

VOICES

Yosef Daskal, Founder, SRX

This article is sponsored by SRX. In this Voices interview, Skilled Nursing News sits down with SRX founder and COO of Synergy Healthcare Alliance (HCA) Yosef Daskal to learn how managing pharmacy spend is key during COVID-19, how the right technology can help skilled nursing facility (SNF) operators capture millions of dollars in rebates, and what SNF operators should know about managing rebates during the pandemic.



Skilled Nursing News: You are an entrepreneur, a public speaker, founder of SRX and chief operating officer at Synergy HCA. What are the key points in your career that you draw from most frequently today?

Yosef Daskal: In terms of health care, I worked for ten years in operations for a group of 40 skilled buildings in the northeast. I covered seven states, and my responsibilities covered most everything that had a financial impact to the organization. One of my main tasks was to accomplish efficiencies and systemic solutions to ensure a smooth operation.

Prior to that, I was actually not in the health care arena. I was working for a multi-national public company. And I must tell you, I much prefer to be in the private sector, where you can be a little more agile and really effectuate significant change.

What is the overlap between SRX and Synergy HCA?

Early in my career, I recognized that there was a need for solutions that holistically solved issues throughout organizations that operate in diverse geographies and with multiple issues unique to skilled nursing. One of the first projects I worked on as an entrepreneur was streamlining cost savings and contract negotiations in the skilled nursing arena, enabling them to tackle what typically is a very arduous process of vetting a variety of vendors and solutions, and then making sure that the pricing and value are appropriate.

Having been in the role of operating facilities, I was acutely aware of the challenges surrounding pharmacy spend. So our group purchasing organization wasn't just looking at solutions from the perspective of how much we could save on something – we also wanted to couple savings with operating efficiencies.

The outgrowth of looking at key ways to affect operations was Synergy RX, now SRX, which directly impacts pharmacy spend – the largest line item on a P&L (profit and loss sheet) after overhead. While the majority

of facility residents and their associated drug costs are typically covered by Medicare Part D, Medicare Part A residents – typically comprising just 20% of the patient mix in most facilities – account for the entirety of the pharmacy spend line item. After rent and salaries, pharmacy spend is the largest expense for most LTC operators.

“ An organization that commands 100 facilities could be looking at north of \$3.5 million in annual rebates. Our clients receive those rebates on a quarterly basis, like clockwork. No exceptions or excuses.”

The financial strains posed by COVID-19 have presented unique challenges. What do you see as some of the opportunities in this environment for managing costs?

Many operators have been making extraordinary efforts to ensure the health and welfare of both staff and residents. For a period of time, operators were looking at a broken supply chain due to the pandemic, so cost constraints related to keeping everyone healthy kind of flew out the window.

Now that the supply chain issues are being ameliorated, operators are refocusing on some sense of normal operations. They are working hard to manage costs and figure out how to remain profitable in this new environment. They are also certainly reviewing their supply chain metrics to ensure that if something like this were to happen again, they are partnered with the right suppliers and vendors.

Pharmacy spend numbers increase year-over-year in the neighborhood of 12 to 14 percent. By maximizing rebates and better managing costs, operators can continue to deliver outstanding care to their residents while simultaneously dealing with the cost constraints of operating their businesses.

Rebates. This is something we have talked about with SRX before. They seem like a straightforward opportunity for operators. What should operators know about rebates that they might not already know?

Rebates are an interesting topic in the skilled environment. Prior to just a few years ago, while nursing homes and skilled operators were eligible for rebates, they lacked the tools and resources to effectively collect these eligible dollars in a compliant fashion. One of the first things an operator needs to know is that as payers for prescription drugs, they are eligible for rebates from pharma manufacturers on (Medicare) Part A and managed care spend.

Qualified partners will help operators understand their eligibility for rebates down to a granular level. That level of understanding will positively influence drug utilization behavior and provide choices that affect the rebate dollars they receive. This is a really important piece of ensuring that rebates are received in a compliant and optimized manner. When considering a partner to help obtain these rebates, operators should expect transparency, timely and guaranteed payments, and that partners maintain direct relationships with drug manufacturers.

What should annual rebates look like for operators that are properly managing their rebate administration? And I know this may differ based on number of facilities under management.

It's important for operators to understand the significance of these rebate dollars and cost savings. An organization that commands 100 facilities could be looking at north of \$3.5 million in annual rebates. Our clients receive those rebates on a quarterly basis, like clockwork. No exceptions or excuses.

You can extrapolate from that a multi-regional organization with 40 facilities is looking at annual rebates around \$1.5 million. These numbers are meaningful and certainly affect an organization's ability to operate successfully, especially when dealing with unexpected costs like what we've seen over the past few months from COVID. These rebates rightfully belong to operators, and they have helped our clients get through some pretty tough times.

You mentioned the idea that you know people should know this is significant money. How common is it for an operator to not realize that rebates could mean real dollars?

It depends. There are operators who have eligible rebates sitting around expiring because they never get claimed. More robust organizations tend to be aware that these rebates are available, and make an effort to claim them. Some of the smaller, regional operators simply aren't aware.

Sometimes operators are under the impression — because there are so many different kinds of opportunities around managing drug spend — that even though there are rebates, they may not be directly eligible for them. If you aren't able to peek behind the curtain, you should be asking yourself if you are truly getting the full value of the rebates that belong to you.

“Pharmacy spend (is) the largest line item on a P&L after overhead.”

Even when operators are aware of rebates and are working to submit them, due to the complexity and sheer volume of pharmacy line items, a lot of rebates go unrealized, even for knowing operators. Automation is the only way to ensure your facilities are maximizing and receiving all critical rebate dollars.

What is your most important recommendation for operators looking to maximize their rebate dollars?

As someone who has negotiated and overseen costs at the two large, national long-term care pharmacies, and some regional pharmacies, the number one thing to understand is that manual processes are impossible with a monthly spend that has 40,000 line items on an excel spreadsheet. There's a necessity for automation in managing drug utilization, pharmacy spend and pharmacy activity. The complexity behind a pharmacy bill is daunting, and even the most skilled operator trying to manage this by putting ten or twenty people in a cubicle is just not going to get the job done.

Finding the right partner who's going to help automate processes, and hold suppliers responsible, is going to ensure the right outcome. The right partner is going to have automation, a great relationship with big pharma and long-term care pharmacies and will ensure that their customers are getting the highest rebates possible.

And I would say that anyone looking for a partner that excels in all of these areas would be looking for SRX.

What do you say to operators who said that they cannot manage rebates due to COVID-19?

“Technology changes everything. It means that there aren't delays in payments. It means that even during COVID, SRX customers know what they are eligible for and continue to receive their payments as promised.”

The first thing that you need to know is that since March, SRX has onboarded several hundred facilities, many of these locations being in COVID hot spots. We have a simple, automated onboarding process because of our technology platform, which directly integrates with EHR systems as well as the platforms on the long-term care pharmacy side. So the real work and the heavy lifting is all done by SRX.

I know I keep mentioning technology, but it really changes everything. It means that there aren't delays in payments. It means that payment amounts and delivery times are guaranteed. It means that even during COVID, SRX customers know what they are eligible for and continue to receive their payments as promised. When everything else has been so uncertain, we are proud that our services, including providing valuable rebate dollars and cost savings, have been something that our customers can count on.

Editor's note: This interview has been edited for length and clarity.

SRX is a data-driven technology platform for skilled nursing and long-term care facilities. Their technology automates all areas related to pharmacy spend, including rebates, drug utilization, and reconciliation and reporting. Learn more at [SRX-tech.com](https://www.srx-tech.com).

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