

Boston Medical Center **HEALTH SYSTEM**

Breaking Even During Price Hikes in the Intensive Care Unit

A HealthTrust Member Webinar May 8, 2018

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Disclosures

- This program may contain the mention of drugs or brands presented in a case study or comparative format using evidence-based research. Such examples are intended for educational and informational purposes and should not be perceived as an endorsement of any particular supplier, brand or drug.
- The presenters have no financial relationships with any commercial interests pertinent to this presentation.



Learning Objectives – PharmDs & Nurses

- Describe the impact of recent prescription medication price hikes
- Discuss the use of improvement science to break even during the intravenous acetaminophen, sodium nitroprusside, vasopressin and pyrimethamine price hikes
- Identify lessons learned and proactive approaches to overcome future drug pricing challenges

Learning Objectives – Pharmacy Techs

- Recall the impact of recent prescription medication price hikes
- Discuss inventory management strategies for combating price hikes
- Identify lessons learned from Boston Medical Center in overcoming drug pricing challenges

Boston Medical Center





- Fiscal Year 2017 Statistics
 - 567 Beds
 - 25,840 Inpatient Admissions
 - 133,529 ED Visits
- Patient Population
 - 57% under-served
 - 32% do not speak English as first language
- Largest safety net hospital in New England

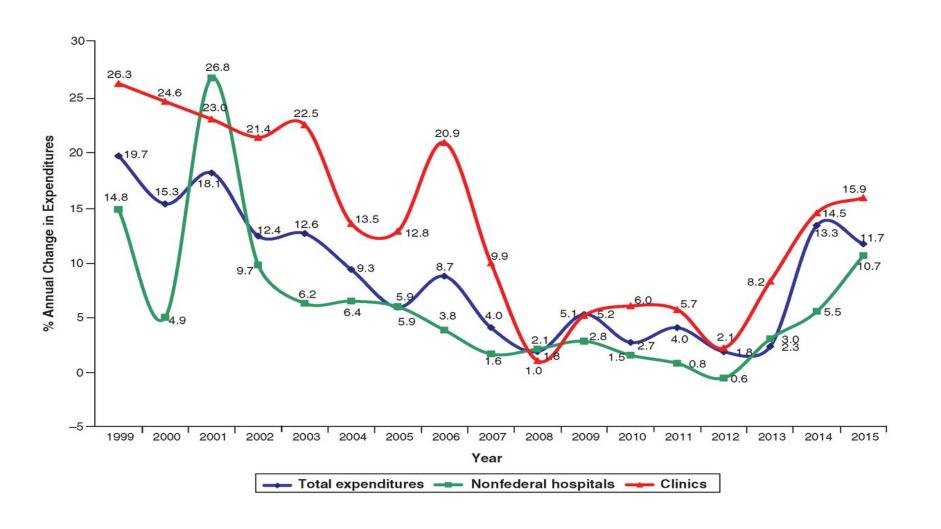
Outline

- Briefly describe what we see
 - Why is this happening?
 - Regulatory Environment
 - Market Factors
 - Drug Shortages
 - Literature reported strategies

Case examples using improvement science

Lessons learned and developed tools

Prescription Expenditure Trends



Drug Cost Drivers

Product Category	Clinics				Nonfederal Hospitals			
	Total Percent Growth	Percent Growth Due to Factor			Total	Percent Growth Due to Factor		
		New Products	Price	Volume and Mix	Percent Growth	New Products	Price	Volume and Mix
All products	15.9	3.1	3.8	9	10.7	2.6	7.6	0.5
Injectables	13.9	2	3.4	8.5	11.3	2.4	7.3	1.6
Brands	13.9	1.8	3.6	8.5	8.6	1.2	4.2	3.1
Generics	7.3	4.4	-1.7	4.6	16.5	9.1	6.4	1
Branded generics	20.3	1.7	6.2	13	19.5	0.3	25.7	-6.4
Noninjectables	23.3	7.2	5.3	11	9.2	3.4	8.4	-2.6
Brands	26.4	7.9	6.4	12	10.4	3.3	11.4	-4.3
Generics	19.5	8.3	-1.0	12	15.2	7.4	5.2	2.5
Branded generics	8.1	0.8	6.8	0.5	1.7	0.1	6.8	-5.3

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Why the Concern?

