

Medical Center Extends Continuum of Care and Boosts Revenue With Fast-Track Specialty Pharmacy Deployment

CHALLENGE

- University of Tennessee Medical Center (UTMC) Pharmacy leaders wanted to implement a major strategic initiative to deliver a continuum of care for patients. By adding specialty pharmacy services they could improve patient care, increase revenue, and reduce script leakage. Yet they lacked the expertise and capital resources to quickly deploy a solution.

SOLUTION

- UTMC decision makers contracted AmerisourceBergen's Pharmacy Healthcare Solutions (PHS) team to quickly implement a turn-key specialty practice. They leveraged existing ambulatory pharmacy infrastructure along with consulting and staffing support to ensure the successful rollout of this important initiative.

OUTCOME

Better Patient Care

- Promoted clinical integration with specialty pharmacy services to enhance the patient experience, "...less confusion, more convenient..."
 - Reduced specialty drug time-to-treatment
- UTMC Hepatitis C providers schedule follow-up appointments in 1 month, versus 2-3 months previously
 - UTMC specialty technicians off loaded provider labor hours devoted to specialty meds to spend more time on clinical care activities
- 93.9% adherence (vs.79% national average)

Stronger Financial Results

- Total revenue 28.5% over goal
- Revenue per Rx 20% over goal
- Gross profit nearly 69% over goal

UNIVERSITY OF TENNESSEE MEDICAL CENTER



The University of Tennessee Medical Center (UTMC) is a 625-bed, not-for-profit academic medical campus. The medical center's Knoxville facility provides a number of specialties including Heart Lung Vascular, Cancer and Brain and Spine. UTMC is also associated with a number of outpatient clinics including one for Rheumatology and Gastroenterology.

Several years ago, managers established an outpatient pharmacy to serve employees, discharge patients and onsite clinics. The successful implementation prompted managers to identify opportunities to expand the retail pharmacy's business into specialty services.

CHALLENGE

Adapting to specialty script trends and continuum of care needs

A major driver of the specialty project was the objective to improve patient care. "Implementing a specialty pharmacy directly aligns with our goal to promote clinical integration," said Kim Mason, Executive Director of Pharmacy and Research for UTMC. "We wanted to provide a seamless, comprehensive patient experience, as well as promote adherence and improve outcomes."

Mason's challenge, of course, was to win executive approval within the medical center's budget constraints. For that, she needed to make a compelling business case.

Market trends provided a good start. For example, a recent report projects that pharmacy spending will reach \$483 billion by 2020 — with specialty drugs making up

44 percent of that revenue. That represents a five-fold revenue increase from 2010–2020 for specialty. Traditional script growth, by contrast, is idle.

“Our analysis revealed significant specialty drug opportunities for our pharmacy,” explained Mason. “The numbers were so promising that I knew we needed to fast-track our program. But I needed specialty expertise to help me articulate the ROI potential of the initiative to sway decision makers.”

Still another project goal was to capture eligible 340B savings. “Before our engagement, those savings were in the very low five figures,” recalled Mason. “I knew we could dramatically improve upon that, while simultaneously making critical meds more accessible to patients.”

SOLUTION

PHS Consulting Solutions: Specialty Pharmacy; 340B Consulting

“Several years ago, PHS effectively helped us implement an ambulatory pharmacy,” said Mason. “So we chose them based on that performance, combined with their ability to help us quickly develop an accredited specialty pharmacy.”

The next step was to leverage PHS specialists to garner executive approval for the specialty initiative. “PHS experts helped us package communications that ultimately won buy-in from our senior team,” recalled Mason.

After that, PHS consultants worked with Mason and other UTMC specialists to develop a financial pro forma for their specialty pharmacy service line in the areas of Oncology, Hepatitis C and Rheumatology. In order to meet UTMC’s capital investment ceiling, PHS consultants proposed expansion of the existing infrastructure and leveraging current PHS staff already supporting the onsite retail pharmacy.

