



### Making Specialty Pharmacy Special! How to Create Value for Your Health System

Donald Carroll RPh, MHA, Senior Director,  
Specialty Pharmacy, Cleveland Clinic  
Bob Grenier, Pharm. D, National Director,  
CHI Specialty Pharmacy  
Kyle Skiermont, PharmD, Vice President of Operations,  
Fairview Pharmacy Services  
Tricia Killingsworth, RPh, Moderator



### Objectives

- Identify opportunities to develop referral sourced based strategies for specialty pharmacy
- Define how strategic intention, values and operational requirements drive specialty pharmacy development decisions
- Create a plan to develop and implement a specialty pharmacy
- Assess key operational and clinical metrics of specialty pharmacy



### Making Specialty Pharmacy SPECIAL

Bob Grenier, Pharm. D  
National Director, CHI Specialty Pharmacy



### Catholic Health Initiatives (CHI)

- Nonprofit, faith-based health system formed in 1996
- Headquartered in Englewood, Colorado
- Operating in 18 states
- 93 hospitals
- 4 academic medical centers
- 24 critical access facilities
- Numerous other facilities and agencies spanning the continuum of care
- \$910 million in charity care and community benefit in FY14



### Catholic Health Initiatives (CHI)



### CHI Health

- Regional network across all of Nebraska and western Iowa
- 15 acute care hospitals
- 2 specialty hospitals
- Over 120 clinics
- 2 physician enterprises with over 500 providers
- Multiple Health Services
- 10 outpatient pharmacies
- 2 Specialty pharmacies
  - Louisville, KY
  - Omaha, NE

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### What is Specialty Pharmacy?

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"The most common side effect of this medication is a loss of disposable income."

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### Specialty Pharmacy

- Unique area of pharmacy practice
  - Standards of Practice
    - Payer and manufacturer driven
  - Accreditation
- Specialized Pharmacist training
  - Disease State expertise

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### Specialty Pharmacy Facts

- Typically high in cost (\$600 or more per month).
- Complex treatment regimens
- Dispensed to treat individuals with chronic or rare diseases.
- Require ongoing clinical monitoring and patient education.
- Generally biologically derived, available in injectable, infusible and oral forms.
- Frequently have limited or exclusive product availability and distribution.
- Special-handling, storage or delivery requirements..
- Limited or exclusive product availability and distribution.
- Treat therapeutic categories such as oncology, autoimmune/immune, inflammatory marked by long-term or severe symptoms, side effects or increased fatality.
- Unique payer contracts

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### Why Health System Based Specialty Pharmacy?

- Provide the entire continuum of care
  - Benefit of local presence
- Mitigate complexity associated with Specialty Pharmacy.
  - For patients
  - For providers
  - For pharmacists
- Provide a service that produces superior outcomes
- Revenue stream

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### Benefits to Health System Based Specialty Pharmacy

- Improves continuity of care
- Leverages existing relationships
  - With patients
  - With prescribers and office staff
  - With nurses
- Helps to optimize investment in expensive therapies

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### Benefits to Health System Based Specialty Pharmacy

- Reduces physician and clinic staff burden
- Reduces confusion and frustration for patients
- Allows pharmacists to work as a member of the health care team

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***Health system based specialty pharmacy leverages relationships between pharmacists and patients and physicians to improve care.***

- A True
- B False



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### **Developing models of care**

- Speak with key physicians
  - Determine needs and frustrations
- Identify office staff who “manage” specialty patients
  - Work together to streamline processes
- Think outside the box

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### **How Health System Based Specialty Pharmacy Improves Care**

- Reduces delays in therapy initiation
- Reduces gaps in therapy
- Improves compliance and adherence
- Improves patient engagement

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### **How Health System Based Specialty Pharmacy Improves Care**

- Improved communication and more timely information sharing between providers, pharmacists, patient and payer
  - Common medical record
  - Access to case management system
- “Personalizes” patient care
- Produces superior outcomes

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### **Case Study**

- Hepatitis patient
  - On sofosbuvir (Sovaldi®) and simeprvir (Olysio™)
  - Labs ordered but patient wasn’t scheduled
  - Specialty Pharmacist noticed that patient hadn’t been scheduled.

