incentive for program start up
  - Discounts on equipment and supplies
  - Marketing and advertising materials

Planning Considerations

- Competition
- Testing venues
- Technology selection
- Staff training
- Screening criteria
- Logistics
- Advertising & promotion
- **Interpreting results**
Interpreting Test Results

- Only physicians can interpret test results.

Explaining Screening Results

- Female
- Age 31
- T-score
- Z-score
- % Young Adult
- % Age Matched

Osteoporosis Screening & Education in Community Pharmacies Using a Team Approach

**Pharmacotherapy 2005;25:379-386**

- Description of service
  - Patients were referred by MD to RPh located at Walgreen's Pharmacy
  - Obtained medical & drug history
  - Performed heel ultrasound scan
  - Educated patient on results, standard dietary recommendations & lifestyle modifications
  - Results from patients with low BMD scores forwarded to referring MD
Osteoporosis Screening & Education in Community Pharmacies Using a Team Approach
Pharmacotherapy 2005;25:379-386

Results
- 97 patients enrolled
  » 46% had T-score < -1 to > -2.5
  » 9% had T-score ≤ -2.5
- Patient satisfaction
  » 94% found the program made them feel better about how they take care of themselves
  » 87% felt more in control of their health
  » 96% would recommend the service to others

Pharmacist-run Teriparatide Clinic
Am J Health-Syst Pharm 2003;60:2247-2249

Purpose: to ensure appropriate & safe use
Services:
- Chart review to ensure patient was evaluated for possible secondary causes & no contraindications
- Patient education on preventive measures, proper drug administration
- Phone follow up in one week
- RTC at one month

Pharmacists are NOT diagnosing osteoporosis. We are helping to identify those potentially at risk.
Reimbursement Issues

Sources of Reimbursement
- Patient self-pay
  - Cash
  - HSAs
- Contractual arrangements
  - Sources: MCOs
    - Employers
    - PBMs
    - Physicians
    - Pharmaceutical companies
  - Type of contracts: Fee for service, Capitation, Risk sharing
- Billing third-party payers

Reimbursement
- For BMD screening
- For consultative service
Establish a Fee Schedule

- Determine cost of doing business
  - Time
  - Overhead

Reimbursement for BMD Screening

- Self-pay
  - Fee range $10-$35 for these types of screenings
- Insurance other than Medicare
  - Coverage varies depending upon policy
  - Changes in state mandates may extend coverage to more individuals

Reimbursement for BMD Testing

- Medicare
  - An amendment went into effect July 1, 1998 which requires Medicare to cover bone mass measurement in select populations:
    - Estrogen-deficient women at risk for osteoporosis
    - Vertebral abnormalities demonstrated by x-ray
    - Primary hyperparathyroidism
    - Long-term glucocorticoid therapy
    - Efficacy monitoring for approved osteoporosis drugs
  - One test every two years – some exceptions
- Medicaid
  - Coverage varies by state
Reimbursement for BMD Testing

- Medicare
  - Independent Diagnostic Testing Facility (IDTF)
    » Entry independent of a hospital or physician's office
    » Performed by licensed, certified non-physician personnel under appropriate physician supervision
    » Fixed location, mobile entity, or individual non-physician practitioner
    » Physician oversight necessary and evidence proficiency
    » Individual physician order needed
    » Billed using CMS 1500 form using common CPT & ICD-9 codes and specialty code 47 for claims processing

Reimbursement for Bone Health Consultations

- Self-pay
  - Fee range $15-$60 for 15-30 minute consultation sessions
- Insurance coverage other than Medicare
  - Coverage varies depending upon policy
- Medicare
  - The MMA may offer a new opportunity for MTM reimbursement for these services

Standardize Your Fees

- Must charge all patients the same price for the same service
Information Needed to Complete CMS 1500 for Service Reimbursement

- Patient’s medical insurance information
- ICD-9 code(s)
- CPT code
- Provider ID

ICD-9 Codes

- International Classification of Disease
- Codes based on disease, injuries, and patient encounter
- V code – V77.9 screening for unspecified endocrine, nutritional, metabolic and immunity disorders
- Physician diagnosis code
- Document source

CPT Codes

- Current Procedural Terminology
- Describes professional services, procedures, and tests
  - If a pharmacist is providing MTMS, e.g., for osteoporosis medication monitoring, then use new MTMS codes. For complete information on MTMS codes, go to www.pstac.org
- Must have supporting documentation of services provided