- Unprecedented healthcare spend
 - Drug spend continues to significantly outpace inflation
- Limited resources, high focus cost center
- Disproportionally increased spend
 - Specialty drugs
 - Branded small molecule drugs
 - Generic drugs with recent significant percent increases

Source: Centers for Medicare and Medicaid Services. National health expenditures 2014 highlights. www.cms.gov/Research- Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ NationalHealthExpendData/Downloads/highlights.pdf

Regulatory Environment

FDA and Unapproved Drugs

Federal Food, Drug, and Cosmetic Act (1938)

Kefauver-Harris Amendment (1962) Unapproved
Drugs
Initiative
(UDI) of
2006











Drug Efficacy Safety Initiative (DESI) Prescription Drug Wrap-Up (1984) AKA DESI-2

Unapproved Drug Initiative

Intent

- Modernize safety/efficacy, Good Manufacturing Practices (GMP)
- ~5000 drugs affected
- Once approved, market exclusivity granted

Effect

- FDA does not consider cost when approving or granting exclusivity
 - Up to three years exclusivity for the original indication
 - Up to seven years exclusivity under the Orphan Drug Act
 - Prices rose exponentially
 - Drug Shortages

*UDI Ex: Colchicine

- Ancient drug
- No prior review under amendments
- Labeling vague, little oversight
- Narrow therapeutic index, high patient variability
- Reported: 117 deaths
- Review/Approval
 - Granted 3 years exclusivity for Gout
 - Granted 7 years exclusivity for Familial Mediterranean Fever
- Price/Cost Differential
 - Price per tab: \$0.09 → \$4.85
 - Medicare/Medicaid Cost: \$1M → \$50M

Market Economics

Generic Manufacturers

- Under Hatch-Waxman Act:
 - Generic manufacturers faced reduced regulatory constraint
 - Medications reduced cost in the overall market
- By 2009 the market was saturated
 - Competitive environment
 - Difficult to make a dollar
- Supply, Demand, Competition

Re-branded Medications

Company decides to pursue approval



Recoup investment cost through price increases

**Market Economics: Pyrimethamine

- Pyrimethamine first developed in the 1950s
 - Treats Toxoplasma gondii infections
 - 2005 Cost: \$70 per course
- Market Factors
 - CorePharma purchases the right to produce in 2010
 - 2010 Cost: \$900 per course
 - Turing Pharmaceuticals purchases the right to product in 2015
 - 2015 Cost: \$31,500-\$73,500 depending on patient response
- No development costs to recoup

Drug Shortages

Supply and Demand

- Supply
 - Fragmented
 - Inconsistent and unpredictable
- Demand
 - Generally stays consistent barring:
 - Guideline/practice changes
 - Seasonality

Association Between Shortages and Price Hikes

Medication	Drug Shortage Period	% AWP Increase During Shortage
Ephedrine	Mar 2014-Oct 2015	690
Furosemide inj.	May 2010-May 2016	56-128
Glycopyrrolate inj.	Jan 2011- Mar 2015	633-2278
Hydralazine inj.	Sep 2014-May 2016	921
Ketorolac	Nov 2009-May 2016	251
Magnesium sulfate	Mar 2011-Nov 2015	49-120
Sodium phosphate	Dec 2012-Aug 2015	2220

Strategies

- Manage dispensing through systems
- Centralize stock and evaluate operational efficiencies
- Med Use Evaluations: Evaluate the literature against practice
- Evaluate contract opportunities
- Compound oral preparations

Assessment Question #1

Which of the following best represents the root cause for increased drug cost during the last three budget cycles?

- A. Truly generic oral tablets
- B. Re-branded injectable drugs
- C. Truly generic oral capsules
- D. Truly generic injectable drugs

Response Question #1

Which of the following best represents the root cause for increased drug cost during the last three budget cycles?

