

# **Benchmarking - Comparing Your Medication Costs to Costs Found at Other Health Systems - A Problem?**

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# Benchmarking?

Comparing your Medication Costs to Costs found at Other Health Systems

- Consultant Point of View: We are naïve to pretend that all Hospitals are Unique.
- Alternative Point of View: There are far too many confounders to ever allow a paper of this type to be accepted in a Scientific Publication. For example Consultant Reports are missing Table 1 –Study Demographics

*Pharmacist participation in medical rounds reduces medication errors*  
*Scarsi, Fotis, Noskin: Am J Health-Syst Pharm; Vol 59 Nov 1, 2002*

Table 1.

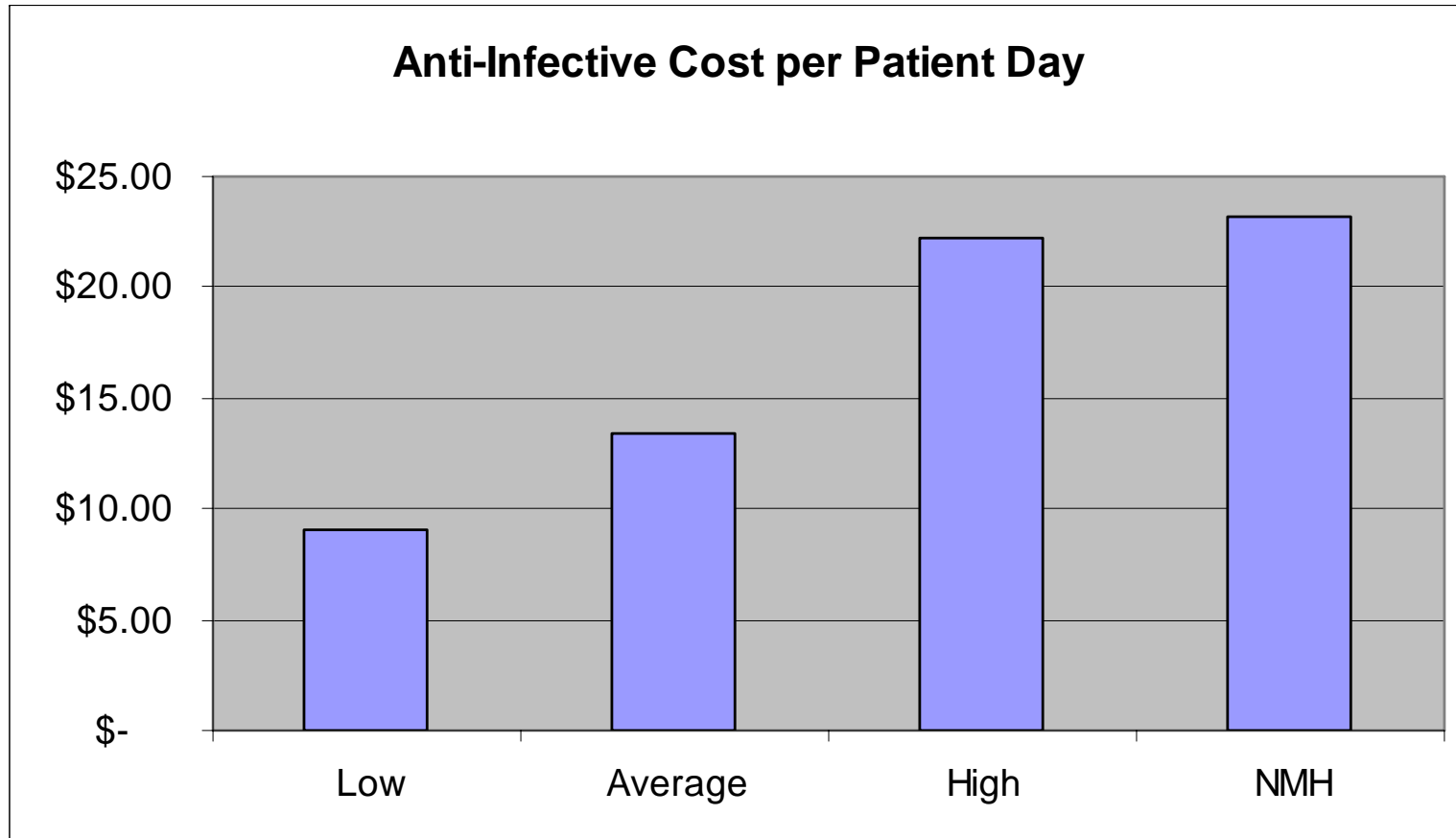
Patient Demographics

Variable	Intervention Group (n= 35)	Control Group (n= 35)
No. (%) male	19 (54.3)	19 (54.3)
Mean age in years (95% CI)	60 (57.8– 62.2)	57 (55.0– 59.0)
Mean length of stay in days (95% CI)	7.0 (6.2–7.8)	7.7 (7.0– 8.4)
Mean no. orders per patient (95% CI)	20 (18.3– 21.7)	21 (19.3– 22.7)

All patients were hospitalized during the same time period.

CI = confidence interval.

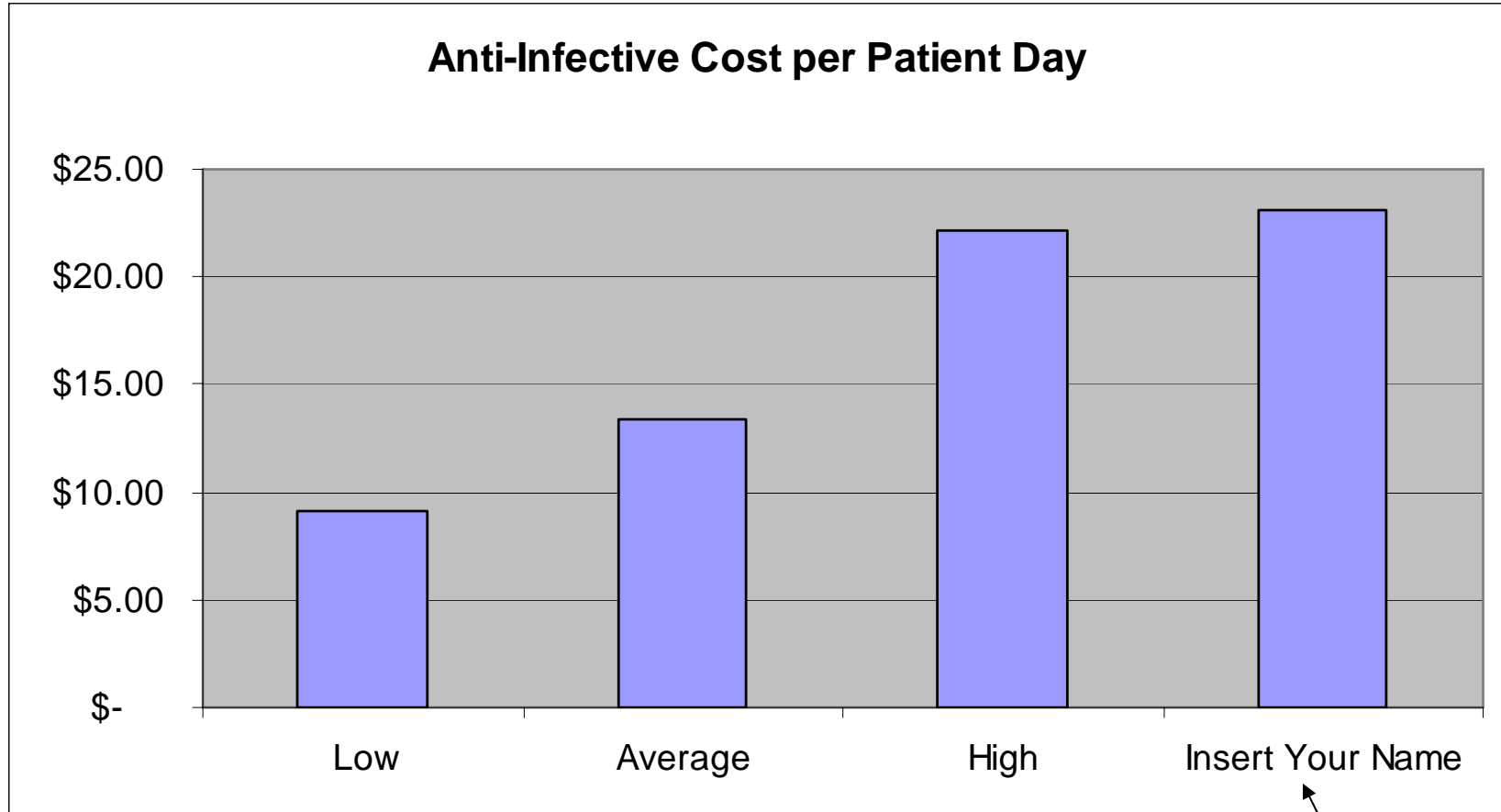
## Have you seen this before?



