



2022 Vizient Pharmacy Aggregation Groups external annual report

Contents

2022 recap	2
Overview of the Vizient Pharmacy Aggregation Groups	3
Member value delivered in 2022.....	3
Multinetwork initiatives.....	4
A year of continued growth	5
Vizient Pharmacy Aggregation Groups team.....	6

2022 recap

Greetings Pharmacy Aggregation Groups members!
Welcome to the 2022 Vizient Pharmacy Aggregation Groups annual report.

The year continued to be challenging as many of you faced RSV outbreaks, an unpredictable influenza season, and continued COVID surges, while contending with labor and drug shortages. Travel resumed and all of us had the opportunity to meet face to face, during the Vizient Connections Summit, the ASHP Summer and Midyear clinical meetings, and aggregation group specific member live meetings. The increased one-on-one interaction allowed us to connect with one another, participate in continuing education, and engage in best practice discussions together. Throughout the year, the Vizient Pharmacy Aggregation Groups focused on supporting you with education in areas such as 340B updates, reimbursements, New Technology Add-on Payments, mitigation of drug shortages, and compliance with the Drug Supply Chain Security Act.

Due in part to all of your hard work and collaboration, we ended the year on a high note. Through multinetwork and single program agreements, contract renewals along with rebates, our total member implementable value for 2022 exceeded \$350M. For the upcoming year, we will continue to expand on our previous year’s successes, building upon ways we can further support you and provide value in both the contracting space and through opportunities related to utilization, reimbursement, and revenue.

As we embark on a new year, we have exciting news to share as we have rebranded the Pharmacy Network Program. The rebranding supports our mission and vision statements and differentiates the value provided by our team. We are proud to introduce the Vizient Pharmacy Aggregation Groups Program. On behalf of our team, thank you for your continued support.

This report highlights some of the accomplishments for 2022.

- *Ginger J. Ertel, Pharm.D., MBA,*
VP of Pharmacy Member Services Vizient

2022 by the numbers

Vizient Pharmacy Aggregation Groups inception year: 2008

- 369 total health systems
- 33 new health system members
- 1,147 new sites of care
- 21 pharmacy aggregation groups

Member spend and value

- \$359.5M value in 2022
- \$40.1B in 2022 pharmacy spend
- 12 Multinetwork contracts

