Checklist

7 Ways Your Hospital Pharmacy Can Improve Drug Cost Management

Medication purchase management is more important than ever for hospital cost containment. As market volatility increases, having fast access to the right data will be key to efficient and effective management. To stay ahead of the curve, organizations will need to develop resilient systematic approaches to effectively identify, prioritize, and implement initiatives.

How well is your organization's drug purchasing approach keeping pace? Take a moment to assess the processes at your organization with the checklist below.

Every "yes" represents a way your organization enhances drug cost management and supports sound fiscal stewardship. Any "no" is a potential area for improvement.

1

Our pharmacy team is immediately aware of price changes and able to identify and mitigate the effects on our budget in moments.

Yes

No

Staying on top of price changes can be challenging — a typical hospital will see 300-400 drug price changes every month. Reviewing each change manually is a significant labor burden, creating considerable lag between the time action is needed and when action can be taken. Delays in identifying and acting on price changes often result in months of overspending that could be avoided with faster processes.
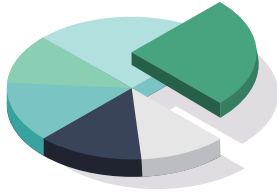
2

When finance or pharmacy leadership ask to drill down into drug cost or utilization trends, our team can provide a complete report instantly.

Yes

No

Many pharmacy teams keep historic utilization trends and statistics on spreadsheets, making it a high-touch effort to look across the organization to view and report normalized data. One-off reporting is common, and the basis of reports may often rely on data that is months out of date.

Without the ability to provide rapid answers to leadership, decisions can be delayed and opportunities can be missed. Generating manual reports in silos can also make it difficult for supply chain, finance, and the C-suite to have a trusted, unified view of the impact of changes in cost or utilization.
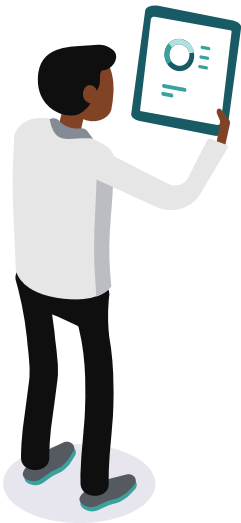
3

Pharmacy examines the price of every drug or drug class with the same level of scrutiny and frequency when looking for savings opportunities.

Yes

No

Tracking changes across thousands of unique products each year is impractical for most hospitals. Instead, hospitals have traditionally focused their efforts where spend is greatest. As health systems grow, they find that ignoring lower spend classes leaves significant savings on the table. Hospitals would be better served prioritizing action by highest potential impact rather than by highest spend.
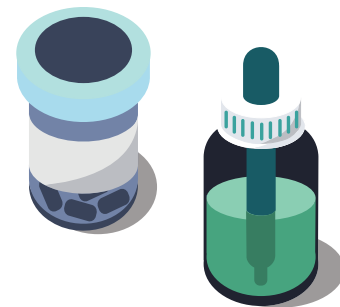
4

Pharmacy leadership focuses just as much on managing medication procurement cost as it does on medication utilization cost initiatives.

Yes

No

When pharmacy teams and clinical leaders come together to work on practice guidelines and therapeutic interchanges, the savings can be powerful. However, these efforts require collaboration across the spectrum from providers, clinical leadership, and formulary committees.

Because drug procurement, inventory, and waste management strategies are directly under the pharmacy department's control, they are easier to implement and will provide more immediate benefits than utilization and clinical cost initiatives.
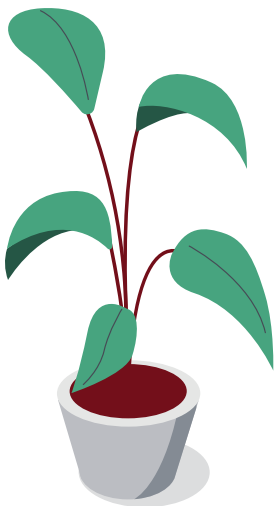
5

Our team has instant access to real-time utilization, pricing, history and statistics, which means we're always working with the latest data when making decisions.

Yes

No

Often, organizations work with third party reports using data that is 30, 60 or 90 days old. As a result, there are inherent limitations in the information that shapes their decisions and projections.
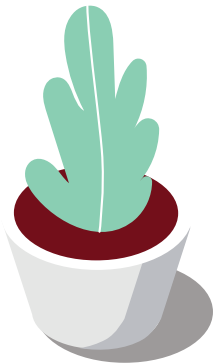
With rapid shifts in drug supply and utilization, any data lag leaves vulnerabilities in anticipating needs and identifying inefficiencies. Organizations with real-time data will be much more agile in a fast-changing environment.

6

Our organization can instantly analyze purchase potential across our health system's specific GPO, 340b, and WAC utilization distribution and price points.

Yes

No

Your purchasing team is only as effective as its ability to navigate contracts, make comparisons, and recognize points of negotiation as they apply specifically to your organization. When teams focus too narrowly on 340b or GPO prices alone, they end up missing opportunities and not realizing their full savings potential.

Ideally, your team should be able to consider all price points (GPO, 340b, and WAC) with respect to your hospital's purchase distribution and should be able to examine all accounts together and individually.

7

If one or even a few members of the pharmacy take leave or exit the organization, I'm confident our team would be able to analyze spend, generate reports and set targets just as efficiently as they do today.

Yes

No

Hospital pharmacy teams are not immune to staff burnout and turnover, but some organizations are much better positioned than others to manage a shift in staff. Think about the way your organization identifies and communicates price changes, compliance issues, utilization shifts and contract opportunities.

If the foundation of your pharmacy team's efforts—large and small—are resting on a spreadsheet or database used by just a few key players, your organization could be particularly vulnerable in the event of turnover. Those organizations where routine monitoring, analysis and reporting are built outside of silos are less likely to experience loss of institutional knowledge and can recover much faster in the event of a staffing change.

How has your organization scored? If you answered "no" to any of these questions, QuicksortRx is designed to help health systems like yours achieve real-time visibility, reporting, and cost reduction without requiring hours from your pharmacy or IT teams. See how easy it is to uncover savings and request a QuicksortRx demo today.

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