

# How Specialty Pharmacy Networks Are Redefining the Role of Health Systems for Drug Manufacturers

## SPECIALTY SNAPSHOT

- Specialty drugs now account for more than one-third of prescription drug costs. <sup>i</sup>
- Specialty drug costs rose 6.2% in 2016, while overall prescription drug costs rose 3.8%. <sup>ii</sup>
- Among hospitals with 600 or more staffed beds 47.1% have a specialty pharmacy. <sup>iii</sup>
- One-fifth of accredited specialty pharmacy location are owned by healthcare providers. <sup>iv</sup>
- Healthcare provider-owned locations constitute the fastest-growing category of accredited specialty pharmacies. <sup>v</sup>
- Specialty drugs continue to increase in number and as a percentage of all drugs dispensed, perhaps reaching the 50% mark by 2020. <sup>vi</sup>

## Key Concepts

- The ideal care model for complex patients is a model in which the entire health care team is made up of experts in the specific disease state being treated. Integrated health care delivery networks (IDNs) and major academic medical centers provide this level of expertise and coordination.
- Lack of access to drugs, specialty pharmacy benefit carve outs, and other structural issues can disrupt the care of complex patients.
- Disruption of care has negative consequences for patient outcomes and total cost of care.
- Networks such as Excelera offer an efficient, high-quality patient-centered specialty pharmacy solution.
- Robust, real-world data from Excelera network members, aggregated into one data feed, supplies a valuable resource for drug manufacturers.

## Introduction

Innovative specialty pharmacy medications continue to transform patient care and disrupt the prescription drug marketplace. Payers, health care providers (HCPs), and patients are evolving to meet the challenges presented by these transformative drugs, and drug manufacturers are evolving, as well. Manufacturers have complex and unique business requirements. Choosing and managing the appropriate channels for limited distribution drugs (LDDs) is one of these unique challenges.

## The Health System Dilemma

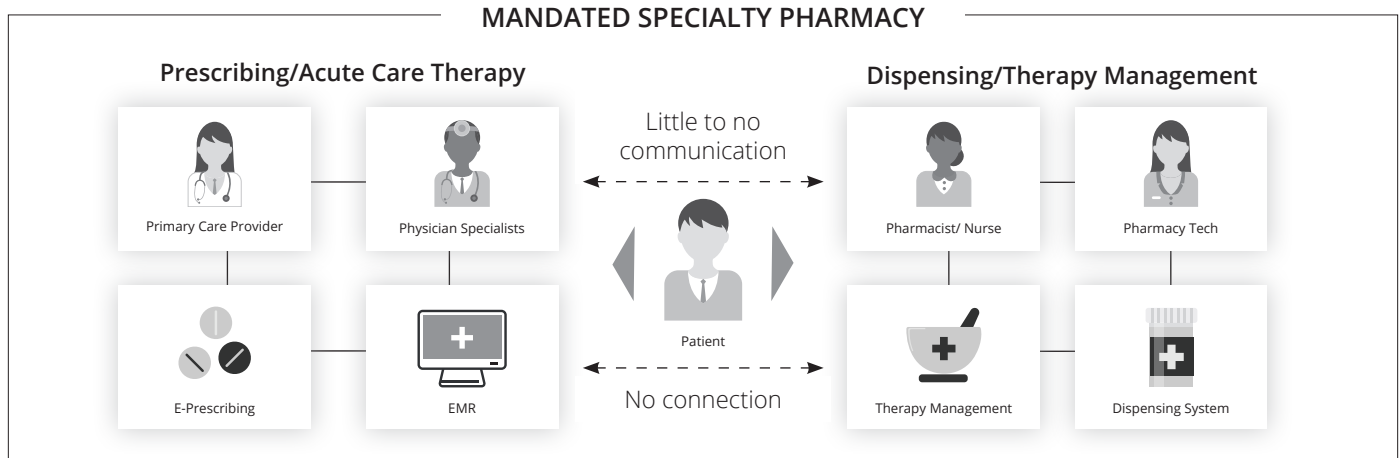
Patients who require specialty pharmacy services most often receive treatment through health systems. Resident specialists and relevant clinical programs attract these complex patients, who are likely to have several chronic diseases and to be taking multiple medications. Specialists at these hospitals and health systems conduct clinical trials, develop treatment protocols, and prescribe specialty medications. This critical mass of patients and specialists, in a coordinated, local context, produces a concentration of expertise and high quality of care.

The dilemma: Despite the concentration of expertise and high quality of care, IDNs often lack access to the patient's prescribed drug product. This limits their ability to serve patients in a fully integrated way that would maximize clinical advantages and deliver the best possible patient experience.

When distribution of a specialty drug is limited to a handful of the largest specialty pharmacies, IDNs must cede control of the medication management and delivery component of care to an organization whose capabilities, customer service, and geographical proximity may be suboptimal for meeting the needs of specialty patients. This situation disconnects drug dispensing and therapy management from the care itself.