Overview of the Vizient Pharmacy Aggregation Groups

Our purpose

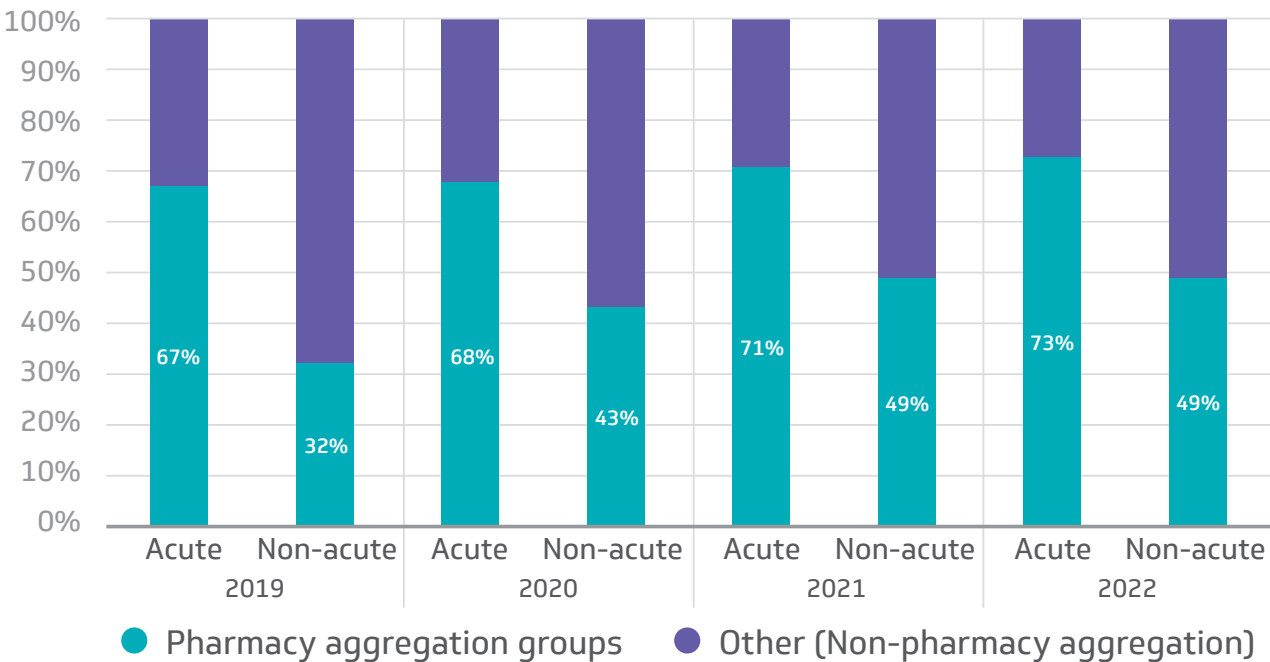
The Vizient Pharmacy Aggregation Groups is an alliance of member hospitals that work collaboratively, supported by the Vizient Pharmacy Aggregation team, to drive value and unify member hospitals. The group's main function is to leverage the aggregate purchasing volume and clinical expertise of members to deliver cost reductions, increase revenue, improve outcomes and strengthen market performance. We work together with you, our members, to generate mutually beneficial contract value and address standardization and utilization to lower drug costs while providing outstanding, high-quality patient care.

“By leveraging the networks aggregate purchasing volume, members can standardize several point-of-care solutions to lower operating budgets and increase on-contract spend at the same time.”

*-Karen Smethers, BS, PharmD, BCOP
Senior Director, Pharmacy Aggregation Group Program*



Year-over-year growth in total member spend for acute and non-acute class of trade for Vizient and the Pharmacy Aggregation Groups



Member value delivered in 2022

In addition to the value driven from new contracting and utilization opportunities, members participated in subject matter expert panels, provided valuable input to initiatives and were actively engaged in networking opportunities that fostered the sharing of information and best practices.

Multinetwork initiatives

The Vizient Pharmacy Aggregation Groups maintained the strategy of utilizing the multinetwork contracting initiative approach in 2022 to maximize efficiencies among pharmacy executives. Eighty-six percent of total value was accomplished via contracting projects and 14% percent of total value was accomplished via non-contracting. The objective in 2023 is to augment multinetwork initiatives with individual and regional initiatives to maximize value to our members.

In 2022, a total of 52 amendments were completed. This included 45 material changes and 7 recital changes or network additions. Twelve new multinetwork contracting initiatives were completed along with 8 new non-contracting initiatives. The top 12 initiatives delivered \$124.5M in member value, provided a more reliable supply chain and improved clinical quality.

IV High Dose Iron

Since 2016, The Vizient Pharmacy Aggregation Groups have had a sole award in the high dose IV iron space with a spend exceeding \$193M on IV iron products. Over the last few years, a generic supplier and a new brand competitor entered the market, and our current contract was set to expire in 2022. The Vizient Pharmacy Aggregation Groups members voted to go out to bid in this category. Financial considerations for cost savings, 340B pricing, and reimbursement margins were assessed due to the outpatient site of infusion for these products. Members voted to award one supplier that provided positive reimbursement margins across all account types, as well as delivering \$41M in estimated value for direct match and conversions.

Plasma

In the plasma product space, the team awarded a multinetwork agreement to a large supplier partner, expanding access for new and existing members to enhanced pricing that was not previously available. Members from the participating aggregation groups in this agreement received competitive pricing with immunoglobulin and albumin, as well as priority access when supply constraints have tightened in the market. At the outset of this agreement, participating members received an estimated \$70M in annualized implementable value across all contracted products.

