Investing in specialty pharmacy is a win for health systems

**WIN #1**

Improved provider satisfaction
- Gives providers confidence that they will be notified of clinical concerns related to patient treatment
- Enhances clinic workflow and increases capacity when pharmacists manage patient follow-up visits during treatment
- Lessens burden on clinic staff to manage prior authorizations and help patients navigate specialty pharmacy hurdles

94.1% of referring providers to UW Health’s SP said that the service either met or exceeded their expectations

**WIN #2**

Improved patient satisfaction
- Reduces burden on patients to coordinate between provider clinic and pharmacy
- Enables patients to start life-saving medications sooner, because pharmacy staff have direct EHR access and specialized expertise to quickly process prior authorization requests

52 days reduction in time to medication approval for Hepatitis C patients using Vanderbilt University Medical Center’s SP (average of 67 days for patients with external SPs; reduced to 15 days for patients with Vanderbilt’s SP).

**WIN #3**

Lower costs for patients on high-cost medications
- Cuts spending on ineffective or unnecessary medications due to patient adherence challenges, suboptimal prescribing, or uncoordinated therapy changes
- Lowers patient out-of-pocket costs by incentivizing specialty pharmacy staff to actively monitor sources of financial assistance

$0.38 average specialty drug copay for patients of Southern Ohio Medical Center’s SP in April 2019 (compared with the national average copay of $93 for specialty medications)

**WIN #4**

Robust financial margin contribution
- Decreases employee pharmacy benefit costs by leveraging the health system’s preferred pricing and eliminating intermediaries
- Generates a reliable revenue stream for most institutions, though actual profit margin varies based on payer mix, patient populations served, and availability of preferred pricing opportunities
- Subsidizes additional pharmacy services such as population health management, clinical pharmacy services, and medication discount programs

35% typical contribution margin per specialty pharmacy prescription with 340B pricing (5% margin without access to 340B pricing)

**WIN #5**

Verified clinical value
- Supports strong clinical outcomes, offers mimicking—or even beating—outcomes seen under “ideal” conditions in clinical trials
- Reduces ED visits and inpatient admissions due to poorly managed patient side effects and treatment delays

25% lower emergency department utilization among Cleveland Clinic employee health plan members using Cleveland Clinic’s SP than an outside SP

Assemble a winning specialty pharmacy crew

- **Executive sponsor**
  - Understands the SP business and serves as an advocate with both the C-suite and providers

- **Contract manager**
  - Supports payer contract negotiations and annual recredentialing; a dedicated pharmacy role ensures efficient processes

- **Data analysts**
  - Ensure the program meets reporting requirements, and innovate on ways to collaborate with payers and manufacturer around outcomes

- **Pharmacists**
  - Collaborate with providers to integrate specialty pharmacy into patient care pathways, provide patient education, manage side effects, and support adherence

- **IT staff**
  - Support integrated communication and workflows between pharmacy and clinics; build data collection capabilities to meet needs of accrediting bodies, manufacturers, and payers

- **Pharmacy technicians**
  - Process prior authorizations and medication assistance requests; communicate regularly with patients; alert pharmacists to any issues or concerns; dispense medications

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Access our full library of SP resources at advisory.com/specialtypharmacy

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4. Robust financial margins. However, success requires investing in the right SP team, which may include dedicated staff or external partners.

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Integrated specialty pharmacy services can be an all-around winning strategy for health systems. Health system-owned specialty pharmacies (SPs) have an unique advantage over external SPs in that they can closely coordinate care with physicians through the health system’s EHR. This provides a more coordinated care experience, leading to improved provider and patient satisfaction, lower total costs of care for high-cost patients, and verified clinical value. System-owned SPs also typically yield robust financial margins. However, success requires investing in the right SP team, which may include dedicated staff or external partners.