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Pharmacy Management

Vizient Pharmacy Network Cost Savings and Revenue Generation Compendium executive summary

Vizient Pharmacy Network

The Vizient® Pharmacy Network, comprised of over 3,500 individuals, uniquely positions members to engage with peers and subject matter experts across the country and share resources, insights and problem solve in real-time. Member Networks offers the opportunity to improve performance with Vizient's data-driven thought leadership, leading practice sharing, problem solving and member roundtables.

The Vizient Pharmacy Network Business of Pharmacy Enterprise Committee, one of 11 committees that are part of the network, compiles successful revenue enhancement programs along with drug cost-savings initiatives into a Cost Savings and Revenue Generation Compendium. In 2022, Pharmacy Network members shared 148 strategies and included initiatives such as insulin workflow optimization and biosimilar uptake, among others. Overall, the compendium identifies $117M in pharmacy value. Additional implementation detail and contact information is available — enabling connection with peers to better understand strategies, challenges and successes. The full detail of the compendium is available to your Pharmacy executive colleagues participating in the Vizient Pharmacy Network Community.

Vizient offers pharmacy resources beyond the Pharmacy Network that include, but are not limited to, accessing essential medications, reducing drug spend, improving clinical and operational insights and driving organizational performance in the non-acute setting. Leveraging data to gain insights into national trends, the 2023 Vizient Pharmacy Market Outlook Report estimates a 3.78% drug price inflation rate. With continued margin pressures anticipated, leadership looks to pharmacy not only as an area to manage expense, but also to generate revenue. Additional insights into drug expense can be gleaned from Vizient's Operational Data Base which highlights a general leveling off of inpatient drug expense for academic medical centers (AMCs) at the 25th and 50th percentiles. However, insights reveal a considerable increase for higher cost organizations (Figure 1).

Summary of strategies

In review of the 148 strategies included in the Cost Savings and Revenue Generation Compendium, four key themes emerged that represent the majority of the strategy submissions:

1. **Biosimilars**
2. **Denials management and revenue cycle**
3. **Site of care**
4. **Standardization and systemness**

Select strategies are outlined that contribute to cost savings or revenue generation opportunity in each of the areas. The full detail of the compendium is available to your Pharmacy executive colleagues participating in the Vizient Pharmacy Network Community.

Figure 1: Inpatient drug expense per pharmacy intensity score weighted discharge, AMCs
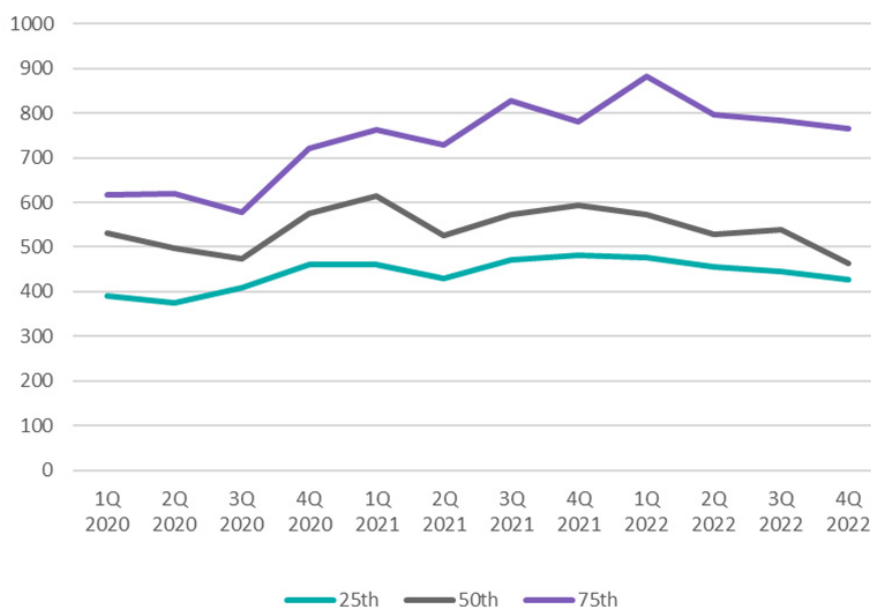
Source: Vizient Operational Data Base

Biosimilars

Establish a multi-disciplinary biosimilar strategy work group of individuals from supply chain, pharmacy and therapeutics, clinical subject matter experts, payer strategy and applicable operational units to make product decisions and assess financial opportunity

Assess, adopt and implement biosimilars in both in-patient and outpatient settings

- Consider biosimilar adoption in infusion centers, focusing on new starts and increasing reauthorizations to biosimilar
- Deploy a cost-analysis tool to compare potential contracts and determine the most cost-effective options for the system

Optimize

- Build automation of electronic medical record functionality to identify specific payers and preferred biosimilar agents
- Conduct financial analysis to ensure selection of optimal biosimilar, updating therapy plans to preferred biosimilars, re-verifying prior authorizations (PAs) for applicable patient, and communication/education to providers about the change

A large health system implemented biosimilars in both inpatient and outpatient settings. Work is underway with partner medical centers to collaborate and identify the biosimilar with the best payer coverage and best negotiated cost. Coverage will be reviewed annually to ensure use of most appropriate agent. Additional work includes review of denials and write-off to assess how preferred agent faired.

$7.7M estimated savings

For more information on biosimilars, visit the Vizient biosimilar webpage.

