

In-House Pharmacy Drives Patient Satisfaction and Delivers \$4.1 Million in New Revenue

CHALLENGE

- The use of an outsourced, long-term-care pharmacy service resulted in high costs and slower-than-acceptable turnaround times (TATs.)

SOLUTION

- Managers leveraged the AmerisourceBergen Pharmacy Healthcare Solutions (PHS) services to quickly implement their own in-house pharmacy.

OUTCOME

- Eliminated \$1.7 million in annual, non-reimbursed, prescription costs
- Increased revenues by \$3.1 million annually
- Contributed to a 24 percent increase in customer satisfaction scores
- Protected reputation for stellar customer service

Budd Terrace at Wesley Woods, Atlanta, Georgia

Atlanta, Georgia's Budd Terrace at Wesley Woods is a skilled nursing center. It is a member of Emory Healthcare, the largest healthcare system in the state. The center provides both long-term and post-acute operative care. About 14,400 patients are discharged annually following their successful post-acute treatment.

Drawing upon the talents of certified, geriatric professionals, Budd Terrace has earned quality awards from the American Health Care Association and US News & World Report. Budd Terrace at Wesley Woods is a 5-Star Rated facility which is the highest rating the federal government's Centers for Medicare and Medicaid Services ranks skilled nursing facilities/post-acute care centers. This ranking places Budd Terrace in the top 15% of all nursing facilities in the U.S. It also has the highest ranking for a nursing center from the U.S. Medicare and Medicaid agencies.

CHALLENGE

Lengthy and Expensive Medication Fulfillment

"Our reputation pressures us to meet the high expectations of our patients," said John Pulliam, Administrator of Budd Terrace at Wesley Woods. "So we constantly look for ways to improve the quality of our care and customer service."

"A costly, twice-a-day medication delivery schedule by the center's outsourced long-term-care (LTC) pharmacy provider led the center's administrator to review his operations.

We couldn't consistently meet our goal to have medications on hand when patients were admitted to our facility," explained Pulliam. "That was reason enough to consider alternatives, but we were also paying retail prescription prices."

These payments totaled an average of \$140,000 per month. And while Medicare Part A reimbursed the third-party pharmacy provider, the agency prohibited Budd Terrace from billing patients for the \$1.68 million per year it spent on their prescriptions.

SOLUTIONS

AmerisourceBergen® Pharmacy Healthcare Solutions (PHS) Services

"The unacceptable medication turnaround times (TATs) plus the retail costs prompted us to establish our own in-house pharmacy," stated Pulliam. "So our first priority became finding a way to overcome our lack of expertise in pharmacy operations."



After completing his due diligence, Pulliam selected AmerisourceBergen to provide the pharmacy expertise and personnel he needed. The PHS project team guided the design, layout, square footage and processes for the in-house pharmacy.

“By leveraging the AmerisourceBergen PHS experts, we were able to quickly develop an efficient, in-house pharmacy tailored to the needs of our patient population. We could not have done it without them.”

John Pulliam
Administrator
Budd Terrace at Wesley Woods

PHS specialists also provided project management oversight and guidance for the build out, setup and licensing of the pharmacy. This included assistance with the implementation and configuration of the center's FrameworkLTC® pharmacy software solution, as well as setting up payer sources and prescription drug plans. And to optimize the efficiency of the medication management process, technicians configured FrameworkLTC to interface with the center's Omnicell software applications and automated dispensing cabinets.

The final task was to staff the new pharmacy. “I didn't have experience hiring, training and managing pharmacy employees, so we engaged AmerisourceBergen personnel,” explained Pulliam. “They cost about the same and deliver an invaluable medication consultation capability that our physicians and patients rely upon.”

For more information about Pharmacy Healthcare Solutions, contact us at 877-892-1254, email solutions@amerisourcebergen.com or visit www.pharmhs.com.

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OUTCOMES

Faster Prescription Fulfillment with Added Revenue and Cost Recovery

The PHS-implemented pharmacy delivers the TATs, customer satisfaction and financial benefits that Pulliam sought.

“Today, we have meds on hand for well over 95 percent of our patients before they arrive. Our medication TATs are shorter and we're able to afford to bring in higher-cost medications based on their therapeutic value to patients.”

Financially, the in-house pharmacy solution has been a dramatic success. “We transformed prescriptions from a cost center to a profit center,” said Pulliam. “We went from a \$1.68 million annual expense to a \$2.51 million annual profit—a \$4 million dollar swing in our budget.”

Knowledge of FrameworkLTC adds new revenue stream

“We're always looking for ways to recover reimbursement cuts from third-party sources, Medicare replacement plans and such,” explained Pulliam. “Our [AmerisourceBergen] Pharmacy Director helped us meet that goal by implementing a program to increase our monthly script volume.”

Specifically, the Director's knowledge of FrameworkLTC allowed him to configure a module designed to provide patients with a 30 day supply of medications upon discharge. Thus, the pharmacy can bill customers for their needed medications on their day of discharge to meet the reimbursement requirements of their plans.

“That program alone has added \$600,000 annually in revenue to bring the pharmacy's total revenue to over \$3.11 million,” said Pulliam.

In-house pharmacy increases customer satisfaction

Budd Terrace's annual patient satisfaction scores also received a boost. And while Pulliam acknowledges that bringing the pharmacy in-house wasn't the only factor in earning better ratings, “Having meds readily available to patients when they need them certainly contributed to a 24 percent improvement in our satisfaction score.”