## Problem: Outsourced Specialty Pharmacy

*When it is mandated that specialty pharmacy services be obtained from a third party, critical information about these complex patients is divided between different companies that do not talk to one another.*



At times, health systems that have been providing a specialty drug to patients in a clinical trial find themselves “locked out” of distribution once the drug becomes commercially available. Institutions and clinicians who were once very connected to a patient’s care, with access to all necessary information, are suddenly missing vital updates regarding drug therapy. The care of vulnerable, complex patients becomes fragmented, potentially compromising effective clinical outcomes and increasing the total cost of care.

## Health System-based Strategy for Manufacturers

Improving clinical outcomes and addressing rising costs demands a new way of thinking about specialty pharmacy. As health systems assume more of the risk for outcomes and total cost of care through the Accountable Care Organization (ACO) payment model, they have developed a proactive, integrated, and coordinated approach to address the needs of complex patients with specific disease states.

As one element of this approach, many IDNs have established or expanded their own specialty pharmacy operations. These in-house specialty pharmacies provide point-of-care connectivity to the care team: local, hands-on patient monitoring supported by state-of-the-art care protocols and integration with the electronic medical record (EMR).

For drug manufacturers, these health system-based specialty pharmacies offer the opportunity to distribute their drugs through the most expert channels, in the most patient-centered possible way. Yet, while health systems are the ideal providers of specialty pharmacy services, any given health system alone might not have enough patients to be able to access LDDs, and manufacturers may find it impractical to develop relationships with so many individual specialty pharmacies.

Fortunately, within the last decade, visionary health systems and academic medical centers have joined together to create specialty pharmacy networks, offering drug manufacturers a simpler way to engage with this important distribution channel.

## Advantages of a Specialty Pharmacy Network

A health system network has the full array of capabilities to meet and exceed specialty pharmacy requirements, offering a better solution than the currently all-too-common third-party specialty pharmacy model. By developing a broad specialty pharmacy platform with robust data aggregation and management capabilities, the network meets the data needs of its members, payers, and drug manufacturers. By presenting a single point of contact for drug manufacturers, a network eliminates the need for multiple contracts with health systems and offers access to a large number of patients. A network also has the power to hold its members to the rigorous standards required by LDD contracts, removing this burden from the manufacturer.

Excelera, a pioneer of the network concept, now has a national membership encompassing about 20% of health system-based specialty pharmacies,<sup>vii</sup> providing national reach for LDDs. Through its combination of centralized management and localized patient care, Excelera members meet and exceed manufacturers' specifications and expectations, including:

- Robust and accurate data capture and reporting capabilities
- Consistent operating standards
- Comprehensive adverse event reporting
- Experienced REMS implementation and management
- Team approach to breaking down barriers to initiation of therapy
- Innovative adherence and therapy management programs
- Strong, consultative payer relationships



#### **COMPREHENSIVE ADVERSE EVENT REPORTING**

A commitment to patient safety aligns with manufacturers' goals of assuring patient safety through monitoring to identify post-launch trends. For Excelera member health systems, adverse event (AE) capture and reporting is a priority, including ongoing training on product-specific AE documentation requirements. Standard operating procedures ensure that information received from all patient touchpoints is captured and reported in a timely manner. Audits of patient encounters are performed regularly.



#### **EXPERIENCED REMS IMPLEMENTATION AND MANAGEMENT**

Excelera member health systems implement REMS programs of all complexities with tight operational control and strict adherence to documentation requirements. Because the integrated specialty pharmacy is engaged at the point of care, REMS requirements are an important part of the treatment protocol rather than items on a checklist.



#### **TEAM APPROACH TO INITIATION OF THERAPY**

The Excelera model breaks down barriers to initiating specialty therapy. Patients are assigned a dedicated Patient Financial Advocate (PFA) who expedites the prior authorization process and finds creative solutions to financial obstacles.

If a manufacturer uses a hub, the member health system's dedicated Specialty Pharmacy Coordinator proactively contacts the hub to create synergies in working together to get the product to the patient as quickly as possible. When a manufacturer does not use a hub, full medical and pharmacy benefits investigation and prior authorization coordination are provided. Proximity to physicians and routine access to the EMR enable health system-based specialty pharmacies to access information for successfully gaining approvals for reimbursement appeals, as do solid payer relationships.



#### **INNOVATIVE ADHERENCE AND THERAPY MANAGEMENT PROGRAMS**

A significant differentiator from competing specialty pharmacies is that Excelera members provide innovative therapy management programs that engage the patient's entire care team. This collaboration offers significant benefits to patients, payers, and drug manufacturers. Disease-specific therapy management ensures potential problems are detected and resolved, opportunities to keep patients on therapy are identified and acted upon, and quantifiable results are captured and reported.

