

Case Study

Clinical Drug Savings Optimization

Situation

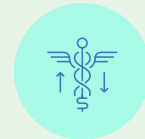
Escalating health care costs present an ongoing challenge for hospitals and health care centers regardless of size. The trend of repeated hikes in prescription drug prices represents one of the biggest contributors to the financial stresses faced by facility administrators across the country. Finding a way to counter this trend is critical not only to improving an organization's bottom line, but also to ensuring the delivery of quality health care and improved patient outcomes.

Outside the influence of high drug costs, the pharmacy environment is complex, and even the best pharmacy leader is challenged to keep up with every new regulatory change or accreditation requirement. Combine this dynamic with the scant time available to hospital staff and administrators to fully assess and understand their pharmacy department's performance and opportunities for improvement will be frequently overlooked.

Many hospitals that engage with CompleteRx are very familiar with these organizational challenges. Even those institutions that are not experiencing operational complications recognize that partnering with a pharmacy management company can significantly improve the financial and operational performance of their pharmacy enterprise.

That was the case for a 150-bed community hospital in northeast U.S. In 2017, the facility took a proactive approach and engaged CompleteRx to conduct a full onsite assessment of the pharmacy operations – at no cost to the hospital – to identify fiscal, clinical and operational improvements that resulted in considerable cost-savings for the facility.

Surveyed hospital CEOs rank the following among their top financial challenges:



44%

cite Medicare reimbursement



60%

cite increased staff and supply costs



55%

cite reducing operating costs



54%

cite transitioning from volume to value

Sourced from IBM Watson Health

Solution

After the assessment, CompleteRx identified multiple operational and financial efficiencies that, if enacted by the hospital, could potentially yield more than \$400,000 in drug cost savings. Using previous years' purchase records, CompleteRx presented clinical initiatives related to generic substitution, IV to PO conversion expansion, antimicrobial stewardship, therapeutic interchange expansion, and guideline (protocol) development.

Recommendations included generic substitutions, formulary interchanges, protocol adherence, and waste reduction that would save the hospital money while maintaining the same clinical outcomes.

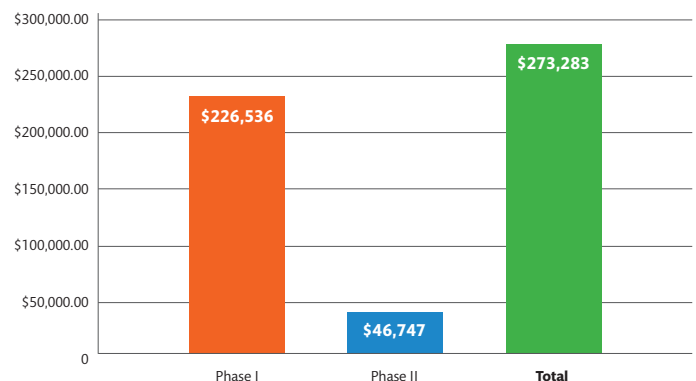
To assist hospital leadership in the decision-making process, a clinical write-up, including knowledge source documents and clinical reference data, accompanied each initiative to support the recommendations and quantify the cost-saving opportunities. The hospital's director of pharmacy (DOP) acknowledged that these write-ups were welcomed resources that he would not have had the time to prepare.

As part of the process for managing change and creating alignment, CompleteRx met with nursing practice leaders to discuss and obtain feedback on proposed changes. Meetings with nursing and pharmacy staff identified the need for additional continuing education. As a result, educational materials were prepared and a training webinar was presented.

Results

Through the recommendation of the therapeutic interchanges, purchasing changes and clinical protocol development initiatives, CompleteRx presented the hospital with opportunities for saving \$417,210. The hospital implemented many of the recommendations immediately, realizing a total savings of \$273,283 in less than six months. The remaining initiatives are being considered for future implementation by the hospital.

Total approved savings



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Clinical drug savings



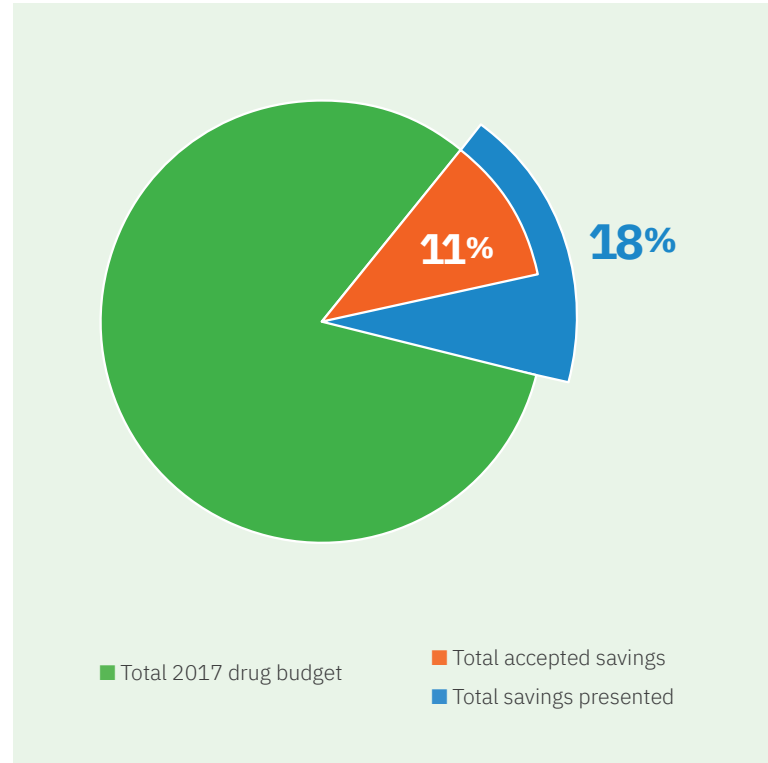
Upon completion of the assessment, CompleteRx estimated that it could deliver a minimum of \$200,000 in clinical drug savings. Upon engagement, the total savings presented was 18 percent of the hospital's total medication budget for the year.

During phase I and II, at least 16 different items (drug classes or agents) were identified under therapeutic interchanges; a clinical write-up was completed for each item. Examples of the implemented initiatives include:

- Switching from EpiPen® to vials of epinephrine due to limited availability of the delivery vehicle for a cost savings of \$3,280
- Replacing Remicade® with Inflectra®, a biosimilar, for a cost savings of \$129,625
- Swapping out vitamin K tablets – a reversal agent for patients on blood thinners – for an injectable that could be administered orally for a cost savings of \$3,186

Purchasing changes for both phase I and phase II resulted in an estimated savings of \$17,356 and included:

- Magnesium sulfate
- Potassium chloride packets
- Brevibloc premix



Clinical protocol development initiatives, which primarily involved changes to IV and infusion practices, resulted in an estimated savings of \$72,224.

CompleteRx was also able to make recommendations that improved operational efficiency as well as offer added value through educational sessions for staff.

In addition to the financial savings, some initiatives, such as moving to IV push and extended infusion for antibiotics, also became a crucial change in light of the critical national shortage of IV bags related to Hurricane Maria and manufacturing disruptions worldwide.