“We liked how their design economically leverages our existing ambulatory pharmacy’s infrastructure while simultaneously utilizing our current fulfillment, Rx, IVR, POS and other systems,” explained Mason.

With a sound business plan and executive approval in place, Mason worked with PHS to implement it. “PHS provided strategic and tactical expertise along with best practices. We staffed the practice utilizing outsourced (PHS) specialty pharmacy navigators to embed in clinics.”

By embedding PHS specialty navigators at clinic sites, Mason accelerated the development of relationships — and ultimately the script capture rate — from UTMC providers.

OUTCOME

Better patient outcomes and satisfaction — dramatic new revenue streams

Extended continuum of pharmaceutical care to improve patient outcomes

Because the UTMC specialty pharmacy techs can access UTMC clinic patient records, “We avoid a lot of confusion and possible errors that may occur for specialty pharmacies who don’t have that,” said Mason. “Our time-to-approvals are also significantly faster.”

“PHS made it possible for us to fast-track a specialty pharmacy practice — using much of our existing infrastructure — to significantly enhance patient outcomes, safety and experience.”

Kim Mason, Executive Director of Pharmacy and Research for the University of Tennessee Medical Center

As a result, patients receive a seamless medical experience from their point-of-care providers. “We help patients avoid the inconvenient and time-consuming back and forth with pharmacies or staff that they don’t know,” said Mason.

According to Mason, that’s because the PHS-provided, specialty techs embedded at the clinics apply their expertise to obtain insurance pre-authorizations. That addresses a challenge revealed in a 2013 survey where 71 percent of respondents “...indicated that specialty pharmacies interfered with the organization’s ability to provide medications in a timely manner.”

According to Daniel Truelove, PharmD, BCPS, BCACP; Assistant Director of Pharmacy, Ambulatory Care / Specialty at UTMC in Knoxville, “Our approvals are like night and day, compared to before.”

So much so that UTMC Hepatitis C providers accelerated their treatment schedules. Previously, follow-up visits were set up two to three months after consultation. Truelove's UTMC's specialty techs streamlined the pre-authorization process so that, "Now they have patients come back in a month."



The embedded, PHS-provided specialty techs also deliver a valuable service to providers. "Our provider clinics can offload specialty-related labor hours to our techs," said Truelove. "Our providers love that feature because they're able to devote more time to value-added activities related to patient care."

Still another benefit of the embedded specialty techs has been increased use of co-pay assistance. "Many of our providers didn't even know there was such a thing," explained Truelove. "So, we leverage our tech's knowledge in this area to help eligible patients financially."

These two features alone led to high provider satisfaction. According to Truelove, "those are two of the reasons that the UTMC specialty pharmacy has increased its capture rate."

Significantly increased specialty pharmacy revenue

The implementation of PHS' commercial specialty pharmacy solution, along with systems to capture 340B savings, led to a dramatic increase in revenue. Specifically, "Before the implementation we hovered around \$7,500 a month in specialty margin," explained Mason. "Five months after the implementation we posted a specialty monthly margin of about \$190,000."

The 24-fold revenue increase represents an annualized margin of \$2.28 million. Today, UTMC's specialty revenue makes up around 57 percent of the approximate total \$14.2 million annual pharmaceutical revenue.

Mason also saw a marked improvement in 340B program performance. Year over year, 340B monthly revenue value grew 25-fold, from \$17,670 to \$328,140—\$4.2 million on an annualized basis.

PHS' Specialty Pharmacy solution economically speeds deployment of accredited services

The monthly margin cited above underscores Mason's urgency in implementing UTMC's specialty pharmacy practice. "PHS showed us a low-capital-investment path, leveraging existing resources and PHS-provided techs to fast-track our practice to market. It would have taken months more for us to accomplish that on our own. For every day in delays, it would have cost us an average of \$6,333 in unrealized revenue."

For more information on Specialty Pharmacy solutions contact us at 877-892-1254 or email solutions@amerisourcebergen.com.

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