Source: High Cost Consultant Firm 2004

Time to Work on My Resume

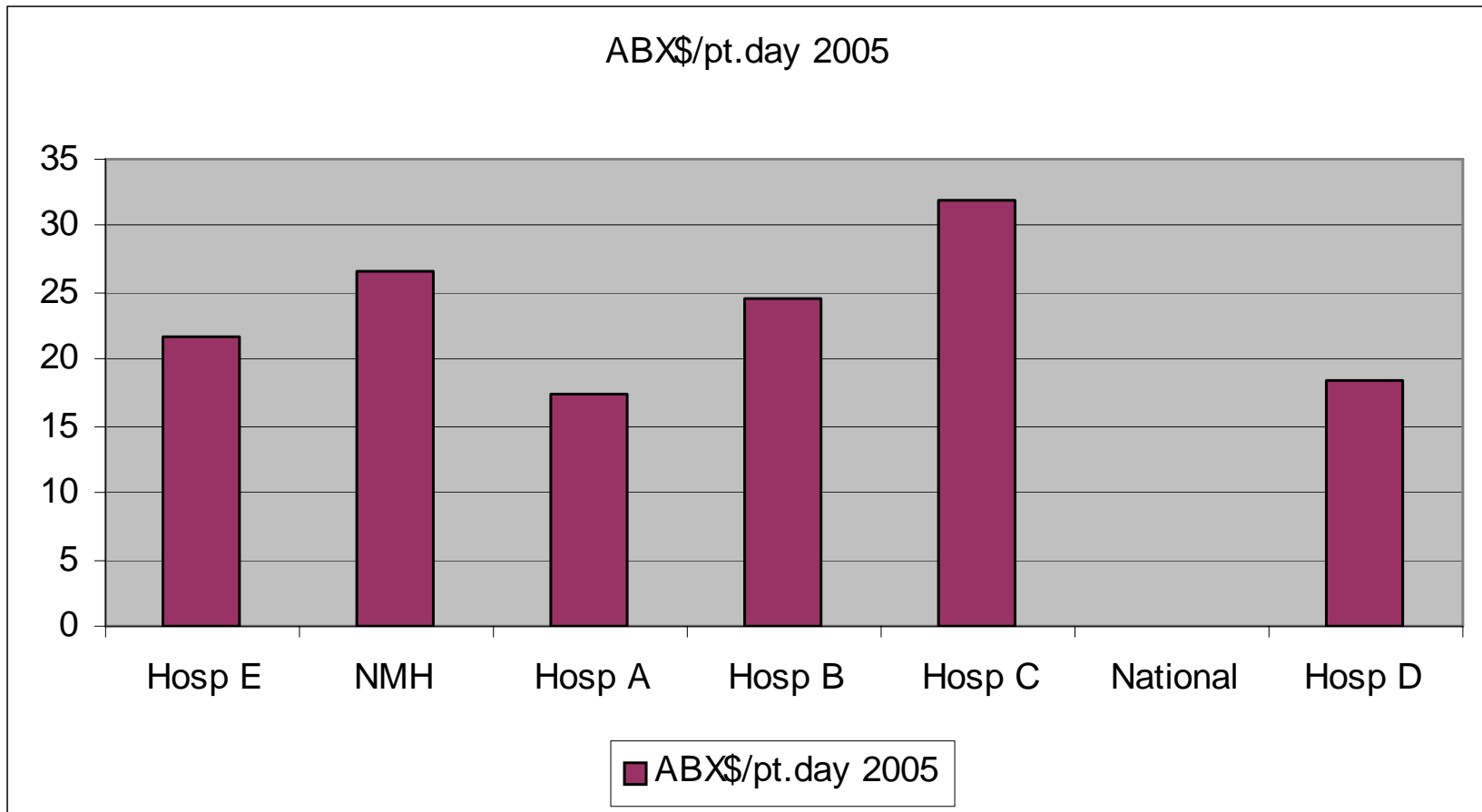
# If not- You will