Closed System Transfer Device

The Pharmacy Aggregation Groups undertook the task of re-bidding the Closed System Transfer Device (CSTD) category with the collaboration of a subject matter expert panel comprised of our pharmacy aggregation group members. From a kick-off call in December of 2021 to trial feedback in April of 2022, the group proved to be innovative during COVID. Suppliers rose to the challenge and provided demonstration kits to each SME in advance of virtual product demonstrations. Based on the SME panel recommendation, the pharmacy aggregation group has multiple options to choose from in this space. Many thanks to the SME panel for their hard work and engagement with this project.

Drug Supply Chain Security Act

The Pharmacy Aggregation Groups focused on contracting for service providers in the Drug Supply Chain Security Act (DSCSA) space, which aims to develop an electronic, interoperable system by November 2023. The purpose of DSCSA is to identify and trace certain prescription drugs as they move through the U.S. supply chain and establish national licensure standards for wholesale distributors and third-party logistics providers. Recognizing that our members would have to comply with regulations in this area by November 2023, the Pharmacy Aggregation Groups negotiated contracts for our members in this space and partnered with the Vizient Center for Pharmacy Practice Excellence (CPPE) team to foster member engagement and provide educational webinars.

Drug Information Software

A preferred provider of Clinical Decision Support for Drug and Disease Information was chosen, following a comprehensive market-wide bid process. This contract offers personalized strategies for aggregate value, allowing each member to evaluate options to optimize point-of-care resources, improve workflow efficiency, and help align clinical teams on market leading technology solutions. Value was achieved through contracting and expanded member access to evidence-based content and medication management capabilities.

A year of continued growth

The Pharmacy Aggregation Groups program has welcomed 33 healthcare systems and 1,147 sites of care in 2022. In addition, five statements of work (SOWs) were renewed: Central Atlantic Pharmacy Program (CAPP), Independent Hospital Network (IHN), Midwest Purchasing Coalition (MWPC), Vizient Oncology Network (VON), and West Coast Purchasing Coalition (WCPC).

RxCommit

Following the program launch in 2021, RxCommit began onboarding the first member on February 1, 2022. Since February, RxCommit signed 3 more large IDNs and 13 small to medium health systems for a current total of 17 member systems. The RxCommit value proposition is proving attractive to both small members and large IDNs, due to the flexibility of a diverse contract portfolio that permits adoption based on the local needs of the system. Membership currently represents \$3B in spend, providing more leverage to present to suppliers for enhanced agreements and delivered more than \$7.8M in value to members in 2022. Successes in 2022 included the addition of new agreements for plasma, pharmacy distribution and biosimilars. These agreements encompass value for both acute and non-acute members. The goals for 2023 include continuous project plan evolution to grow the RxCommit contract portfolio to facilitate ongoing additions to membership from the robust pipeline of potential members in both the acute and non-acute settings.

“The RxCommit program experienced tremendous growth and delivered significant member value in 2022 and enrolled over 17 hospitals and health systems representing nearly \$3 billion in pharmacy spend. The RxCommit program serves as the first step in member journey to maximize aggregation value. Through this program, the members were able to capture nearly \$8 million in direct savings with an additional \$30 million in opportunity through future standardization and commitment. As the Vizient Pharmacy Aggregation Groups continue to evolve, RxCommit delivers a flexible option for members looking for enhanced contract value.”

*-Mittal Sutaria, PharmD
Senior Vice President of Contract and Program Services*

Vizient Oncology Network

The Vizient Oncology Network was established in 2020 to bring together health system oncology practices and clinics to drive value of branded products and achieve better patient outcomes. The VON pharmacy aggregation group led by an Executive Steering Committee comprised of member pharmacy leaders to provide direction on initiatives and recommend strategies for the VON members. Over the course of 2022, VON has welcomed 6 new members and grown to a total of 33 members, including 11 National Comprehensive Cancer Network (NCCN) cancer centers. The pharmacy aggregation group currently represents an annual drug spend of more than \$6B in total oncology spend, of which \$4B is in GPO spend and their current contract portfolio totals more than \$23M in annualized identified value for its members. VON continues to grow and strives to be the leader in oncology pharmacy practice and sourcing strategies by utilizing evidence-based medicine to enhance contracting opportunities and improve patient care.

