



How Specialty Pharmacy Can Support Value-Based Care and Population Health

KEY TAKEAWAYS

- Value-based care (VBC) arrangements are increasing in prevalence, and a growing number of health systems are taking part in these arrangements.
- Among the tools that health systems can leverage to improve their performance under VBC contracts, integrated health system specialty pharmacy (HSSP) can be particularly impactful yet is sometimes overlooked by population health teams.
- Integrated HSSP has demonstrated an ability to deliver leading clinical outcomes and significantly lower the total cost of care for patients while generating new revenue streams for health systems.
- Expanding HSSP programs into chronic illnesses such as diabetes, COPD and CHF has also proven to help health systems advance their population health objectives while increasing the quality of pharmacy care these patients receive.

INTRODUCTION

The shift to value-based care (VBC) from traditional fee-for-service (FFS) models represents a sea change in U.S. healthcare, and health systems sit at the center of this transition. By 2025, it is expected that around 65 million patients – or 22% of the insured population – in the U.S. will be covered by a VBC contract.¹ The Center for Medicare and Medicaid Services (CMS) has set a goal to have 100% of original Medicare beneficiaries covered under an accountable care relationship by 2030.² For health systems, however, achieving desired outcomes under VBC arrangements can be challenging. Data access limitations, incentive structure alignment, inadequate staff resources, financial constraints and management of reporting requirements are just a few of the hurdles health systems must surmount as they move into the VBC space.

As health systems look to develop the infrastructure needed to both prepare for and succeed under VBC arrangements, Shields has found that health system specialty pharmacy (HSSP) can be a highly valuable – and self-sustaining – building block. Shields and its health system partners have observed marked decreases in the total cost of care for patients filling with HSSPs, as well as significant increases in medication adherence and broad-based improvements in clinical outcomes. These results have had a direct bearing on our partners' VBC contracts—up to \$1,200 in per member per month (PMPM) savings in some cases.³



THE FUTURE OF VALUE-BASED CARE

The Center for Medicare and Medicaid Services (CMS) has set a goal to have 100% of original Medicare beneficiaries covered under an accountable care relationship by 2030.

While there are undoubtedly challenges for any HSSP looking to expand into chronic illnesses that drive the majority of costs for health systems (e.g., diabetes, COPD, CHF), Shields has succeeded in helping its health system partners surmount these time and time again, positioning them for better performance under VBC contracts while opening up new sources of revenue. As health systems continue to seek ways to pivot away from fee-for-service based care and thrive under value-based arrangements, Shields believes that hospital-owned specialty pharmacy can help significantly in facilitating this transition.

THE DIFFERENT TYPES OF VALUE-BASED CARE ARRANGEMENTS AND CHALLENGE AREAS

Over the past 15 years, a wide array of approaches to VBC have emerged, stewarded by both governmental and commercial payors: Accountable Care Organizations, Alternative Quality Contracts, Quality Incentive Programs, Clinically Integrated Networks, and several others. Regardless of the approach or arrangement, however, there is much commonality in the types of challenges health systems face in performing successfully under VBC contracts.

EXAMPLES OF VALUE-BASED CARE MODELS



ACCOUNTABLE CARE ORGANIZATION (ACO)

A group of physicians, providers, and/or health systems who agree to deliver coordinated care to patients to reduce duplicative services and improve patient outcomes.



CAPITATION AND PRE-PAYMENT

A payment model whereby providers are given a set amount of funding per patient within a set timeframe to account for the total holistic set of care services they provide to patients.



ALTERNATIVE QUALITY CONTRACT (AQC)

A global payment model that, using a budget-based methodology, combines a fixed per-patient payment with performance incentive payments.



CLINICALLY INTEGRATED NETWORK (CIN)

An organized network of physicians and health systems who collaborate on initiatives related to delivering efficient and high-quality healthcare. CINs act as a foundation for coordinated participation in a variety of VBC Models (e.g., ACO, QIP, AQC).



BUNDLED PAYMENT / EPISODIC CARE

Providers are awarded payment based on successful delivery of multiple services wrapped within one episode of care. This contrasts with payment based on quantity of services (individual tests, labs, procedures, etc.)



QUALITY INCENTIVE PROGRAMS (QIP)

Providers need to meet certain quality measures in order to receive payment for patient treatment (ex: 80% of diabetes patients have an HbA1C under 9.0)

91%

Shields partners maintain an average PDC adherence rate of 91% across specialties, driven by a clinic-based pharmacy liaison care model with clinical pharmacist support

Improving medication adherence, reducing hospitalizations and ER visits, ensuring good HbA1c control among diabetes patients, and other measures pose daily challenges to meeting the requirements and performance thresholds in these arrangements. With provider-to-patient ratios being stretched across the healthcare system, there is a tremendous need to leverage additional resources to care for the most at-risk patients.

