

Advisory: Specialty pharmacy

Overview

Specialty pharmacies provide medication therapy management services for patients with chronic, complex health conditions. Specialty pharmaceuticals continue to dominate both drug approvals and purchasing. Drug spending on specialty medications accounted for 52% of drug spend in 2020.¹ The predicted price inflation for specialty products is 4.25% as of Jan. 2021.²

Two primary factors are contributing to the growth in specialty drug spending:

- Manufacturer research is more focused than ever on developing specialty medications that treat smaller patient populations — increasing the cost of these medications exponentially.
- The COVID-19 pandemic accelerated innovation opportunities in authorizations and in the delivery of specialty drugs.

Most of the growth in specialty drug spending occurs in outpatient settings. Providers benefit from the additional revenue opportunities that ambulatory settings provide, while patients appreciate the ability to receive potentially lifesaving medications in a more convenient manner.



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Pharmacy market trends

- Payers requiring the use of their own or contracted specialty and mail-service pharmacies
- Payers increasing the use of prior authorizations for managing the utilization of high-cost specialty medications

What is required to start a specialty pharmacy

- Call centers with 24/7 operations
- Dispensing and distribution services
- Access to specialty medications
- Data and metrics collection and reporting
- Access to payer contract capabilities
- Comprehensive benefits investigation and patient assistance services
- Accreditation

The Vizient approach — expert pharmacy consulting services

Vizient® offers specialty pharmacy advisory solutions that provide customized business plan development, implementation, and accreditation support for a fully integrated, patient-focused, specialty pharmacy solution.

Our consulting team of highly skilled experts will:

- Conduct on-site leadership interviews to determine your organization's specialty, infusion and ambulatory pharmacy goals
- Review any current ambulatory and specialty pharmacy operations
- Analyze and report sources and volumes of new prescriptions, as well as potential revenues and profits
- Identify and describe the pharmacy service components required to capture new specialty business opportunities and overcome obstacles and barriers
- Provide a five-year financial pro forma, including projected start-up costs, revenues and net margin
- Provide implementation support to move from concept to inception of specialty pharmacy operations quickly and effectively

¹Paige Minemyer. CVS: Specialty drugs accounted for 52% of pharmacy spend in 2020. Fierce Healthcare. <https://www.fiercehealthcare.com/payer/cvs-specialty-drugs-accounted-for-52-pharmacy-spend-2020>. Published May 5, 2021. Accessed June 1, 2021.

²Vizient Pharmacy Market Outlook. https://www.vizientinc.com/-/media/documents/sitecorepublishingdocuments/secured/pmo/PMO121_PharmacyMarketOutlook.pdf. Published Jan. 27, 2021. Accessed June 1, 2021.

As the nation's largest member-driven health care 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.