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### **Case Study**

- Hemophiliac patient
  - On antihemophilic factor recombinant Advate® (other brands: Helixate®, Kogenate®, Recombinate®, Eloctate®, Xyntha®)
  - Prior hospitalizations and ED visits due to lack of availability of Factor product.
  - Local SP can provide drug quickly when dose changes and emergant need arises.

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**Health system based specialty pharmacies can increase delays in therapy initiation.**

A True  
 B False



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**Key Takeaways**

- Key Takeaway #1
  - Health system based specialty pharmacy can improve patient care.
- Key Takeaway #2
  - Models of care need to be customized to the needs of the prescriber and patient.
- Key Takeaway #3
  - Leveraging relationships is key to the success of a health system based specialty pharmacy.

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**Building the Case for Specialty Pharmacy**

Donald Carroll RPh, MHA, Senior Director,  
 Specialty Pharmacy, Cleveland Clinic

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**Cleveland Clinic**



Established Feb 21, 1921  
 - Four Physicians  
 - MD Group Practice

Physician Led  
 Non-Profit Organization  
 -Group Practice  
 Hospital / Clinics

Bring together diverse specialists to "think and act as a unit"

Mission: "...care of the sick, investigation of their problems, and further education of those who serve."

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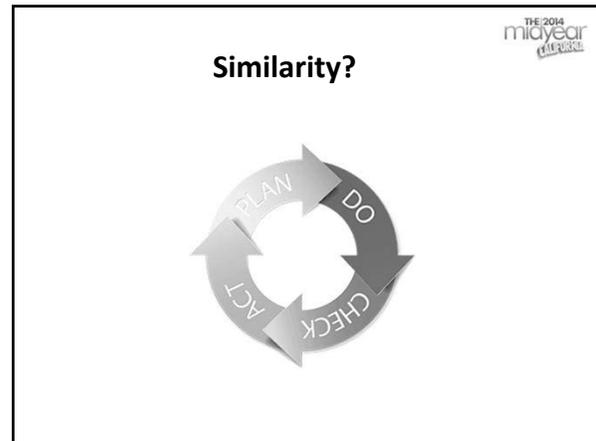
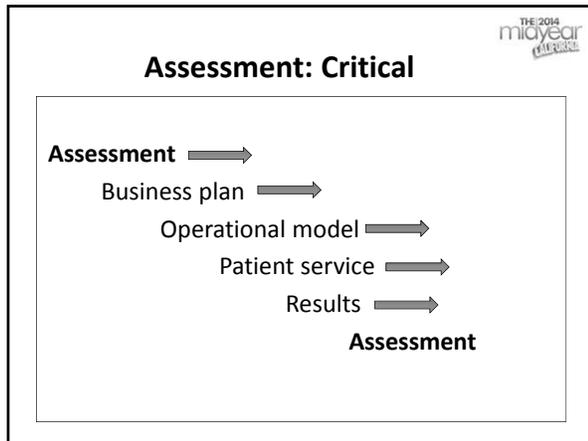
- 1,300 Licensed Beds
- 44,000 Employees
- 3,000 Physicians and Scientists
- 1,800 Residents and Fellows
- 67 Accredited Training Programs

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**U.S. News & World Report's  
 "2013-14 Specialties"**

2013 U.S. NEWS SPECIALTIES  
 TOP-RANKED IN OHIO

	In the U.S.
Cardiology & Heart Surgery .....	No. 1
Urology .....	No. 2
Nephrology .....	No. 2
Diabetes & Endocrinology .....	No. 2
Gastroenterology & GI Surgery .....	No. 2
Rheumatology .....	No. 2
Gynecology .....	No. 3
Orthopaedics .....	No. 3
Pulmonology .....	No. 3
Ear, Nose & Throat .....	No. 6
Geriatrics .....	No. 6
Neurology & Neurosurgery .....	No. 6
Ophthalmology .....	No. 7
Cancer .....	No. 9



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- ### Health System Specialty Pharmacy: Value Propositions
- Clinical program integration
  - EMR integration
  - Provider authorizations, workflow simplification
  - Economic impact
  - Proof of concept: Data driven

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- ### Warnings!
- Sophisticated competitors exist
  - They have skilled teams
  - Health systems cannot create just “another specialty” – we must differentiate!
  - The market may not care that you exist!