HSSPs are uniquely positioned to address many of the outcomes health systems are measured against under VBC arrangements, particularly medication adherence. Shields partners maintain an average PDC adherence rate of 91% across specialties, driven by a clinic-based pharmacy liaison care model with clinical pharmacist support. This high-touch approach to pharmacy care impacts an array of additional quality measures that health systems must perform to succeed under VBC arrangements, including unplanned admissions and readmissions, statin therapy for cardiovascular disease, tobacco screening and cessation, controlling high blood pressure, and depression screening.

MSSP Quality Measures Impacted by Health System Specialty Pharmacy

PATIENT/CAREGIVER EXPERIENCE

- Getting Timely Care, Appointments, and Information
- Stewardship of Patient Resources
- How Well Your Providers Communicate
- Shared Decision Making
- Patient's Rating of Provider
- Health Status/ Functional Status
- Health Promotion and Education
- Courteous and Helpful Office Staff
- Access to Specialists
- Care Coordination

PREVENTATIVE HEALTH

- Influenza Immunization
- Tobacco Use: Screening & Cessation Intervention
- Screening for Depression and Follow-up Plan
- Colorectal Cancer Screening
- Breast Cancer Screening
- Statin Therapy for Prevention & Treatment of Cardiovascular Disease

AT-RISK POPULATION DEPRESSION

- Depression Remission at 12 Months
- Diabetes Mellitus: Hemoglobin A1C Poor Control
- Hypertension: Controlling High Blood Pressure

CARE COORDINATION/ PATIENT SAFETY

- All Condition Readmission
- Acute Admission Rates for Patients With Multiple Chronic Conditions
- Ambulatory Sensitive Condition
- Screening for Future Fall Risk

*Shaded boxes indicate ACO quality measure impacted by specialty pharmacy

The following case studies highlight just some of the ways that health systems have leveraged their specialty pharmacies to reduce total cost of care, improve patient outcomes, and ultimately position themselves for enhanced performance under VBC contracts.

CASE STUDY 1

Reducing Total Medical Expense for Medicare ACO Patients

[READ FULL CASE STUDY](#)

Created in 2015, UMass Memorial's Medicare ACO (UMMACO) provides care to 45,000 Medicare beneficiaries in Central Massachusetts. In addition to providing care management services to the most at-risk among these beneficiaries, UMMACO was able to leverage the UMass Memorial Specialty Pharmacy (UMSP) for its chronically ill patients. In a 2020 JAMA Network Open article, UMass Medicare ACO patients filling with the UMass Specialty Pharmacy were associated with total medical expense savings of over \$1,200 PMPM.⁴ This finding revealed how impactful a tool UMSP was in UMMACO's efforts to enhance performance under Medicare's Shared Savings Program.

CASE STUDY 2

Optum-Shields Study on Total Cost of Care

[READ FULL CASE STUDY](#)

In 2022, Optum Advisory Services and Shields Health Solutions published findings in the Journal of Managed Care and Specialty Pharmacy demonstrating a significant reduction in the total cost of care for Medicare Advantage (MA) patients filling with an HSSP compared with patients filling with an outside pharmacy. The study compared medical and pharmacy claims from MA patients who filled at an HSSP with those that 1) had the same provider but filled with an outside pharmacy and 2) had a different provider and filled with an outside pharmacy. The study found that Medicare Advantage patients filling with a health system specialty pharmacy were associated with a 13% lower total cost of care compared to patients filling at an outside pharmacy.⁵

CASE STUDY 3

Cleveland Clinic Specialty Pharmacy Reduces TME Through Cost Avoidance and Patient Safety Improvements

[READ FULL CASE STUDY](#)

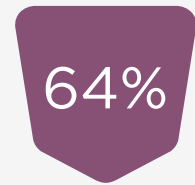
One of the many benefits of clinical pharmacist support through an HSSP is their ability to determine optimal medication regimes for patients. This can often lead to the removal of suboptimal or unnecessary treatments from a patient's medication list, pending patient follow-up, lab results, or new scans, resulting in considerable cost savings for both patient and payor. The Cleveland Clinic Specialty Pharmacy (CCSP) realized a cost avoidance of \$1.5M in five months as a result of clinical pharmacist interventions with hematology and oncology patients, with individual discontinuations resulting in as much as \$290,091 in cost savings. Through access to the EMR and proximity to clinic providers, CCSP was well positioned to perform medication reconciliations that resulted in financial efficiencies and better outcomes for patients.⁶

