What's Health Care Pharmacy Executives’ Number One Priority?
Findings from a National Survey of Pharmacy Leaders

Lindsay Conway
Managing Director
conwayl@advisory.com
202-266-5845
The Pharmacy Leader Pulse Check Survey

Survey Topics

What is most critical to pharmacy departments’ success in 2016?

How confident are pharmacy leaders in meeting today’s challenges?

What skills are needed for pharmacy leader success today?

What skills will be needed for pharmacy leader success five years from now?

Pharmacy Leaders Pulse Check Survey in Brief

• 13-question online survey for hospital and health system pharmacy leaders administered in February 2016
• 80 unique respondents
• Goal was to better understand pharmacy leaders’ goals, priorities, and challenges

Pharmacy Critical, Now More than Ever

Top Ten Issues

Strong performance in this area is critical to the overall success of the pharmacy department in 2016.

Percentage ‘Strongly Agree’ and ‘Agree’

- Drug Cost Management: 98%
- Securing Support from CXOs: 95%
- Engaging Physicians: 94%
- Improving Transitions of Care: 94%
- Antimicrobial Stewardship: 90%
- Enfranchising Pharmacy Staff in PI: 88%
- Medication Reconciliation: 87%
- Integrating PharmDs into Care Team: 85%
- Managing Drug Shortages: 85%
- Pharmacy Staffing and Management: 84%

Even Lowest Ranked Issue Important to 58%

11th to 20th Ranked Issues

Strong performance in this area is critical to the overall success of the pharmacy department in 2016.

Percentage ‘Strongly Agree’ and ‘Agree’

Variation Appears in Degree of Importance

Top Ten Issues

Strong performance in this area is critical to the overall success of the pharmacy department in 2016.

*Percentage ‘Strongly Agree’*

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage 'Strongly Agree'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug Cost Management</td>
<td>78%</td>
</tr>
<tr>
<td>Securing Support from CXOs</td>
<td>71%</td>
</tr>
<tr>
<td>Improving Transitions of Care</td>
<td>68%</td>
</tr>
<tr>
<td>Antimicrobial Stewardship</td>
<td>63%</td>
</tr>
<tr>
<td>Engaging Physicians</td>
<td>61%</td>
</tr>
<tr>
<td>Medication Reconciliation</td>
<td>60%</td>
</tr>
<tr>
<td>Integrating PharmDs into Care Team</td>
<td>53%</td>
</tr>
<tr>
<td>Pharmacy Staffing and Management</td>
<td>49%</td>
</tr>
<tr>
<td>Specialty Pharmacy Business Development</td>
<td>49%</td>
</tr>
<tr>
<td>Technology Implementation</td>
<td>48%</td>
</tr>
</tbody>
</table>

Variation Appears in Degree of Importance

11th to 20th Ranked Issues

Strong performance in this area is critical to the overall success of the pharmacy department in 2016.

Percentage ‘Strongly Agree’

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enfranchising Pharmacy Staff in PI</td>
<td>46%</td>
</tr>
<tr>
<td>P&amp;T Committee Management</td>
<td>46%</td>
</tr>
<tr>
<td>Medication Therapy Management</td>
<td>44%</td>
</tr>
<tr>
<td>Managing Drug Shortages</td>
<td>38%</td>
</tr>
<tr>
<td>Supply Chain Management</td>
<td>37%</td>
</tr>
<tr>
<td>Retail Pharmacy Business Development</td>
<td>30%</td>
</tr>
<tr>
<td>Reducing Prescribing Variation</td>
<td>26%</td>
</tr>
<tr>
<td>Vendor Negotiations</td>
<td>25%</td>
</tr>
<tr>
<td>Opioid Use</td>
<td>20%</td>
</tr>
<tr>
<td>Pharmacy Succession Planning</td>
<td>20%</td>
</tr>
</tbody>
</table>

What are the three most important metrics that senior leadership uses to evaluate your department?

n=170

- Managing the budget: 84%
- Lowering total cost of care: 71%
- Clinical support: 66%
- Production of medications / number of drugs dispensed: 41%
- Support of discharge or post-discharge planning: 20%
- Other: 12%

Source: Advisory Board Health System Pharmacy Survey, March – April 2014 Advisory Board interviews and analysis.
### CXOs “Up at Night” Issues

Similarities and Differences with Pharmacy’s Priorities

Please rate the level of importance of this issue for your organization.