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Selecting a CPT Code

- Screenings
  - Selected depending upon device used
- Consultations
  - Use appropriate MTM code
- Documentation MUST support code choice
  - SOAP note:
    » Patient Name, DOB, description of service provided, time spent with patient providing service, test results, assessment of the patient, pharmacist's findings and recommended follow-up

Submitting A Claim

Provider Number

- National Provider Identifier (NPI) or other health plan provider identifier
  - Identifies the rendering provider
  - Needed on CMS 1500 form
  - NPI is effective May 23, 2007
  - CMS website address: www.cms.hhs.gov/providers/npi

Submitting the Claim

- Statement of medical necessity
- CMS 1500 form
- Documentation of services
Submitting A Claim

**Statement of Medical Necessity**
- May be necessary to be reimbursed
- Physician referral form
- Provider ID and ICD-9 code

Submitting A Claim

**Claims Forms**
- CMS 1500
  - The standard recognized health care billing form
  - Universal billing form for lab tests, procedures, professional services, equipment
  - Can be used if fewer than 10 FTEs
  - Electronic claims format is beginning to be widely available to pharmacies

Documentation
- MUST document the level of care provided
- Use a recognized, systematic method
- “If it is not documented, you did not do it.”
- SOAP note

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Considerations

- Contact insurance company prior to submitting claim for approval
- Use the terms “counseling” or “self management” rather than “education”
- Be consistent and persistent

If billing insurance companies, allow them at least 45 days to make payment. Then call to inquire about status of claim.

Resources

- Local offices
  - CMS
  - Part B carrier
  - Part D PDP
- Reimbursement guides and newsletters
- Billing services
- Billing software
- NIPCO: 1-800-544-7447

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Business Plan Development

The What and Why of Business Plans

- Detailed description of future business goals and a means of achieving those goals
- Assessment of expenses and revenues
- Road map to keep you on course

Business Plan

- Setting goals
  - For patients
  - For our pharmacy
- Identifying all steps necessary for successful implementation and ongoing operation of program
  - Creating an action plan and timeline
  - Establishing costs (start-up and ongoing)
Action Plans and Implementation Timelines

- Develop two action plans with timelines
  - Start-up/one time only action items
  - Ongoing operations
    » Setting a screening schedule

Determining Osteoporosis Services Offered

- Examples
  - Screenings only
  - Management service
  - Prevention service

Goals

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Example Goals of Service

- For patients
  - Enhance patient understanding of osteoporosis
  - Improve rate of adherence with treatment
  - Ensure optimal drug, dose, and regimen selection
  - Identify patients at risk for osteoporosis and encourage follow-up care
- For our pharmacy
  - Engage all interested members of the pharmacy team to assist in development, implementation, and administration
  - Generate projected revenue and profits in years one and two
  - Increase profits in subsequent years and diversify service offering

Crafting the Business Plan

- Regulatory considerations
- Site development and preparation
- In store logistics
- Advertising and promotion
- Reimbursement
- Return on investment analysis
- Evaluation of service(s)
- Ongoing operations

Application Exercise #5

Click here to access PDF of the Module 5 Application Exercise - Information for Reimbursement and Business Planning. Please print this tool prior to continuing with the program.
Application Exercise #5
Stuart’s Pharmacy

- Located in a medical office complex
- 2,000 square foot pharmacy
- Competes with chain, supermarket and discount pharmacies and has succeeded by offering friendly, knowledgeable service
- Currently fills 2,000 prescriptions per week
- Hours Mon-Fri 9 to 6 and Sat. 9 to 2
- Staff: one full-time pharmacist (Stuart Jones – owner), one part-time pharmacist (Grace), two full-time pharmacy technicians and two full-time pharmacy cashiers

Stuart’s Pharmacy

- Review business plan
- Is the pharmacy going to be able to meet the set goals?
- Is anything missing?
- What changes can made in the business plan to improve the return on investment?

Business Plan for Stuart’s Pharmacy

- Services Planned
  - Osteoporosis screening
- Goals of Service
  - Enhance the health service image of the pharmacy
  - Identify patients at risk for osteoporosis
  - Break even within two years
  - Create a structure so that services for other disease states may be added
  - Provide new and challenging professional experience for the staff
- Target start date
  - 12 weeks from now

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## Site Development and Preparation

<table>
<thead>
<tr>
<th>Item</th>
<th>Timeline</th>
<th>Cost</th>
<th>Assigned To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location for screenings - In store only at this time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remodeling - None at this time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Furniture - Have chairs and table to use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment - Research, select, and purchase BMD machine</td>
<td>4 weeks</td>
<td>$12,000</td>
<td>Stuart</td>
</tr>
<tr>
<td>Supplies - Gel, wipes, paper towels, patient education materials</td>
<td>10 weeks</td>
<td>$250/$100</td>
<td>Grace</td>
</tr>
</tbody>
</table>

