

# How health system specialty pharmacies will help payers succeed in a value-based, data-driven future

## ▶ KEY CONCEPTS

- Integrated health systems and their specialty pharmacies are ideal partners for third-party payers.
- To reduce the total cost of care, data-driven insights and innovative clinical programs will be imperative.
- Access to the EMR, expertise in the disease state, institutional attention to the total cost of care, and established relationships with patients have made health systems astute managers of drug utilization.
- Excelera provides a single point of access to a nationwide network of health systems that demonstrate specialty pharmacy expertise and clinical best practices.
- With its best-in-class Complex Patient Data Platform and comprehensive insights, Excelera facilitates relationships between payers and health systems that are built on accurate, actionable intelligence regarding the care of complex patient populations.

## INTRODUCTION

Integrated health systems and their specialty pharmacies are ideal partners for third-party payers. The prevalence and sophistication of health system specialty pharmacies have grown dramatically in the past decade, and more than a quarter of accredited specialty pharmacy locations are owned by health care providers.<sup>i</sup> At the same time, health systems themselves are becoming more influential in their markets as they merge with or acquire additional hospitals and provider groups. Nearly half of all physicians are now employed by hospitals and health systems.<sup>ii</sup>

## Advantages of specialty pharmacy access at the point of care

Most patients who require specialty medications receive care through integrated health systems or academic medical centers, where they see providers at specialty clinics, trust their care teams, and are able to access care close to home. Centers of excellence in specific disease states, such as multiple sclerosis or cystic fibrosis, perform cutting-edge research, draw a concentration of patients, and are typically housed within health systems. Specialty pharmacies in this setting, at the point of care, provide local, hands-on patient monitoring, supported by state-of-the-art care protocols and seamless access to the electronic medical record (EMR). Clinical advantages, convenience, and the ability to receive pharmacy care from a trusted health system are important for patients and families dealing with chronic and complex conditions.

## PAYERS SNAPSHOT

- Specialty pharmacy represents about 46% of total pharmacy spend and continues to grow at a faster pace than traditional pharmacy.<sup>iii</sup>
- More than one-quarter of all accredited specialty pharmacy locations are owned by healthcare providers, including hospitals and health systems, signaling a marked shift in the specialty pharmacy landscape.
- The number of drugs in late-stage development increased by 11% in both 2017 and 2018, and most are specialty or niche therapies. Examples include drugs for rare GI conditions, one of the fastest growing classes from 2017 to 2018, and oncology drugs, 849 of which were in late-stage development in 2018.<sup>iv</sup>
- More than a quarter of prescriptions for branded specialty drugs are abandoned during the deductible phase.<sup>v</sup>
- Many payers are dissatisfied with the data they receive from their specialty pharmacy providers.<sup>vi</sup>

Carve-outs in payer contracts, unfortunately, often disrupt the flow of this system, forcing patients to fill their prescriptions elsewhere and leaving gaps in the patient's records. When the health system can fill the prescription, the clinical advantages are numerous. Therapy can be initiated quickly, and adherence is more easily monitored. Complete visibility into the patient's medical and pharmaceutical care helps inform decision making and can impact patient safety.

Members of the Excelera Network, a nationwide network of health systems, can cite many examples of issues arising from being unable to fill a specialty prescription. In one instance, a toddler with cystic fibrosis was discharged from an Excelera member hospital on a Friday with a prescription order for Pulmozyme. The patient's health plan required the prescription to be filled by an outside specialty pharmacy, but when the family presented the prescription order to their local in-network pharmacy—50 miles away from the hospital—they were told the pharmacy did not have Pulmozyme and could not get it. The mother and patient drove back to the hospital to ask for help from the Excelera member pharmacist, who called the family's in-network specialty pharmacy, which stated that the medication could be delivered the following Tuesday. Even after direct confirmation from the in-network pharmacy that it could not fill the prescription immediately, the insurance company would not allow the Excelera member specialty pharmacy to do so. The mother and patient were sent home without it. Unfortunately, they had to return for readmission to the hospital within 17 hours.

By any measure—total cost of care, patient outcomes, patient and provider satisfaction, or other quality indicators—this carve-out resulted in failure.

## The importance of a collaborative approach

To tilt the scales toward success, payers must collaborate with health systems to carve in specialty pharmacy coverage. Access to the EMR, expertise in the disease state, institutional attention to the total cost of care, and established relationships with patients have made health systems astute managers of drug utilization. Many are also experienced in functioning as accountable care organizations (ACOs), while also striving to achieve the Triple Aim of enhanced patient experience, reduced per capita cost of care, and improved population health. Value-based care contracting through ACOs and clinically integrated networks (CINs) is here for the long term, increasing dramatically in numbers of organizations and lives covered for the past decade.<sup>vii</sup> Given the realities, health systems and their specialty pharmacies must focus on population health through risk stratification and other methods.

Specialty pharmacy outcomes are complicated by non-adherence and non-compliance. When the patient is at the center of care and the entire care team has access to the EMR, these risks can be recognized and mitigated through proven therapy management protocols. Cost is also a risk factor; more than a quarter of branded specialty prescriptions are abandoned during the deductible phase. The health system's pharmacy coordinators, often liaisons embedded in specialty clinics, perform the crucial task of connecting patients to payment assistance through manufacturer programs or other means, alleviating the need for patients to navigate complicated hub solutions.



