



The Importance of Specialty Pharmacy for Healthcare Organization

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Innovation is occurring throughout the healthcare industry as organizations seek to create transformational business models. While a significant focus has been made on moving care outside the four walls of the hospital, the specialty pharmacy — a core component of many traditional hospital operations — should not be overlooked. It can be a key driver of revenue, a critical component of managing the health of consumers and an enabler of controlling employee health plan costs as the cost of specialty drugs continue to rise. A specialty pharmacy that is more than just a medication delivery vehicle but is an integral component of care delivery and it is imperative for driving revenue in the future.

Industry Disruption's Impact on Hospital Specialty Pharmacy

Through vertical integration some of the nation's largest healthcare insurers have inched their way into the provider space through mergers with pharmacies, becoming owners of pharmacy benefits managers (PBMs) and targeted outpatient services such as senior care, dialysis, and partnerships with retailers. In doing so, they're seeking to manage the health of consumers in the growing outpatient services market. These mechanisms for care delivery offered by insurers provide consumers with more convenient access to healthcare services. As health systems continue to take on risk-based contracts and seek to manage the entire consumer healthcare relationship, both inside and outside the hospital, they're also expanding into these spaces. This puts these two entities in competition, especially in the specialty pharmacy space.

While PBMs are designed to assist in controlling drug costs, it's becoming increasingly complex for health system to enter into a PBM. This puts health care organizations in a difficult position as they seek to take on risk-based contracts, but can't fully manage the specialty pharmaceutical component of their health.

Without being part of a PBM or having insurance contracts for your specialty pharmacy, it's harder to have a full picture of a consumer's actions around their health.

Own The Relationship With Your Consumers

Healthcare systems with specialty pharmacies put themselves in a position to truly become the provider of choice for consumers. They have access to data around every aspect of a consumer's health as well as the ability to provide interventions.

A key component of managing health is through medication management and pharmacies. It's been documented that as the [cost of prescriptions increase, the abandonment rate](#) also rises. Given the fact that specialty drugs are often quite expensive, their rate of abandonment can be significant and can result in dire health consequences. When consumers purchase these medications directly from a hospital-based specialty pharmacy their care team has a full view into whether they're refilling these prescriptions or not. This enables their clinician to react more immediately to a lack of adherence which could prevent costly medical complications in the long term.

Health systems that have a specialty pharmacy have the following advantages:

- Access to a comprehensive medical record. More of a consumer's health data is in one place to help make better decisions.
- Face-to-face conversations between consumers and pharmacists. Provide consumers with the chance to build a relationship with another member of their care team.
- Established relationships between the provider and pharmacists. The pharmacist understands how the physician works and the physician's usual treatment recommendations for a given health condition and they can reinforce this with the consumer.

- Faster initiation of therapy to consumers. With a health system-based specialty pharmacy, consumers often get care sooner which could improve their outcomes.
- Support for consumers. The cost of specialty drugs can be overwhelming as can the steps for administering the drugs so the health system can make investments in staff to support consumers and offer financial support through payment assistance programs and copay assistance.
- Reduce employee drug costs. By implementing a transparent PBM model of a pharmacy benefits administrator (PBA) for your health plan, you can bypass a PBM for your employees' specialty prescriptions which can drive lower costs to the employee and the plan. You can use these savings to invest in other priorities and pass them down to your employees in the form of lower insurance costs.

When specialty prescriptions go through a thirdparty pharmacy, the care team is not privileged to this information due to a lack of interoperability. This means that the care team must rely strictly on a consumer sharing this kind of information. As a result, physicians don't have the data to make informed medical decisions and the consumer is left without the integrated, coordinated care that's required to truly manage health.

The Elements of a Specialty Pharmacy

One in 11 hospitals have a specialty pharmacy capability and [nearly 50 percent of systems with more than 600 beds](#) own a specialty pharmacy. Given the [increasing number of specialty pharmaceuticals](#) coming into the market, many organizations are eyeing specialty pharmacy as an opportunity to increase revenue.

Specialty pharmacies don't require a specific license, but they do require very different capabilities compared to a retail pharmacy. Best practices for specialty pharmacies require more than just a delivery of medication to the consumer. The

foundational elements of a strong infrastructure and a support system for consumers are critical for helping to maximize potential revenue.

- Infrastructure elements needed for a high performing specialty pharmacy include:
 - **Payor network and PBM contracts.** While having payor contracts is a good first step, insurance plans and pharmaceutical manufacturers are increasing the requirements to be approved for plan participation.
 - **Clinical support center.** A place for clinicians to call to receive assistance with helping them in the prescribing and administering of drugs. This also provides a touchpoint with a pharmacist who can help to coordinate care in a more holistic fashion.
 - **Technology.** Clinical therapy software that helps monitor a consumer’s health information and connects that information to outcomes data so that you have a holistic picture of the consumer’s health.
 - **Interface integration.** Clinical interface and financial interfaces need to be connected so that you have a full picture of consumers. This ensures you have a data and reporting capability that gives you the full picture of outcomes and metrics around time to start a prescription.
- Consumer support for a high performing specialty pharmacy include:
 - **Collaborative approach.** Physicians and pharmacists meet with consumers from the point of diagnosis through treatment to better coordinate care delivery. This helps the consumer to better understand their health condition and the medication they need to take while also optimizing their treatment plan.
 - **Financial assistance.** Provide a financial navigator for consumers to help them access assistance for paying for their medication if needed.

- **Patient interface.** Give consumers access to their pharmacist via a patient portal so they can get answers to pressing questions around their medication.

When health systems operate high performing specialty pharmacies, they can drive revenue while creating a better experience for their consumers. This requires thoughtful planning that addresses the needs of your consumers through a holistic approach to managing health through the coordination of healthcare across your entire organization.

Key Takeaways

Healthcare organizations that want to drive consumer loyalty, enhance patient outcomes and increase revenue should invest in their specialty pharmacy. To do so:

Think differently.

Assess the value of a specialty pharmacy to your organization.

Plan differently.

Develop a strategy for your specialty pharmacy that focuses on meeting the needs of your consumers.

Act differently.

Drive growth at your organization by better managing the health of those in the communities you serve.



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