

Problem

Four of the 18 hospitals in the Bon Secours Health System qualified for 340B purchasing support from the government, but the system needed assistance maximizing opportunities for purchasing through the program.

Solution

The AmerisourceBergen® Indigent Drug Cost Savings solution helped eligible facilities complete the applications, evaluate current purchasing operations and systematize pharmaceutical purchasing through the HRSA 340B program.

Result

Bon Secours realized a significant drug cost savings of more than \$13 million in the first four years.

Bon Secours Health System saves more than \$13 million in drug costs during the first four years

Best practices for maximizing indigent drug cost savings on eligible pharmaceutical products and patients.

Prescription drug costs are rising faster as a percentage than all other healthcare costs — with most of that cost increase coming from increased utilization, not higher prices. As a result, hospitals are taking a closer look at how they can participate more in manufacturer and government-sponsored reimbursement programs for care of indigent populations.

These programs are filled with complexity and potential for error. As a result, many hospitals are not able to maximize their potential. However, a well-planned and executed **Indigent Drug Cost Savings** solution can help control costs and free up significant cash to improve the pharmacy bottom line and fund other strategic initiatives.

Situation

Bon Secours is a not-for-profit, integrated health system with facilities located along the east coast. It includes 18 hospitals with nearly 4,500 licensed beds as part of its more than 100 entities which include nursing care centers, community-based home health divisions, assisted living facilities, hospice services, physician practice management, as well as numerous ambulatory facilities and strategic support services. Total revenues exceed \$2.4 billion

with indigent care and community benefits calculated at nearly \$153.4 million.

Bon Secours Health System advocates access to quality, convenient healthcare services for the uninsured and underinsured, with a focus on children and their families. As part of this mission, the Bon Secours patient accounting team led the revision and roll-out of an Indigent Care Policy, as a demonstration of their commitment to the community. This commitment was supported by a detailed examination of potential pharmacy supply chain savings and maximizing the organization's participation in the 340B Drug Pricing Program provided by the Public Health Service.

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Challenge

Four of the 18 Bon Secours hospitals could be classified as disproportionate share facilities that qualified for 340B purchasing because they provided services to low-income individuals who were not entitled to benefits under Medicare and Medicaid. These facilities had a Medicare disproportionate share adjustment percentage greater than 11.75%, along with other criteria.

However, Bon Secours encountered several challenges as it sought to participate in the Drug Pricing Program. These included resolving eligibility issues, ensuring all regulatory requirements were met, and all operational procedures and systems were in place.

Solution

Bon Secours contracted with the AmerisourceBergen Professional Services Group to assist eligible facilities with completing the necessary application, evaluating current purchasing operations and establishing procurement methods for systematizing and maximizing pharmaceutical purchasing through the 340B program.

Key components included:

- Complete project planning and management services to ensure each facility successfully implemented the 340B program
- Detailed analysis of all eligible pharmaceuticals and prescription opportunities across inpatient and outpatient services to maximize the opportunity
- Development of a medication formulary that matched the analysis and reinforced prescribing practices that increased the 340B savings potential
- Procurement process changes and purchasing directions that make sure every facility has an appropriate 340B drug procurement cycle
- Establishment of necessary purchasing relationships and wholesaler accounts needed for 340B purchasing
- Specialized 340B software for managing 340B drug inventory and accurately tracking drug use and inventory replenishment
- Quarterly auditing process to ensure compliance with all 340B purchasing requirements

The Result

Bon Secours has saved more than \$13 million in the first four years of engaging in the program, which provided them with significant financial relief to support their mission of bringing compassionate care and help to those in need.