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### Stakeholders

“..... persons or groups that have a vested interest in a decision and the evidence that supports that decision”

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- ### Stakeholders
- Internal to health system
    - Patient care teams
      - Institutes
      - Clinics
      - Key prescribers



### Stakeholders

- Finance
  - Support is absolutely required
  - Need financial experts advice
  - Competition for funding
  - Results will be measured to budget



### Stakeholders

- Supply chain
- Marketing
- Contracting



### Stakeholders

- Identify Key External Stakeholders
  - Pharmaceutical industry
  - Payers
  - Employer groups



### Assessment Targets

- Rx volumes
- Payers
- Employers
- Providers
- Financial
- Drug access



### Rx Volumes: Discussion

- E scripting volumes
- Target specialty drugs Rx
  - Define your drug list
  - Oral, self injectable, infusions
- Talk to providers



### *Rx Volumes: Assessment*

- Can you get this data?
- Define volumes
- This information drives the financial model
- < market ratios, > health system data



### **Payers: Discussion**

- Medical plans (10-40%): Blue Cross, Anthem, Cigna, Medicare
- PBM plans (60-90%): CVS, Express Scripts
  - Own specialty pharmacies

Importance: They pay your bills!



### ***Payers: Assessment***

- Can you engage health system marketing efforts?
- Can you define key payers you can access now?
- Where are you closed out? How long are you closed out?
- Payer based pharmacy practice very sophisticated



### **Employers: Discussion**

- Health system marketing: Define the key local employers
- What employers value
  - Lower cost
  - Easy access

Importance: They can open payer doors directly



### ***Employers: Assessment***

- Can your Health System link you to employers?
- Does your Health System have significant employer relationships now?
- Can you sell your value proposition to employers?



### **Financial: Discussion**

- Be able to..
  - Define the economics of specialty proposal
  - Understand return on investment (ROI) targets
- Review the past year of capital funded projects at your health system
  - Identify trends    Identify targets



### ***Financial: Assessment***

- Develop financial projections
  - Assume low capture rate initially
  - Know your Health System threshold for return!
- You will need help!
  - 5 year projections
  - Comprehensive financials

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### Drug Access: Discussion

- Limited distribution drugs (LDD) limit your impact
- Evaluate LDD products vs. general access

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### Drug Access: Assessment

- Review Rx volume versus LDD products
- Use supply chain experts + your expert providers to engage
- Meet and plan to be a “soft landing” for manufacturers

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Question....choose best answer:  
 Assessing the potential for health system specialty pharmacy requires

- A Prescription data only
- B Research into the external marketplace
- C Knowledge of limited distribution drugs
- D All of the above



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### Creating a Competitive Specialty Pharmacy Unique to Your Health System

Kyle Skiermont, Pharm.D  
 Vice President of Operations, Fairview Pharmacy Services

**Fairview Health Services provides a full continuum of health and medical services.**

- Not-for-profit organization established in 1906
- Partner with the University of Minnesota since 1997
- 20,000+ employees
- 2,050 aligned physicians
- 7 hospitals/medical centers (1,627 staffed beds)
- 44 primary care clinics
- 55-plus specialty clinics
- 47 senior housing locations
- Home care, home medical and hospice
- 30+ retail pharmacies
- Urgent care and retail clinics



**2013 data**

- 72,291 inpatient admissions
- 1.54 million clinic visits
- \$514 million community contributions
- \$3.37 billion total revenue

**Fairview Pharmacy Services LLC, a subsidiary of Fairview Health Services, is a comprehensive provider of pharmacy services covering the entire spectrum of customer needs.**

- Retail Pharmacies (36)**  
 Medical office buildings and clinics, University of MN hospital
- Hospital Pharmacies (8)**  
 Infusion Therapy (home and ambulatory service)  
 Licensed pharmacy and home health agency w/ regional coverage  
 Clinical team: IV nurses, clinical pharmacists, dietitians  
 Antibiotic therapy, TPN, oncology, pain management
- On-site Infusion Pharmacies (6)**
- Specialty Pharmacy**  
 Nationwide coverage, all drug classes, case-managed approach
- Mail Service Pharmacy**  
 Long Term Care/Assisted Living Pharmacy
- Compounding Pharmacy**  
 Central Packaging
- Medication Therapy Management (MTM)**  
 20 clinics, multiple direct-to-employer and payer contracts
- Fairview Clinical Trials Services**  
 Anti-coagulation clinics (30)
- Wholesale pharmacy**  
 Advanced Drug Therapy Program
- ClearScript™ pharmacy benefit management**  
 Management oversight of UMMC Hemophilia Clinic



Our stakeholders have new and higher expectations for pharmacy. Relevance in the new healthcare world requires innovation, and a much wider perspective of what pharmacy means.