**Top Ten Issues by GPA**

n=209

<table>
<thead>
<tr>
<th>Issue</th>
<th>GPA Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaging physicians in minimizing clinical variation</td>
<td>3.38</td>
</tr>
<tr>
<td>Redesigning health system services for population health</td>
<td>3.30</td>
</tr>
<tr>
<td>Patient engagement strategies</td>
<td>3.28</td>
</tr>
<tr>
<td>Meeting rising consumer expectations for service</td>
<td>3.27</td>
</tr>
<tr>
<td>Controlling avoidable utilization</td>
<td>3.25</td>
</tr>
<tr>
<td>Improving ambulatory access</td>
<td>3.16</td>
</tr>
<tr>
<td>Tactics for strengthening PCP alignment</td>
<td>3.13</td>
</tr>
<tr>
<td>Establishing sustainable acute care cost structures</td>
<td>3.13</td>
</tr>
<tr>
<td>Boosting outpatient procedural market share</td>
<td>3.09</td>
</tr>
<tr>
<td>Capturing payer steerage of profitable volumes</td>
<td>3.02</td>
</tr>
</tbody>
</table>

Pharmacy leaders rank “reducing prescribing variation” 16th out of 20

Pharmacy leaders rank “transitions of care” 3rd most important

Source: Health Care Advisory Board 2016 Topic Poll.
Only “Somewhat Confident” About Most Issues

Top Ten Issues Ranked by Percentage “Very Confident”

How confident are you in your organization's ability to manage this area successfully?

Percentage ‘Not at all confident,’ ‘Somewhat confident,’ ‘Very confident’

Least Confident in Reducing Rx Variation

11th to 20th Issues Ranked by Percentage “Very Confident”

How confident are you in your organization's ability to manage this area successfully?

Percentage ‘Not at all confident,’ ‘Somewhat confident,’ ‘Very confident’

Prioritizing Initiatives

Comparison of Importance with Confidence

<table>
<thead>
<tr>
<th>Importance</th>
<th>Confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensate</td>
<td>Leverage</td>
</tr>
<tr>
<td>• Securing Support from CXOs</td>
<td>• Improving Transitions of Care</td>
</tr>
<tr>
<td>• Medication Reconciliation</td>
<td>• Antimicrobial Stewardship</td>
</tr>
<tr>
<td>• Managing Opioid Use</td>
<td>• P&amp;T Committee Management</td>
</tr>
<tr>
<td>• Reducing Prescribing Variation</td>
<td>• Managing Drug Shortages</td>
</tr>
</tbody>
</table>

Which of the following resources do you not have enough of at your organization?

Select all that apply.

Responses included:
- Pharm techs
- Professional development funds
- Time

- Data and Analytics: 76%
- MD Champions: 49%
- Capital Funds: 43%
- Operating Funds: 37%
- Clinical Pharmacy Staff: 30%
- Admin Pharmacy Staff: 27%
- CXO Support: 26%
- Other: 14%
- None of the Above: 3%

Lack of Data Also the Most Harmful

Of the resources you’re lacking, which gap most negatively impacts your ability to achieve your pharmacy department's goals?

- Data and Analytics: 25%
- MD Champions: 23%
- Operating Funds: 19%
- Clinical Pharmacy Staff: 9%
- Capital Funds: 6%
- Admin Pharmacy Staff: 6%
- Other: 6%
- CXO Support: 5%

EHR Optimization Easier Said Than Done

Percent Ranking Item As Most Challenging Area for Inpatient EHR Optimization\(^1,2\)

n=134 Pharmacy leaders

**TOP THREE CHALLENGES**

- Evaluating outcomes post-formulary changes \(25\%\)
- Maintaining alerts, warnings, and hard stops \(24\%\)
- Aggregating data from disparate IT sources \(21\%\)

**BOTTOM THREE CHALLENGES**

- Updating order sets \(14\%\)
- Standardizing data entry \(10\%\)
- Maintaining the formulary \(7\%\)

\(^1\) Rank the top three areas where it is most challenging to optimize the EHR and IT infrastructure in the inpatient setting.
\(^2\) Percentages may not equal 100 due to rounding.