EXPANDING THE SCOPE OF SPECIALTY PHARMACY INTO LARGE-SCALE CHRONIC CONDITIONS

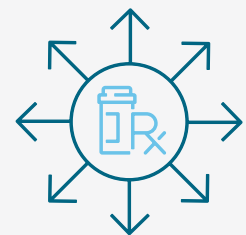
For specialty pharmacy to impact population health initiatives in earnest, capabilities in large-scale chronic conditions such as diabetes, chronic obstructive pulmonary disease (COPD), and congestive heart failure (CHF) need to be developed. Such conditions are significant drivers of cost for health systems and have a considerable bearing on how they perform under VBC arrangements. To date, Shields has worked with 25 health systems to successfully expand the scope of their specialty pharmacy programs to include these chronic conditions, driving a highly positive impact on clinical outcomes. In diabetes, for example, Shields partners have been able to achieve PDC medication adherence of 92%, average copays of \$13, and an average HbA1c reduction of 0.8 points (with average reductions up to 2.0 points in at-risk populations). In COPD and CHF, Shields partners have similarly achieved PDC medication adherence rates of 92% and 93%, respectively, with hospital admissions coming down by as much as 64% at one site.

For some health systems, the prospect of expanding their specialty pharmacies into large-scale chronic diseases can be daunting, particularly if the pharmacy already struggles with space and/or staff limitations. There may be concerns around how to sustain service to such a large population of patients, as more and more will likely choose to fill with the specialty pharmacy each year. Moreover, specialty pharmacy managers may worry about the cost and capacity implications of filling supportive medications and/or durable medical equipment (DME) for this population.

Since 2018, Shields has worked closely with health systems to successfully overcome these challenges, carefully staging the capture of their diabetes, COPD and CHF opportunities in a way that gradually strengthens and grows their pharmacy operations. Shields staff work together with specialty pharmacy operations and management to ensure that they and their staff possess the know-how and infrastructure to provide best-in-class pharmacy service to patients. For health systems interested in expanding into DME, Shields works with Medicare, Medicaid, and commercial payors to ensure that HSSPs can easily service these supplies for their patients. Finally, Shields leverages its in-house data analytics capabilities to ensure that we are continually deepening our clinical impact for patients with chronic illnesses, helping our partners to better manage this dynamic population.



Reduction in total hospital admissions for CHF patients enrolled in the HSSP program at six and nine months.



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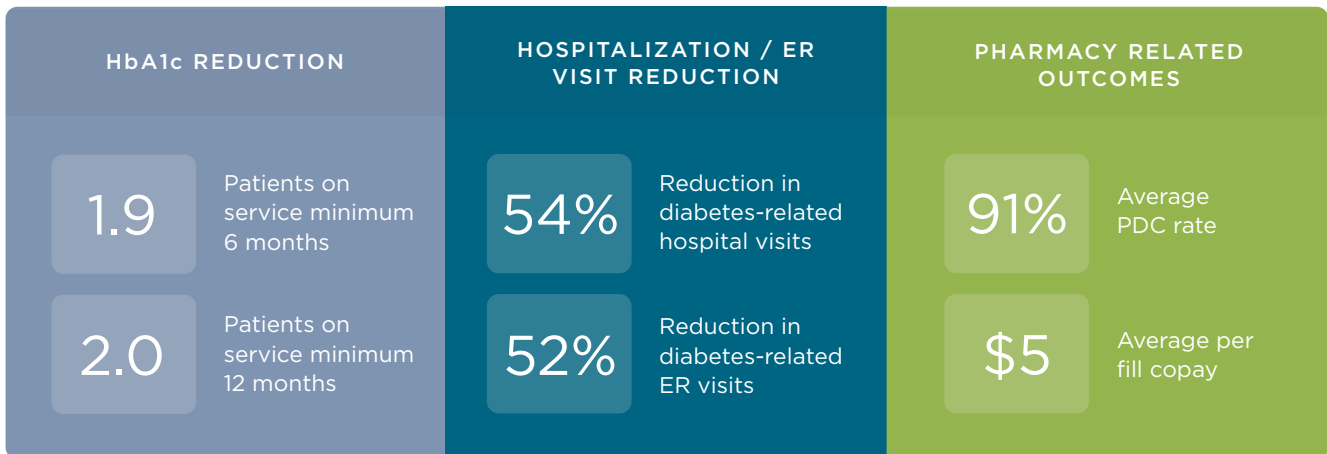
CARING FOR THOSE MOST AT RISK

Recent data has shown that patients who fall in the top fifth percentile for health spending account for nearly 50% of healthcare costs.⁷ It's an important data point for care management teams trying to optimize their time while determining the appropriate degree of care to deploy to specific patients. Shields has found that clinical pharmacists, deployed strategically to at-risk populations, can achieve significant clinical outcomes that rival what traditional care management teams can attain.

