



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

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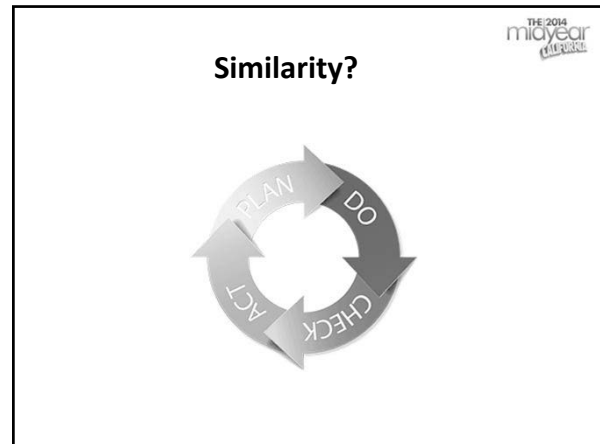
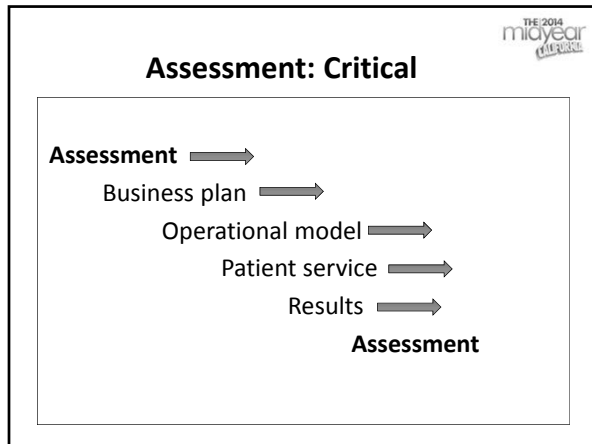
- 1,300 Licensed Beds
- 44,000 Employees
- 3,000 Physicians and Scientists
- 1,800 Residents and Fellows
- 67 Accredited Training Programs

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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

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Stakeholders

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

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Stakeholders

- Supply chain
- Marketing
- Contracting

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Stakeholders

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

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Assessment Targets

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

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Rx Volumes: Discussion

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

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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**
- ClearScriptSM 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, 9th 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, 9th 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



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



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



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





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