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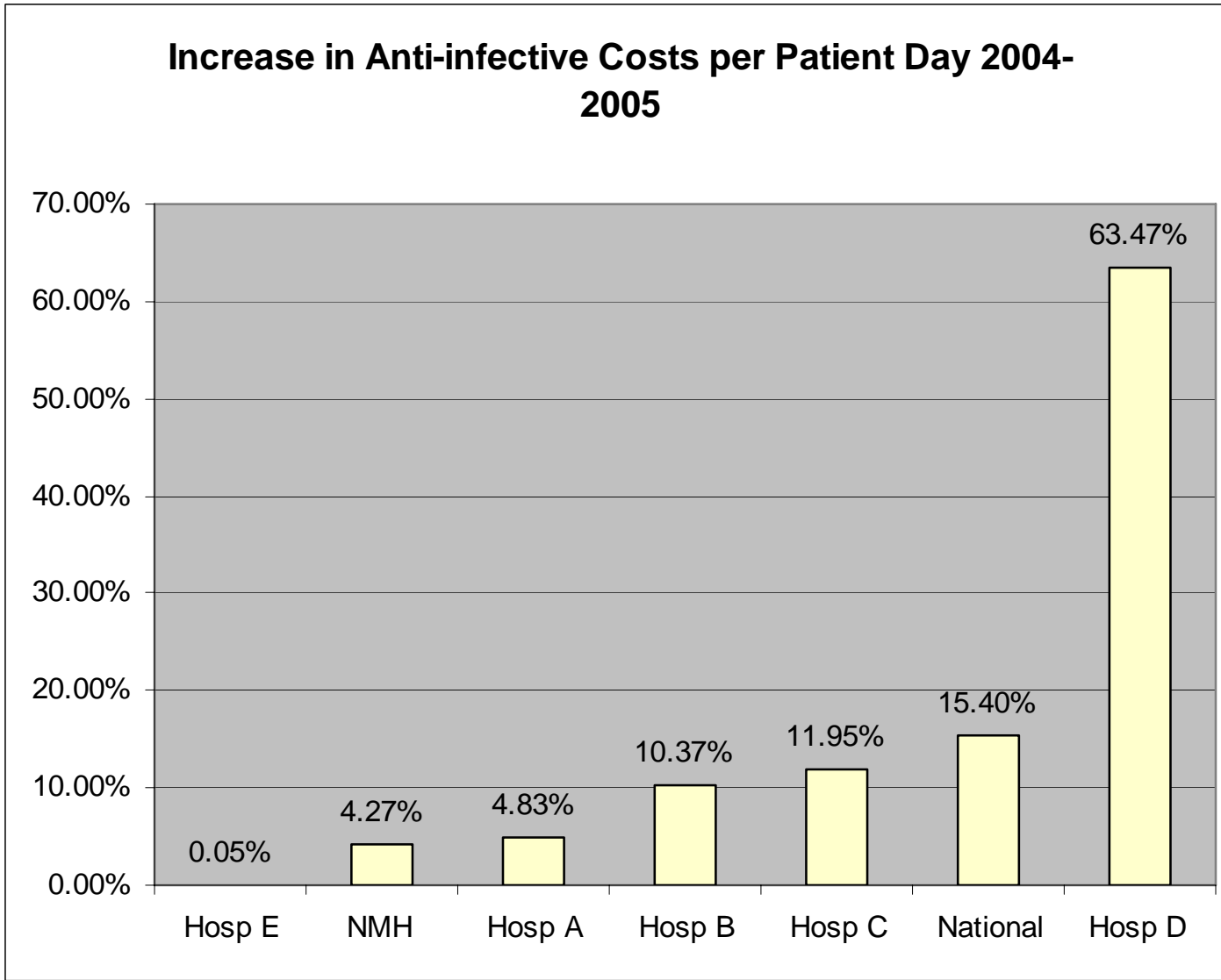
Source: High Cost Consultant Firm 2004  
Time to Work on YOUR Resume!