## Bridging the gap between payers and health systems to optimize specialty pharmacy

Health plans and health systems share a common interest: keeping their communities healthy. For national payers, Excelera provides a primary point of access to the Excelera Network, a nationwide network of health systems. Excelera supports and stewards sophisticated contracting processes between payers and health systems, specifically focused on specialty pharmacy.

Excelera delivers innovative pharmacy programs, products, and solutions that are powered by a proprietary data platform. Growing ever more powerful and robust since its introduction in 2012, the Complex Patient Data Platform generates reports for payers, manufacturers, and the health systems themselves that provide a clearer picture of the patient experience. Powerful data aggregation capabilities uncover insights to guide decision making. Among other capabilities, the data platform is the engine for the detailed reporting required by manufacturers with limited distribution drug (LDD) networks, enabling Excelera members to have access to these drugs.

In a survey of payers regarding data received from their specialty pharmacy providers, three areas were cited as needing improvement: outcomes and intervention information, real-time data, and consistency.<sup>viii</sup> With its best-in-class Complex Patient Data Platform and its specialty pharmacy expertise, Excelera facilitates relationships between payers and health systems that are built on accurate, actionable intelligence regarding the care of complex patient populations. The Complex Patient Data Platform, combined with practical insights from Excelera consultants and members, provides payers with:

- Unique visibility into complex patient populations
- Highly accurate, standardized patient data and reporting
- Integrated medical and pharmacy care insights

Information regarding a specialty product's real-world utilization makes it possible for the payer to create better policies. Comprehensive insights support strategies that reduce the total cost of care.

The Excelera approach also enables insurers to demonstrate value to employers or plan sponsors by showing improved outcomes for complex patients who take specialty medications. Because plan sponsors can be frustrated with a lack of transparency regarding specialty pharmacy utilization, health systems often partner with sophisticated local employers to better manage complex patients. This trend is inevitable as health systems merge and grow more influential in their markets. In some cases, they act as pharmacy benefit managers (PBMs) and extend their specialty pharmacy capabilities into areas, such as home infusion, that encourage continuity and adherence while reducing cost and freeing up hospital bed capacity. Excelera can work with health system specialty pharmacies to target large local employers and educate them about specialty pharmacy.



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“Because many health systems have a share in the risk of managing the overall care and health of a population, they understand the urgency as well as the financial incentives of moving toward value-based care in order to lower cost and improve access and quality.”

– Murali Sastry, VP Payer Relations and Market Access

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Collaboration among all players is key to making improvements in many areas of concern, from optimizing doses in the earliest possible stages of treatment to managing benefit design changes for chronic and acute therapeutic categories.

Excelera's network includes only health systems with accredited specialty pharmacies, or those working toward accreditation, a process that Excelera can assist with. The high-performing specialty pharmacies permitted to join the Excelera network must adhere to rigorous standards.

Excelera has grown and evolved since it was founded by a group of six leading health systems. Now numbering more than 20 members nationally, it continues to develop integrated solutions and clinical best practices that put patients at the center of care. The Complex Patient Data Platform will continue to grow and capture a wider range of longitudinal medical, pharmacy, and cost-of-care data for more and more complex patients. The future for specialty medications will likely include innovations such as risk stratification modeling via the EMR, incorporating interventions such as telehealth to measure the impact of pharmacy outcomes on the medical spend, and clinical and operational reporting that can align pharmacy and medical outcomes for prescriptions over a given annual cost threshold, to reduce the total cost of care in a value-based environment.

## CONCLUSION

Partnerships between payers and health systems will be crucial for the development of more sustainable health care models in a value-based, data-driven future. Excelera is uniquely positioned to foster these partnerships in the specialty pharmacy space. Our goal is to create an environment where health systems, manufacturers, and payers have access to the information, insights, and solutions they need to improve outcomes for complex pharmacy patients, while providing an exceptional patient experience and reducing the cost of care.

### Sources:

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- ii Avalere Health and the Physicians Advocacy Institute, February 2019
- iii IQVIA, National Sales Perspectives, April 2019, cited in "The US Specialty Pharmaceutical Market: Trends, Issues, and Outlook" at Asembia Specialty Pharmacy Summit, 2019.
- iv IQVIA Pipeline Intelligence, Dec 2018; IQVIA Institute, Mar 2019, cited in "The US Specialty Pharmaceutical Market: Trends, Issues, and Outlook" at Asembia Specialty Pharmacy Summit, 2019.
- v Amundsen Consulting (a division of QuintilesIMS) analysis for PhRMA; IMS FIA; Rx Benefit Design, 2015, cited in "The US Specialty Pharmaceutical Market: Trends, Issues, and Outlook" at Asembia Specialty Pharmacy Summit, 2019.
- vi CSI Group: 2019 State of Specialty Pharmacy Report. Only 25% of payers surveyed were satisfied with data from specialty pharmacy providers.
- vii Leavitt Partners data cited in "ACOs and CINS: Past, Present, and Future," Health Catalyst, May 14, 2019, accessed at <https://www.healthcatalyst.com/insights/acos-cins-past-present-future>.
- viii CSI Group: 2019 State of Specialty Pharmacy Report.

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