Source: 2015 Advisory Board Pharmacy Leaders Survey; Advisory Board research and analysis.
Use of Physician Practice Variation Data to Evaluate Physician Prescribing Behavior in the Inpatient Setting

n=138 Pharmacy leaders

Don’t use: 57%

Use: 22%

I don’t know: 22%

Most Concerning Areas of Prescribing Variation

n=132 Pharmacy leaders

Across facilities: 27%

Across inpatient and outpatient settings: 25%

Across service lines: 16%

In dosing/administration of on-formulary drugs: 12%

With use of non-formulary drugs: 11%

In use of branded, on-formulary products: 5%

In use of generics: 1%

Other: 3%

Source: 2015 Advisory Board Pharmacy Leaders Survey; Advisory Board research and analysis.

1) Do you currently use physician practice variation data analytics to evaluate differences in physician prescribing behavior in the inpatient setting?
2) Percentages may not equal 100 due to rounding.
Financial and Leadership Skills Most Valued Today

Which of the following are the most important skills for pharmacy leaders today?

Weighted average calculated from respondents’ rankings.

- Financial Acumen: 88
- Communicating Effectively: 85
- Change Management: 85
- Building and Strengthening Relationships: 79
- Process Management: 48
- Service Orientation and Customer Focus: 34
- Clinical Expertise: 19

Top four skills received similar ratings.

A Reordering of Priorities in 5 Years

Customer Focus Expected to Jump in Importance

Which of the following will be the most important skills for pharmacy leaders five years from now?

Weighted average calculated from respondents’ rankings.

Skills fall into three tiers

<table>
<thead>
<tr>
<th>Skill</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Acumen</td>
<td>+8 points</td>
</tr>
<tr>
<td>Communicating Effectively</td>
<td>-33 points</td>
</tr>
<tr>
<td>Change Management</td>
<td></td>
</tr>
<tr>
<td>Building and Strengthening Relationships</td>
<td></td>
</tr>
<tr>
<td>Process Management</td>
<td>+18 points</td>
</tr>
<tr>
<td>Service Orientation and Customer Focus</td>
<td></td>
</tr>
<tr>
<td>Clinical Expertise</td>
<td>14</td>
</tr>
</tbody>
</table>

Key Takeaways

1. **Pharmacy issues are critical - now more than ever.** All 20 issues were deemed important; even the lowest ranking issue, succession planning, was still deemed important to 58% of respondents. Generally speaking, strategic issues rank more highly than clinical and operational topics.

2. **Drug cost management is most critical to the pharmacy department’s success**, which is not surprising, given that most pharmacy departments are evaluated based on their budget performance and ability to help manage total costs of care.

3. **Although pharmacy leaders’ and CXOs’ priorities are mostly aligned, there is one clear area of misalignment – reducing clinical variation.** Pharmacy leaders rank reducing prescribing variation as 18th out of 20 issues by importance. In contrast, CXOs cite reducing clinical variation as a top priority.

4. **Pharmacy leaders are only somewhat confident in their ability to execute against critical goals.** The most significant confidence gaps relate to securing support from CXOs and medication reconciliation.

5. **Pharmacy leaders anticipate that the next five years will require a major shift in the skills required for success.** Financial acumen will remain the most important skill, while customer focus and service orientation will jump in importance.
Introducing the Pharmacy Executive Forum

The Pharmacy Executive Forum Helps Pharmacy Leaders…

Develop market-leading strategy
- Analysis of national trends and industry news
- Strategy decision guides
- Expert consultation

Accelerate performance improvement
- Best practice publications
- Program performance assessments
- Clinical, operational, and financial benchmarks

Enhance team capacity and effectiveness
- On-call research support
- Sample policies, procedures, job descriptions
- Staff training and development

Communicate pharmacy’s value to the system
- Executive education
- Ready-made presentations
- Trusted third-party voice
Pharmacy’s Most Urgent and Important Needs

Areas of Future Inquiry

Growth Strategy
- Specialty pharmacy
- Retail pharmacy
- Centralization vs. decentralization

Cost and Operations
- Supply chain management
- Technology and IT adoption
- Operational efficiency
- Staffing and management

Population Health
- Care team integration
- Medication reconciliation
- Medication therapy management

Clinical Practice
- Formulary management
- Reducing prescribing variation
- Antimicrobial stewardship
- Opioid use

Change Management
- Securing leadership support
- Engaging physicians in clinical practice initiatives
- Enfranchising staff in performance improvement

©2016 The Advisory Board Company • advisory.com
Please take a minute to provide your thoughts on today’s presentation.

Thank You!

Please note that the survey does not apply to webconferences viewed on demand.