

# Healthcare Cost Containment



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## Pharmacists Help Hospitals Improve Coordination of Care

By Anthony Vecchione

*Early results suggest that care coordination by pharmacists and use of on-site ambulatory pharmacies contribute to robust transitional care—and may help avoid costly re-hospitalizations.*

Across the country, health systems are finding that better care coordination involving pharmacists may help prevent readmissions, increase medication compliance, and create a more efficient transitional care model. Providers are taking steps such as delivering bedside medications to patients before hospital discharge and providing access to an on-site ambulatory pharmacy.

Access to discharge medications is critical to helping patients avoid a return to the hospital, says Toni Fera, PharmD, a consultant with the Pittsburgh Regional

Health Initiative, a program designed to reduce admissions and readmissions at Monongahela Valley Hospital, Monongahela, Pa.

“You have to make sure that the care is seamless,” says Fera, adding that on-site ambulatory pharmacy services can help promote seamless care by ensuring that patients understand how to take their medications upon discharge. Such services also improve patients’ access to medications and pharmacy resources, which Fera believes leads to greater medication adherence.

By improving medication adherence, ensuring that patients are educated about the appropriate use of their medications, and reconciling medications to prevent duplication of therapy and drug interactions, pharmacists help reduce medication-related problems that can lead to readmissions, Fera says. Providers have had success using pharmacists to coordinate care, as the two following case studies show.

### **A Transition-of-Care Pharmacist**

In November 2014, Peninsula Regional Medical Center (PRMC) in Salisbury, Md., sought to improve care transitions by decentralizing its pharmacy department and assigning a pharmacist to cover patient floors.

“The decentralized pharmacist model has allowed us to identify a patient’s

## Pharmacists Help Patients Manage Diabetes

Pharmacists in Carilion Clinic's Improving Health for At-Risk Rural Patients program were able to help one-fifth of patients with poorly controlled diabetes achieve their A1c goal at their next follow-up clinic visit.

- > 372 out of 685 diabetic patients had an A1c of less than 8 percent at baseline
- > 208 had poorly controlled diabetes (A1c greater than 9 percent) at baseline, and 102 of those patients had at least one follow-up encounter
- > 21.6 percent (22) of patients with a follow-up encounter achieved an A1c goal of less than 8 percent by the most recent follow-up clinic visit

Source: AmerisourceBergen and Carilion Clinic

health literacy and educate them on their medication earlier in their stay," says William Cooper, PD, ambulatory pharmacy manager.

Once the patient is ready to be discharged, the medical center's ambulatory pharmacy, which opened in January 2014 and is owned by the hospital, can fill any medications that have been prescribed during the patient's stay and have them ready for pickup by the time of discharge. A concierge program allows the ambulatory pharmacy to deliver these medications to the bedside.

Decentralization of the pharmacy has produced several benefits at PRMC.

**More efficient discharges.** Cooper says the decentralization of the pharmacy helps streamline the patient discharge process. For example, in the case of a cash-paying patient, the discharge pharmacist calls the ambulatory pharmacist to get cash prices and ascertain whether the patient is able to make a purchase.

"Before, we didn't have that luxury," Cooper says. "The physician would write the prescriptions, and the patient would go to a community pharmacy, and the pharmacist would tell the patient that the cost is \$250. Some patients can't afford it and don't get the prescription at all.

"Now that we have the decentralized pharmacist upstairs, we're trying to get physicians involved so they know that instead of writing a prescription for an expensive product, they can write one for a less-expensive product or give the patient a coupon that gives them a discount. Or we help patients get connected to an indigent patient program."

The organization also decided to open up the ambulatory pharmacy to patients treated in the emergency department, the wound care center, and same-day surgery so they would not need to stop at a retail pharmacy on their way home to have their prescriptions filled. "We are strategically located so that we're right across the hall from same-day surgery and right down the hall from the emergency department," Cooper says.

**Pharmacy benefits for employees.** Cooper says the driving force behind the concept of the ambulatory pharmacy was the launch of the hospital's new pharmacy benefits manager (PBM) as an employee benefit. A multidisciplinary team at PRMC worked hard to make sure the pharmacy's starting date would coincide with the go-live date of the PBM for the new benefits year.

According to Cooper, there was a major dissatisfaction with the mail-order program that was part of the previous PBM. "Along with the cost savings, this was one of the driving forces to bring pharmacy services in-house. It has been so well-received that our five-year projections on our original pro forma have

already been met within the first year," Cooper says.

**Better prices.** Through its drug distributor, PRMC was introduced to the own-use pricing aspect. "As a designated 'own-use pharmacy,' we are able to leverage the existing contracts of the hospital," Cooper says. "This allows better pricing, which is passed on to our customers."

Yet there are limitations, he adds. The ambulatory pharmacy can fill prescriptions only for employees and patients who are being discharged from the facility. These patients can receive a maximum 30-day supply, and future refills must be transferred to the patients' regular pharmacy.

**Reduced readmissions.** Cooper says a major benefit of the ambulatory pharmacy is that it helps reduce medication-related readmissions. "Of course, with recent reimbursement structures, if the patient is readmitted to the hospital, the hospital is not paid for the readmission," he says. "So if we can take out the No. 1 reason nationally that patients are readmitted within the first 30 days of admission by making sure the patient has the medications, we feel that is a great addition to our ROI."