Patient  
More than  
dispensing drug  
therapy

Provider  
Care team  
integration

Payer  
Value, not just  
cost

Pharma  
Collaboration

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### Key Steps

- Determine the reason for entry into the market
- Educate/Socialize key leaders
- Size opportunity
- Gap analysis
- Identify resources needed and identify associated costs

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### Gap Analysis

- Are key people, processes and tools in place?
- Methods to accomplish gap analysis:
  - Utilize a consultant with specialty pharmacy experience
  - Review payer and limited distribution drug RFPs
  - Assess accreditation readiness

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### Services Stakeholders Expect from Their Specialty Pharmacy

- Distribution
- Billing
- Clinical Services
- Data reporting
- Customer Service

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### Most Valuable Services Provided by Specialty Pharmacies

- Ensure dose accuracy
- Manage drug waste and abuse
- Adherence measurement
- Limited distribution drug access

• EMD Serono Specialty Digest, 9<sup>th</sup> Edition

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### Most Valuable Services Provided by Specialty Pharmacies

- Adherence programs
- Savings measurement
- Track type of patient interventions
- Track patient intervention outcomes

• EMD Serono Specialty Digest, 9<sup>th</sup> Edition

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### Most Valuable Services Provided by Specialty Pharmacies

- Clinical programs/follow up
  - Therapy management programs
  - Side effect management
- Insurance/reimbursement assistance
  - Prior authorizations
  - Manufacturer programs
  - Grant foundation funding

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### True or False: Expectations of service for a specialty pharmacy are the same as the expectations for a community pharmacy

A True  
 B False



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### Key Elements of Success

- Health system support
- Provider buy-in
- 340B
- Payer Contracts
- Service level

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### Strategies to Get Started

- Provide service to patients with any willing provider payers
  - Government plans, some commercial
- Discharge
- “Non-specialty” specialty
  - Transplant, HIV
- Concentrate on therapies with multiple new starts

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### Strategies to Get Started

- Employees
- Owned health plan
- Accreditation
  - URAC
  - ACHC
  - Others

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### Strategies to Get Started

- Determine clinical areas of focus
- Engage providers/clinics in the development of services
  - On-site and remote
- Develop disease specific services
  - Financial programs
  - Therapy management programs

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### Strategies to Open Larger Opportunities

- HUB relationships
- Leverage hospital/health system payer agreements
  - Care for own patients
- Explore exclusive payer relationships
- Explore limited distribution drugs
  - Center of excellence
  - Care for own patients

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### Strategies to get started in specialty pharmacy include:

- A** Engaging provider/clinics in the development of services
- B** Filling prescriptions for employees
- C** Providing services to patients with any willing provider
- D** All of the above



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### Ingredients That Worked for Fairview

- Focus and infrastructure
- Stand-alone business
  - Capital structure
  - Dedicated management team
  - Financial accountability
  - Infrastructure support
- Organizational alignment and accountability

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### Lessons Learned

- First step is to develop the services expected by a specialty pharmacy
- Start small – open access medications, one payer, or a few disease states
- Once established, utilize the expertise and leverage of the organization to expand

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### Key Takeaways

- Understand the current market for your health system
- Determine the reason to enter the specialty pharmacy market and the method to enter
- Develop the necessary services expected by a specialty pharmacy

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### Panel Question and Answer Session



### Contact Information

Donald Carroll

[carrold@ccf.org](mailto:carrold@ccf.org)

Bob Grenier

[Robert.Grenier@alegent.org](mailto:Robert.Grenier@alegent.org)

Kyle Skiermont

[kskierm1@fairview.org](mailto:kskierm1@fairview.org)