Many problems are resolved through these programs. At one Excelera network health system, a patient started on Epclusa for Hepatitis C on May 3. As the therapy management nurse prepared to make her initial call to the patient, she discovered in the electronic health record that the patient had been prescribed omeprazole for acid reflux by a family practice provider in her hometown on May 9. The use of omeprazole is contraindicated with Epclusa and, depending on the dose, can interfere with Epclusa's effectiveness. Therefore, the patient and the hepatology clinic provider were contacted, and the patient stopped taking omeprazole.

In another example, a patient was prescribed a medication for Adult Onset Still's Disease, a rare type of inflammatory arthritis. The Excelera member specialty pharmacy liaison completed the prior authorization, and the pharmacist notified the physician of the approval, voicing concern to the physician about the medication's complicated administration instructions. The pharmacist researched nursing programs that would go to the patient's home to reconstitute and inject the medication, selected the Novartis visiting nursing program,

and coordinated with the physician's office to fill out the paperwork and enroll the patient in the program. This is the exceptional customer service and patient care that health system-based specialty pharmacy can provide.



### STRONG, CONSULTATIVE PAYER RELATIONSHIPS

Payer access is critical to providing specialty products, and the Excelera approach is unique. The network builds consultative payer relationships and provides important information not typically available to payers. Information from the HCP's clinical and practical perspective regarding a specialty product's use makes it possible for the payer to create better policies. The Excelera approach also enables payers to demonstrate value to their employer clients by showing improved outcomes for specialty products.

## Conclusion

A high-performing specialty pharmacy network of leading health systems and academic medical centers offers drug manufacturers an innovative, patient-centered way to build their health system strategy with efficiency, integrity, and rigor. As such a network, Excelera views its manufacturer relationships not simply as contractual obligations but as strategic, long-term, and mutually beneficial business partnerships.

<sup>i</sup> Per member per year, according to Express Scripts Drug Trend Report, February 2017.

<sup>ii</sup> Ibid.

<sup>iii</sup> Pederson, Craig A et al. ASHP national survey of pharmacy practice in hospital settings: Prescribing and transcribing — 2016. *Am J Health-Syst Pharm*, Volume 74, 2017.

<sup>iv</sup> Fein, Adam. Exclusive Update: The State of Specialty Pharmacy Accreditation in 2017. April 13, 2017. Accessed at [www.drugchannels.net/2017/04/exclusive-update-state-of-specialty.html](http://www.drugchannels.net/2017/04/exclusive-update-state-of-specialty.html)

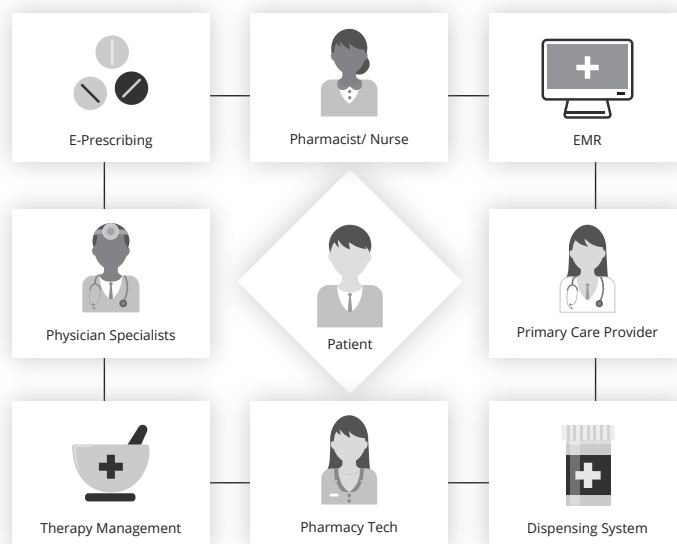
<sup>v</sup> Ibid.

<sup>vi</sup> Morgan, Kay. Trends and Challenges in Specialty Drugs. June 9, 2017. Accessed at [www.drugchannels.net/2017/06/trends-and-challenges-in-specialty-drugs.html](http://www.drugchannels.net/2017/06/trends-and-challenges-in-specialty-drugs.html)

<sup>vii</sup> Based on those listed as in process or fully accredited by URAC and Excelera analysis.

## Solution: Excelera

*Integrated delivery networks (IDNs) such as health systems put the patient at the center, and are ideally suited to provide specialty pharmacy services to patients.*



Excelera removes the barriers that prevent drug manufacturers from using IDNs as part of their brand strategy. This eliminates unnecessary disruptions in the patient's treatment and care. When IDNs have access to the specialty drugs required by many complex patients, health systems can provide high-quality, continuous care which can ultimately result in better health outcomes.

**Excelera makes it easy** for manufacturers to work with health systems by:

- Aggregating data
- Having high performance standards
- Providing analytics and insights on real-world drug usage
- Ensuring patient's initiate and stay on therapy

**Everyone benefits** when health systems/IDNs can access patient specialty drugs/therapies.

### TO LEARN MORE, PLEASE CONTACT:

**ExceleraRx, LLC**

A Shields Health Solutions Company

[www.excelerax.com](http://www.excelerax.com)