Strategy Advisory Group

The Pharmacy Strategy Advisory Group (SAG) originated two years ago with the goal to consult on large multinetwork contracts for our Pharmacy Aggregation Groups membership program. SAG has provided an excellent member-driven platform to collaborate and provide feedback on topics of interest or questions related to current contracting initiatives, in addition to sharing best practices. Topics where SAG was most impactful this year included pegfilgrastim, influenza vaccine, New Technology Add-on Payments (NTAP) for drugs, white bagging, immunoglobulin, and biosimilar strategies including adalimumab.

One of the most innovative SAG identified topics was NTAP, focusing on improving drug revenue enhancement at a time when our members sought post pandemic value. In 2022, several of our Pharmacy Aggregation Groups members successfully achieved \$11M in implementable NTAP value. Discussions ranged from members developing a more robust process, including enhancements to their electronic health record preventing NTAP claim omissions, while others refined their process, working with pharmacy prior to the claims being submitted. Members shared collaboration success stories with their local Finance and Revenue Cycle Management Teams helping to reinforce pharmacy value with NTAP and other drug reimbursement opportunities.

We would like to sincerely thank the SAG member representatives for their engagement and impactful guidance over the past year.

Vizient Pharmacy Aggregation Groups team

Senior leadership team



Ginger Ertel, PharmD, MBA
Vice President, Pharmacy
Aggregation Group Program



Linda Skeen, BSN, RN
AVP Pharmacy Aggregation
Group Program
(Project Management)



David Reardon, PharmD, BCPS
AVP, Pharmacy Aggregation
Group Program (Sourcing)



Darcy Snell, PharmD, BCPS
Sr. Director, Pharmacy Aggregation
Group Program (ECPC)



Karen Smethers, PharmD, BCOP
Sr. Director, Pharmacy Aggregation
Group Program (ECX-Rx)



Margaret McKinnon, MBA
Director, Pharmacy Aggregation
Group Program (Analytics)

Pharmacy executive directors and project manager team

Central Atlantic Pharmacy Program (CAPP)
Pharmacy Executive Director
Sarah Harrison, PharmD, BCCCP

Cooperative Services of Florida (CSF)
Pharmacy Executive Director
Mallory A. Fiorenza, PharmD, BCPS, BCCCP

East Coast Purchasing Coalition (ECPC)
Pharmacy Executive Director
Darcy Snell, PharmD, BCPS

Heartland Pharmacy Purchasing Partners
(HP3) (formerly AROK)
Pharmacy Executive Director
Alpi Gandhi, PharmD, BCPS

Independent Hospital Network (IHN)
Pharmacy Executive Director
Alexander Parish, PharmD, MBA

MedStar/Novant/Sentara Pharmacy
Network (MNS)
Malia Manning, PharmD

Mid-America Service Solutions (MSS)
Pharmacy Executive Director
Julie Beckman, PharmD, MS

Mid-Atlantic Purchasing Coalition (MAPC)
Pharmacy Executive Director
Brook DesRivieres, PharmD, MS, FACHE

Midwest Purchasing Coalition (MWPC)
Pharmacy Executive Director
Michelle Smith, PharmD, BCPS

Mountain States Pharmacy Network,
(Mountain States)
Pharmacy Executive Director
Mitch Brown, PharmD

Mountain States Pharmacy Network,
(Mountain States)
Lead Project Manager
Sarah Doshier, CPHQ, RHIA

Northeast Purchasing Coalition (NPC)
Lead Project Manager
Melissa Fahnle, CMRP

Northeast Purchasing Coalition (NPC)
Pharmacy Executive Director
Spencer Martin, PharmD, MBA, BCPS

