

Collaboration lowers the impact of rising drug prices

A strategic partnership helped Trish Tanner and Ballad Health increase value and drive savings



In April 2019, leaders at Ballad Health were facing lower margins, mainly due to steadily increasing prices for inpatient pharmacy services. Ballad Health turned to its spend management partner, Vizient, to taper costs and ensure access to essential medications.

Ballad Health is an integrated community health improvement organization serving 29 counties across Tennessee, Virginia, North Carolina, and Kentucky and is a national leader in providing rural healthcare services.

Trish Tanner, MBA, vice president and chief pharmacy officer, was charged with identifying opportunities to lower

pharmacy costs. They asked Vizient pharmacy experts to find ways they could sustainably reduce costs. Tanner and her team then worked with Vizient to develop and implement a three-year plan across their entire inpatient pharmacy system.

Developing a plan for sustainable costs

The plan ensured uninterrupted access to drugs while simultaneously reducing costs. Savings opportunities were identified using Vizient contracts, the Novaplus Enhanced Supply Program, and the Southern Strategic Sourcing Partners (S3P) Pharmacy Network.

During the first year of the implementation, Tanner and her team met regularly with Vizient pharmacy consulting experts to find creative ways to generate value. By listening to Ballad Health's needs, Vizient could provide the insights and resources required to meet its cost reduction goals.

"We love working with Vizient because they listen to our ideas, needs and concerns," said Tanner when reflecting on the partnership.

Aggregating pharmacy spending and driving standardization

The team used the Vizient Pharmacy Value Tracker, which shows the value gained by avoiding costs related to self-maintaining more inventory, to document realized savings. Additionally, Vizient helped Ballad Health track its progress and re-evaluate objectives throughout the engagement.

One notable advantage of the partnership has been the S3P Pharmacy Network's dual-awarded biosimilar contracting methodology, which has helped Ballad Health better meet the formulary demands of its outpatient insurers.

Reducing inpatient costs to improve margins

Working with Vizient, Tanner's team standardized pharmacy contracts to generate significant value in rebates generated through the Impact Standardization program and administrative fee sharing on Vizient contracts.

After joining the S3P Pharmacy Network in 2020, the health system saved over \$2.4 million in just two years. Ballad Health has realized over \$9 million in financial improvements since beginning the pharmacy-focused partnership. Ballad Health has continued the partnership, focusing on further optimizing inpatient drug costs and implementing Vizient tools and resources.

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Trish Tanner, MBA

Vice President and Chief Pharmacy Officer



290 E. John Carpenter Freeway
Irving, TX 75062
(972) 830-0000

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