### Enhanced Roles for Pharmacists

Recently, Carilion New River Valley Medical Center in Christiansburg, Va., working in partnership with the Virginia Commonwealth University School of Pharmacy, received a \$4.3 million grant from the federal Center for Medicare & Medicaid Innovation to enhance patient outcomes and reduce healthcare costs by using pharmacists to provide comprehensive medication management in the health system's patient-centered medical homes (PCMHs).

## Estimated Cost Avoidance for 5,149 Resolved Medication-Related Problems, January 2013-June 2014

Level	ECA <sup>a, b</sup>	Frequency	Total ECA <sup>c</sup>
Improved quality of care	\$0	2,854 (55.43%)	\$0
Reduced drug product costs	\$63.98	960 (18.64%)	\$61,421
Additional physician visit	\$368.57	773 (15.01%)	\$284,905
Additional prescription order	\$453.94	141 (2.74%)	\$64,006
Emergency department visit	\$1,010.00	384 (7.46%)	\$388,197
Hospital admission	\$28,263.16	37 (0.72%)	\$1,045,737
<b>Total</b>			<b>\$1,844,265</b>

a. ECA = estimated cost avoidance

b. Costs adjusted to 2013 dollars

c. Total ECA = ECA × frequency

The model used for these calculations is from Johnson, J.A., and Bootman, J.L., "Drug-Related Morbidity and Mortality. A Cost-of-Illness Model," *Archives of Internal Medicine*, Oct. 9, 1995; and Ernst, F.R., and Grizzle, A.J., "Drug-Related Morbidity and Mortality: Updating the Cost-of-Illness Model," *Journal of the American Pharmacy Association*, March-April 2001.

Source: AmerisourceBergen and Carilion Clinic. Used with permission.

Through reductions in drug product costs, emergency department visits, and hospital admissions, and other improvements, pharmacists in Carilion Clinic's Improving Health for At-Risk Rural Patients program helped the organization save \$1.8 million in 18 months.

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Six pharmacists who participate in the medical center's Improving Health for At-Risk Rural Patients (IHARP) program were hired through the funding, and two other pharmacists were practicing in ambulatory care at Carilion prior to the grant. All of the pharmacists are Carilion employees who practice in 21 clinics.

IHARP has shown that the coordination of care by pharmacists in the hospital and clinic as well as in the community can help ensure patients are on the most appropriate and cost-effective medications. Pharmacists also are connecting patients to resources that help them afford their medications.

**The setup.** IHARP pharmacists practice as team members in the PCMHs and in traditional retail pharmacy settings. Carilion Clinic has four retail pharmacy operations: two in hospitals, one in a medical office building, and one stand-alone.

The grant was intended to integrate pharmacists into the management of chronic disease patients, and to position them to work effectively with inpatient and retail pharmacists who also are involved in patient care. Sustainability will be realized through improved quality of care, cost avoidance, and revenue generation through "incident to" billing and other forms of payment in which pharmacists can participate.

According to Verne Baker, MSM, FAACA, FACCA, senior vice president, Carilion Clinic, one of the catalysts for putting a retail pharmacy in the medical office building was the breadth of subspecialties. Health system leaders also wanted to give physicians in-house access to a pharmacist as a resource for any questions related to a patient's medication.

However, ambulatory pharmacy should not be thought of as solely a brick-and-mortar operation, says Chad Alvarez,

PharmD, MBA, senior director of retail/pharmacy systems. "It is about the provision of pharmaceutical care and medication management services to individuals in the patient-centered medical homes at the point of care," Alvarez says. "The continuum of care extends to our retail pharmacies, which provide traditional prescription services."

**The payoff.** For an in-house study, 2,659 patients were officially enrolled, with 2,345 still active at the end of December 2014. Most of the patients were on Medicare or Medicaid. IHARP pharmacists helped one-fifth of patients with poorly controlled diabetes achieve their A1c goal at their next follow-up clinic visit, and helped save \$1.8 million in avoidable costs by resolving medication-related problems (see the exhibit on page 6). Such efforts will likely help Carilion, an accountable care organization, achieve its population health management initiatives.

IHARP pharmacists at Carilion also play a vital role in strategic medication reconciliation for all patients. For example, pharmacists help to ensure that each COPD patient is on the right treatment. They assess adherence and refer patients to medication assistance, as needed. Through bedside delivery, pharmacists ensure patients have the right medications when they are ready to go home.

As members of the PCMH care team, IHARP pharmacists can meet one-on-one with patients to improve management of their medication therapies. "The IHARP pharmacist recommends more cost-effective therapies, removes duplicate medication therapy, provides adherence support and monitoring, and identifies medication affordability issues," Alvarez says.

## Looking Ahead

Having pharmacists directly involved with patient care is not a new concept, but organizations can achieve significant benefits by expanding pharmacy resources to assist patients with transitions of care and to manage medication therapies through the continuum of care, Alvarez says. In his view, such a strategy

will yield more cost-effective therapies, reduced readmissions, and positive patient outcomes. ☞

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