Denials management and revenue cycle

- Leverage alerts to notify provider or pharmacist entering the order when a non-covered diagnosis is selected
- Avoid denials through proactive medical necessity review
  - Consider assigning a pharmacy-led medical necessity specialist to review medication order and payer information and assess if a patient has had prior paid claims for the same medication
- Deploy post-claim follow up, reviewing the difference between posted charges and revenue recovered
- Assess for 340B optimization

A large medical system implemented review of denials and write offs by the revenue cycle team. Learnings and insights generated from this team are leveraged to improve workflows and prior authorization processes.

$5M estimated savings

Site of care

- Create an outpatient only medication list
  - Implement a process to avoid the use of medications not related to inpatient admission. This initiative saw cost savings and ensures appropriate transitions of care by not initiating a therapy that a patient may not have access to in the outpatient setting.
- Proactive identification and movement of patients on select chemotherapies from a hospital-based infusion center to home infusion

Additional insights can be found in the Vizient Sites of Infusion Care Report. Participants of Vizient's Clinical Data Base and Resource Manager (CDB/RM) can evaluate utilization and administration of medications to see if there are potential candidates for administration in the ambulatory setting.

Standardization and systemness

- Vizient Pharmacy Network Practice Advancement Committee published a roadmap of considerations for systemization of clinical services considerations and strategies, which include:
  - Standardize goals with strategic planning
  - Maximize efficiency by reducing waste and identifying opportunity for enhanced productivity
  - Encourage individualization in service delivery and structure to meet the needs of the individual institution
  - Standardize best practices while acknowledging this process often relies on availability of limited resources to be successful
  - Ensure a unified voice representing pharmacy at the executive level
  - Adjust expectations or reset minimum qualifications to ensure consistency in job descriptions across the system. Differences in collaborative practice agreements across state lines are key considerations.
- Leverage standardization opportunities such as volume discounts, formulary standardization for inpatient and outpatient settings and review current contracts across system of care
  - Clinical Data Base and Resource Manager participants can leverage data to evaluate how many hospitals may be using a given agent in a system as compared to a therapeutic alternative to identify standardization opportunities. Additionally, organizations can evaluate differences in drug utilization within a similar clinical population across a system.
- In developing a health system approach, considerations should include, 1) health system committee infrastructure, 2) role of the health system versus local pharmacy and therapeutics committees, 3) implementation and education process and 4) data analysis.
- Steps to achieve standardization across existing sites should include:
  - Perform gap analysis between system-wide vision for clinical services with local current state, availability, needs and resources
  - Review and edit existing local policies and standard operating procedures for alignment; ideally, system-wide policies are preferable to local-level policies that must be separately maintained
  - Solicit input from providers, nursing staff and local leadership to establish priorities and identify resources required at the local level
  - Outline responsibilities of local versus system teams
- Activate waste reduction strategies ensuring medications are properly billed in conjunction with the revenue integrity department

- Leverage a pharmacy benefits manager to deliver savings and improve outcomes for health plan members. Alluma offers clinical collaboration, robust transparency, insights and intelligence.
  - Drive maximum number of scripts to on site pharmacies
  - Specialty copay adjustment program
  - Low-cost drug spending
  - Improve clinical outcomes

As self-insured employers, health systems have unique opportunities to lower pharmaceutical costs while delivering excellent service to their employees and dependents. **Alluma has demonstrated over 18X net value for its clients compared to the cost of service.** With a provider-led high touch clinical and client management model, Alluma strives for compassionate service that resonates with health systems.

Successful "systemization" must then be defined as a system which:
1. Standardizes goals and measures of success through integrated strategic planning
2. Maximizes efficiency in the delivery of care
3. Permits and encourages individualization of processes
4. Shares and standardizes best practices resulting from innovation

Vizient Pharmacy Network, Roadmap of Considerations for Systemization of Clinical Services, 2022

Additional resources

Publicly available:
- Vizient pharmacy resources

Performance Improvement Collaborative participant resources:
- Alternate Site Infusion Benchmarking Study findings (available later this year)
- Optimization of Biosimilar Medications PI Collaborative: A guidebook

Pharmacy Network participant resources:
- Pharmacy network webinar: The Pursuit of Systemization of Clinical Services to Improve Pharmacy Value
- Roadmap of considerations for systemization of clinical services
- Additional pharmacy resources can be found in the Vizient Pharmacy Network Community

Vizient tools:
- The Vizient Clinical Data Base (CDB) is the definitive health care analytics platform for performance improvement. CDB provides high-quality, accurate and transparent data on patient outcomes — such as mortality, length of stay, complication and readmission rates and hospital-acquired conditions — that enable hospitals to benchmark against peers; identify, accelerate and sustain improvements; reduce variation; and expedite data collection to fulfill agency reporting requirements. Clinical benchmarking tools such as dashboards, simulation calculators, and templated and customizable reports enable you to quickly identify improvement opportunities and their potential impact.

- The Vizient Operational Data Base provides hospitals with transparent, comparative insights on their operational characteristics to support performance improvement, reduce costs and pinpoint best performers. Our transparent data and benchmarking capabilities can also be used to make informed decisions about supply utilization, employee productivity and budgeting.

To learn more about Vizient Member Networks, please contact membernetworks@vizientinc.com.

As the nation's largest member-driven healthcare performance improvement company, Vizient provides solutions and services that empower healthcare 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.