Shields' Care Coach program for example, which embeds clinical pharmacists trained in diabetes and lifestyle management in large endocrinology clinics, has reduced average HbA1c levels in at-risk diabetes patients by 2.0 points while demonstrably sustaining these reductions for a full year. Hospitalizations have also decreased by 54% under the program, with ER visits decreasing by 52%.⁸

“Patients who fall in the top fifth percentile for health spending account for nearly 50% of healthcare costs.”

Care Coach Outcomes in Diabetes



Shields' clinical pharmacist program has also demonstrated considerable impact in at-risk oncology populations. In a follow-on analysis built off the abovementioned JMCP study, only 9% of new-to-therapy oral oncolytic patients that filled with an HSSP program - of which frequent touchpoints with a clinical pharmacist played a central role - reported hospital utilization. By contrast, 22% of like patients filling with an outside specialty pharmacy reported hospital utilization. Given that hospitalization episodes were associated with \$135K of expense per member, the cost implications for health systems of deploying a high-touch clinical pharmacist model are evident.

Clinical pharmacists are also well positioned to assess and address social determinants of health (SDOH), which often pose significant challenges to at-risk patient populations. With the appropriate tools and resources and leveraging the deep clinical relationships they maintain with patients, clinical pharmacists can act on issues such as housing assistance, food insecurity and transportation; providing assistance that can be critical to advancing health equity.

MELISSA'S STORY

Melissa, a patient of the Care Coach Program for over a year, recently faced housing insecurity when she found out her landlord was selling the property where she lived. Because of the close clinical relationship she had developed with her Care Coach through their frequent meetings, she felt comfortable enough to confide in her Coach about this significant social stressor. Melissa's Coach discovered that Melissa was eligible for a case manager through the MassHealth Integrated Care Management Program.

After Melissa's Coach submitted a referral, a case manager reached out to line up financial assistance for Melissa and to help her find a new home. Challenges around SDOH can make it difficult to prioritize one's health. For this reason, Shields Care Coaches integrate high quality diabetes care with helping patients navigate and connect with resources related to the non-medical dimensions of their care.

BROADENING HOW HEALTH SYSTEMS APPROACH VALUE-BASED CARE

With a mandate to improve outcomes for chronically ill populations and reduce costs, health system managed care and population health teams have traditionally focused their efforts on care management for the most at-risk patients, reducing hospitalizations and readmissions, ensuring access to primary care, and transitions of care from inpatient units and skilled nursing facilities to the home. While matters of pharmacy are considered and partially managed in all of these areas, pharmacy is seldom considered as a leading mechanism through which to attain desired clinical outcomes and cost reduction. Shields has found that by integrating specialty pharmacy into care management strategies, health systems can significantly enhance their performance under VBC arrangements while opening up new sources of revenue.

Value-based care can be a tough business. Only 58% of Medicare ACOs received shared savings in 2021, and recent research has shown that hospital-led ACOs have been particularly challenged when it comes to succeeding in the ACO space.⁹ By broadening the set of tools available to a health system to include specialty pharmacy and diversifying VBC-associated revenue streams, health systems can create a more sustainable and robust foundation on which to thrive under these arrangements while drastically improving the lives of the chronically ill.

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ABOUT SHIELDS HEALTH SOLUTIONS

Shields Health Solutions (Shields) is the premier specialty pharmacy accelerator in the country. The Shields Performance Platform, an integrated set of solutions, services and technology, is intentionally designed to elevate payer and drug access for specialty pharmacies, elevate health outcomes for complex patients, and elevate growth throughout the entire health system. As the foremost experts in the health system specialty pharmacy industry, Shields has a proven track record of success including access to over 80 percent of all limited distribution drugs (LDDs) and most (health insurance) payers in the nation; and a clinical model proven to lower total cost of care by 13%. In partnership with more than 75 health systems across the country through national-scale collaboration, Shields has a vested interest in delivering measurable clinical and financial results for health systems.



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