# UHC List-Serve Results: Normalized by Patient Days-



Rick Couldry University of Kansas Hospital-2005

## Normalize by Rate of Change



Reference:

Hospital Data:  
UHC Survey:  
Physician  
Pharmacy  
Practice  
Committee  
March 2006

National Data:  
Hoffman et al  
AJHP. 2006;  
63:123-38

Plan: To work  
with UHC  
members to  
increase  
reporting.

### Objectives

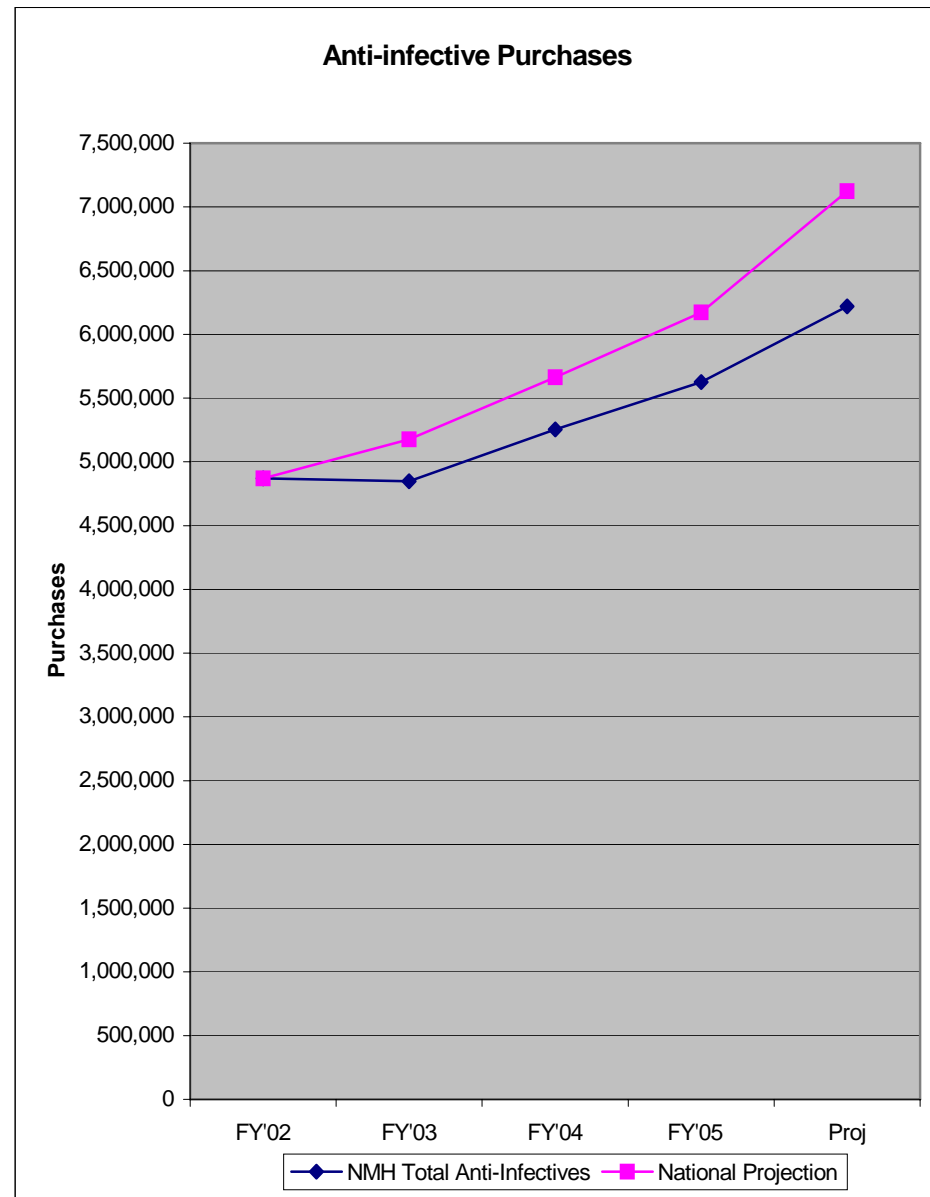
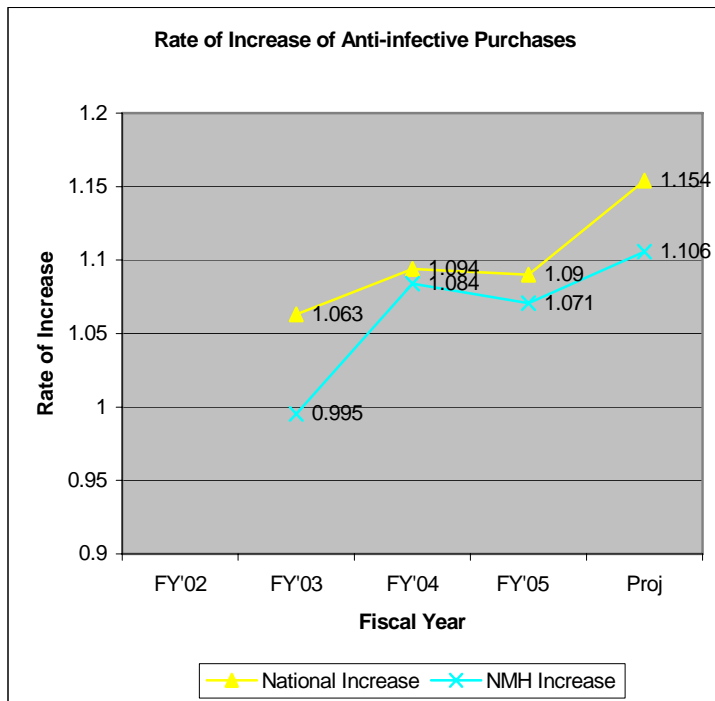
Reduce the use of unnecessary anti-infectives

### Methods

NMH Purchases of anti-infectives are compared to National Data. Using 2002 as a fixed point NMH purchases are compared to national projections as reported by Hoffman AJHP. 2006; 63:123-38 and AJHP 2005; 62:149-67

### Results:

NMH compares favorably to National use of anti-infectives for total purchases and for rate of increase. A favorable annual variance of 903,734 is projected for FY 2006.



# Comparison

## Limitations:

- Total Normalization
- Assumes year to year consistency
- Volume Effect
- Voluntary Reports

## Advantages:

- Total Normalization
- Published Benchmark

James M. Hoffman, Nilay D. Shah,  
Lee C. Vermeulen, Glen T.  
Schumock, Penny Grim, Robert J.  
Hunkler, and Karrie M. Hontz

### **Projecting future drug expenditures—2006**

Am. J. Health Syst. Pharm., Jan  
2006; 63: 123 - 138.