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

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

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
What is Specialty Pharmacy?

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

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

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

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

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

True
False

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

How Health System Based Specialty Pharmacy Improves Care

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

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

Case Study

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

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 emergent need arises.
Health system based specialty pharmacies can increase delays in therapy initiation.

True
False

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.

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.”

Building the Case for Specialty Pharmacy

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

U.S. News & World Report’s “2013-14 Specialties”

2013 U.S. News Specialties
TOP-RANKED IN OHIO

- Cardiology & Heart Surgery
- Neurology
- Gastroenterology
- Oncology & Hematology
- Respiratory Care
- Nephrology
- Gastroenterology
- Hematology
- Oncology
- Cardiology & Heart Surgery

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Assessment: Critical

- Assessment
- Business plan
- Operational model
- Patient service
- Results
- Assessment

Health System Specialty Pharmacy: Value Propositions

- Clinical program integration
- EMR integration
- Provider authorizations, workflow simplification
- Economic impact
- Proof of concept: Data driven

Similarity?

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!

Stakeholders

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

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

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
Drug Access: Discussion

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

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

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

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

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 1917
- 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.
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.

**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

**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

**Services Stakeholders Expect from Their Specialty Pharmacy**
- Distribution
- Billing
- Clinical Services
- Data reporting
- Customer Service

**Most Valuable Services Provided by Specialty Pharmacies**
- Ensure dose accuracy
- Manage drug waste and abuse
- Adherence measurement
- Limited distribution drug access

**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*
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

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

[ ] True
[ ] False

Key Elements of Success

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

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

Strategies to Get Started

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

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:

1. Engaging provider/clinics in the development of services
2. Filling prescriptions for employees
3. Providing services to patients with any willing provider
4. 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

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

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

Panel Question and Answer Session
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