Northwest Pharmacy Network (NPN)
Pharmacy Executive Director
Branka Milicev, PharmD, MBA

Partners Cooperative
Project Management Director
Sonia Estakhrian, MBA

Providence Pharmacy Network (PPN)
Pharmacy Executive Director
Matt Baker, PharmD, MBA, BCPS

Southern Strategic Sourcing Partners (S3P)
Pharmacy Executive Director
Mitch Brown, PharmD

The Strategic Sourcing Solution (TS3)
Pharmacy Executive Director
Shannon Smallwood, PharmD, BCPS

TTPC, LCC (TPC)
Pharmacy Executive Director
Matt Baker, PharmD, MBA, BCPS

Vizient Oncology Network (VON)
Interim Director
Pei Jen (PJ) Lin, PharmD, MS, BCPS

West Coast Purchasing Coalition (WCPC)
Pharmacy Executive Director
Heather Miller, PharmD, BCACP

Other pharmacy aggregation strategies

CAPTIS
Pharmacy Executive Director
[Shannon Smallwood, PharmD, BCPS](#)

Excelerate Pharmacy Solution (EXC-Rx)
[Karen Smethers, BS, PharmD, BCOP](#)

RxCommit
Lead Project Manager
[Penny Davis, MBA, CPhT](#)

RxCommit
Lead Project Manager
[Tallice Carr](#)

RxCommit
Senior Project Manager
[John HO](#)

End Drug Shortages Alliance
Senior Project Manager
[Monica Coupe, PharmD, MS](#)

Pharmacy aggregation custom sourcing team

Sourcing Executive
[Kael Berger](#)

Director
[Julie Daniels](#)

Senior Sourcing Executive
[Robert Magnoli](#)

Sourcing Executive
[Olivia Meyer-Tettambel](#)

Assoc. Portfolio Executive
[Epiphany Nelson](#)

Sourcing Executive
[Val Sanoubane](#)

Sourcing Executive
[Moises Ventura](#)

Pharmacy aggregation analytics team

Senior Director, Analytics
[Sarah McDevitt](#)

Central Atlantic Pharmacy Program (CAPP)
Cooperative Services of Florida (CSF)
Senior Analyst
[Heather Bartolo](#)

East Coast Purchasing Coalition (ECPC)
Senior Analyst
[Toni Hawkins](#)

Excelerate Pharmacy Network (EXC-Rx)
Manager, Analysts
[Jay Cooke](#)

Heartland Pharmacy Purchasing
Partners (HP3)
Senior Analyst
[Toni Hawkins](#)

Independent Hospital Network (IHN)
Senior Analyst
[Kevin Furr](#)

Mid-America Service Solutions (MSS)
Lead Analyst
[Matt Oliphant](#)

Mid-Atlantic Purchasing Coalition (MAPC)
Senior Analyst
[Linh Huynh](#)

Midwest Purchasing Coalition (MWPC)
Director, Analysts & Technology
[Margaret McKinnon](#)

MNS Supply Network, LLC
Senior Analyst
[Kevin Furr](#)

Mountain States Pharmacy Network
(Mountain States)
Senior Analyst
[Kathleen Dizon](#)

Northwest Pharmacy Network (NPN)
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[Candace Larsen](#)

Northeast Purchasing Coalition (NPC)
Manager, Analysts
[Michelle Henderson](#)

Partners Cooperative Pharmacy
Aggregation Group
Lead Analyst
[Greg Allen](#)

RxCommit
Senior Analyst
[Pratek Patel](#)

The Strategic Sourcing Solution (TS3)
Senior Analyst
[Candace Larsen](#)

Vizient Oncology Network (VON)
Senior Analyst
[Cassandra Stokes](#)

West Coast Purchasing Coalition (WCPC)
Senior Analyst
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As the nation's largest member-driven healthcare performance improvement company, Vizient provides solutions and services that empower health care providers to deliver high-value care by aligning cost, quality and market performance. With analytics, advisory services and a robust sourcing portfolio, we help members improve patient outcomes and lower costs.