## In-Store Logistics

<table>
<thead>
<tr>
<th>Item</th>
<th>Timeline</th>
<th>Cost</th>
<th>Assigned To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient care documentation system - Will use paper system</td>
<td>6 weeks</td>
<td>$50/$25</td>
<td>Grace</td>
</tr>
<tr>
<td>Pharmacist staffing - 4hrs/month RPh time</td>
<td>2 weeks</td>
<td>4 x $60/hr</td>
<td>Stuart</td>
</tr>
<tr>
<td>Training of employees on use of machine</td>
<td>10 weeks</td>
<td>None</td>
<td>Stuart</td>
</tr>
<tr>
<td>Training staff pharmacist on osteoporosis</td>
<td>10 weeks</td>
<td>$200</td>
<td>Grace</td>
</tr>
<tr>
<td>Training of employees on program</td>
<td>10 weeks</td>
<td>None</td>
<td>Stuart</td>
</tr>
</tbody>
</table>

## Advertising and Promotion

<table>
<thead>
<tr>
<th>Item</th>
<th>Timeline</th>
<th>Cost</th>
<th>Assigned To</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-store Brochure, banner, counter card, yard sign</td>
<td>8 weeks</td>
<td>$500</td>
<td>Grace</td>
</tr>
<tr>
<td>Patient – In-store identification Use brochure as bag stuffer</td>
<td>8 weeks</td>
<td>$50</td>
<td>Grace</td>
</tr>
<tr>
<td>Physician – Direct mail Targets: James, King, Stevens, Lewis</td>
<td>10 weeks</td>
<td>$200</td>
<td>Grace</td>
</tr>
</tbody>
</table>
### Reimbursement

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeline</th>
<th>Cost</th>
<th>Assigned To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determine screening fees</td>
<td></td>
<td>$25</td>
<td>Done</td>
</tr>
<tr>
<td>Determine method for collecting payment from patient</td>
<td>12 weeks</td>
<td>None</td>
<td>Stuart</td>
</tr>
<tr>
<td>Method for filing and tracking claims (billing software or service)</td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

### Financials

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeline</th>
<th>Cost</th>
<th>Assigned To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on investment analysis</td>
<td></td>
<td>None</td>
<td>Done</td>
</tr>
<tr>
<td>Tracking revenues and service delivered</td>
<td>12 weeks</td>
<td>None</td>
<td>Stuart</td>
</tr>
</tbody>
</table>

### Evaluation of Services

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeline</th>
<th>Cost</th>
<th>Assigned To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue targets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses and revenues tracked continuously and evaluated annually</td>
<td>12 weeks and beyond</td>
<td>None</td>
<td>Stuart</td>
</tr>
<tr>
<td>Patient goals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Ongoing Operations

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timeline</th>
<th>Cost</th>
<th>Assigned To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy and procedure manual</td>
<td>12 weeks and beyond</td>
<td>None</td>
<td>Grace</td>
</tr>
<tr>
<td>BMD machine calibration</td>
<td>12 weeks and beyond</td>
<td>None</td>
<td>Grace</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>12 weeks and beyond</td>
<td>$800</td>
<td>Grace</td>
</tr>
<tr>
<td>Scheduling screening events</td>
<td>12 weeks and beyond</td>
<td></td>
<td>Grace</td>
</tr>
</tbody>
</table>

### Return on Investment Analysis

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Year One</th>
<th>Year Two</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMD machine</td>
<td>12,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Additional staffing</td>
<td>2,880.00</td>
<td>4,320.00</td>
</tr>
<tr>
<td>Documentation supplies</td>
<td>50.00</td>
<td>25.00</td>
</tr>
<tr>
<td>Other supplies</td>
<td>250.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Pharmacist training</td>
<td>400.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Advertising/promotion</td>
<td>750.00</td>
<td>800.00</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$16,330.00</td>
<td>$5,245.00</td>
</tr>
</tbody>
</table>

### Return on Investment Analysis

<table>
<thead>
<tr>
<th></th>
<th>Year One</th>
<th>Year Two</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prescription Revenue</td>
<td>1,200.00</td>
<td>2,400.00</td>
</tr>
<tr>
<td>Screening Fees</td>
<td>3,600.00</td>
<td>5,400.00</td>
</tr>
<tr>
<td><strong>Indirect Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5% of screening</td>
<td>168.00</td>
<td>456.00</td>
</tr>
<tr>
<td>customers will buy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>calcium supplements</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>4,968.00</td>
<td>8,256.00</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>($11,362.00)</td>
<td>$3,011.00</td>
</tr>
</tbody>
</table>
Analysis of the Business Plan

- Is the pharmacy going to be able to meet the set goals?
- Is anything missing?
- What changes can be made in the business plan to improve the return on investment?

| Profit | ($11,362.00) | $3,011.00 |

Improving ROI: Potential Modifications to the Business Plan

- Depreciate cost of equipment over useful life of equipment vs recognize all costs in year one
  - Estimate 5-year depreciation @ $2,500 per year

| Profit | ($1,862.00) | $711.00 |

- Group purchase of BMD equipment
  - Example: 4 pharmacies
    » Each pharmacy uses machine 1 week monthly
- Develop written agreement regarding:
  - Machine scheduling
  - Ownership
  - Maintenance responsibilities, etc.
**Improving ROI: Potential Modifications to the Business Plan**

- Do more screenings
  - Off-site venues
  - Senior centers
  - Physician offices
  - Local hospitals
  - Community centers
  - Places of worship
  - Schools
  - Employers
  - Health fairs
- Engage Pharmaceutical Representatives
  - Detail physicians and to partner with you
  - Providing financial assistance for screenings in the community
- Increase number of hours devoted to screenings or screenings per hour

**Improving ROI: Potential Modifications to the Business Plan**

- Engage pharmacy support personnel
  - Pharmacy technician performs the BMD test
  - Pharmacist consults with patient on test results
  - Offsets additional cost of technician by increasing number of screenings and decreasing pharmacist time involved in conducting the test

**Return on Investment Analysis - Revised**

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Year One</th>
<th>Year Two</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMD machine</td>
<td>1,510.00</td>
<td>1,660.00</td>
</tr>
<tr>
<td>Additional staffing</td>
<td>4,800.00</td>
<td>8,160.00</td>
</tr>
<tr>
<td>Documentation supplies</td>
<td>50.00</td>
<td>75.00</td>
</tr>
<tr>
<td>Other supplies</td>
<td>350.00</td>
<td>200.00</td>
</tr>
<tr>
<td>Pharmacist training</td>
<td>400.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Advertising/promotion</td>
<td>1,000.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$8,110.00</strong></td>
<td><strong>$11,595.00</strong></td>
</tr>
</tbody>
</table>
### Return on Investment Analysis - Revised

<table>
<thead>
<tr>
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<tr>
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<tr>
<td>Prescription Revenue</td>
<td>1,200.00</td>
<td>2,400.00</td>
</tr>
<tr>
<td>Screening Fees</td>
<td>9,000.00</td>
<td>14,400.00</td>
</tr>
<tr>
<td><strong>Indirect Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5% of screening customers will buy calcium supplements</td>
<td>432.00</td>
<td>912.00</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>10,632.00</td>
<td>17,712.00</td>
</tr>
<tr>
<td>Profit</td>
<td>$2,522.00</td>
<td>$6,117.00</td>
</tr>
</tbody>
</table>

Make your assumptions reasonable and attainable—

**THEN BE AGGRESSIVE AND KNOCK THE BALL OUT OF THE PARK**

---

**Osteoporosis Care Certificate Program**

**Pharmacy Based Bone Density Testing**

- Planning Considerations
- Reimbursement Issues
- Business Plan Development
- Application Exercise #5
Check Point
How Well Are You Able to:

- List three reasons why pharmacists should consider offering Bone Mass Density (BMD) testing
- Describe the statement of medical necessity and its role in billing for osteoporosis care services
- Define the billing codes necessary to complete a CMS 1500 form
- Develop a business plan for an osteoporosis screening and management services
- Describe the basic procedure for operating an ultrasound BMD testing device
- Discuss the necessity for Quality Control when operating BMD testing devices

Take Time to Review if Necessary

- List three reasons why pharmacists should consider offering Bone Mineral Density (BMD) testing [Planning Considerations]
- Describe the statement of medical necessity and its role in billing for osteoporosis care services [Reimbursement Issues]
- Define the billing codes necessary to complete a CMS 1500 form [Reimbursement Issues]
- Develop a business plan for an osteoporosis screening and management services [Business Plan Development]
- Describe the basic procedure for operating an ultrasound BMD testing device [Planning Considerations]
- Discuss the necessity for Quality Control when operating BMD testing devices [Planning Considerations]

Thank you for your participation.
Click below to proceed to the Post-Test.