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- C. Truly generic oral capsules
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Summary – Part 1

 Changes in FDA regulations and initiatives have increased cost to manufacturers

- In a capitalistic economy, profit drives private companies
- Competition is a balance

 The results have created increased costs in drug with little to no added benefit nor knowledge to the medical community

Dollars and Sense in the ICU

Different cost-related challenges

- Cost increases by 5-50 fold over 1 year
 - Vasopressin, norepinephrine, isoproterenol, calcitonin, ethacrynic acid, chlorothiazide
- Usual suspects
 - MDIs, inhaled nitrous oxide/epoprostenol, dexmedetomidine, rhVIIa, PCC, albumin

Unknown clinical impact

- Local survey of critical care pharmacists (n=36 New England hospitals) → less likely to recommend vasopressin due to increasing cost
- Norepinephrine use decreased by 20% across 26 hospitals during a 2011 shortage → 3.7% increase in absolute risk of death (NNT 27)

Application of Improvement Science to Price Hikes

- Right tools for the job
 - Align projects with department and institutional goals
- New ASHP residency standards embrace QI
 - PGY1 Goal R2.2: Demonstrate ability to evaluate and investigate practice, review data, and assimilate scientific evidence to improve patient care and/or the medication-use system.
 - PGY2 CC Goal R2.2: Demonstrate ability to conduct a quality improvement or research project.
- Develop new knowledge and skills
 - Lean, six sigma for operations
 - Institute for Healthcare Improvement for clinical initiatives

Application of Improvement Science to Price Hikes

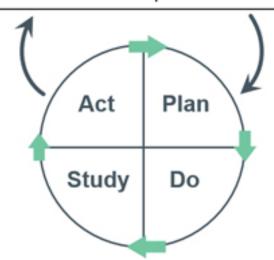
- Set an aim
 - How good? For whom? By when?
- Build a team
- Describe the problem
 - Focus on local problem
 - Develop cause-and-effect and driver diagrams, current vs. ideal process maps
- Identify and implement interventions through small tests of change on your ICU patients
 - Learn from and share your experience
- Identify outcome, process, and balancing metrics
 - (Generally) no IRB → collect your own data, plot over time

Model for Improvement

What are we trying to accomplish?

How will we know that a change is an improvement?

What change can we make that will result in improvement?





Local Context for Surgery ICU Price Hikes

Surgery services

- Trauma and acute care, bariatric, colorectal, otolaryngology, cardiac, thoracic, vascular, orthopedic, neuro, urology, and plastics
- Medicine, ICU-focused pharmacy services
 - Trauma ICU (2004-present), surgical ICU (2012-present) including kidney transplant
 - Acute care, OR/PACU pharmacists (2017)
- Challenges with surgery
 - No clear training path for surgery pharmacists
 - Multiple teams with low census, resident/APP only rounds
 - Strong personalities, disagreements escalated to director
 - Perceive pharmacy as barrier to care, cost first

Should You Add IV Acetaminophen to Formulary?

- Shift away from opioids as first-line towards adjuncts
 - Fast-track, enhanced recovery protocols emphasize reductions in opioids
 - 5.9-6.5% of patients newly prescribed opioids chronically after surgery
 - Advance directives can exclude opioids
- Limited IV options
 - Pain reduction by 50% over 4 hours
 - IV x1 = 36%, placebo = 16% (NNT 5)
 - Inconsistent impact on opioid use and opioid-related side effects, outcomes
 - Patients and providers tell a different story

Source: JAMA Surg 2017;152(3):292-8. JAMA Surg doi:10.1001/ jamasurg.2017.0504 www.statnews.com/ 2017/03/19/opioid-prescription-refuse/ Cochrane Database Syst Rev 2016;23(5): CD007126. Pharmacotherapy 2012;32(6):559–79. J Healthc Qual 2015;37(3):155-62

IV Acetaminophen Timeline at BMC

Date	Event
Jun 2012	2 nd request for addition to formulary → accepted with stringent prescribing restrictions: 1) NPO/NPR and 2) limited to PONV, neurologic injuries, or ileus. Anesthesia approval needed for >24h duration.
Nov 2013	MUE showed 90% adherence to criteria, projected \$14K annual expenditure
Feb-Mar 2014	Mallinckrodt Pharmaceuticals acquires IV acetaminophen Revised prescribing restrictions to be less stringent: change to 48h initial default duration, added to IV-to-PO pharmacist conversion policy, pharmacist approval for therapy >48h
May 2014	Transition to new EHR, added to all post-op order sets
Sep 2014	Approximately \$55K spend in August 2014 and projected \$540K spend in fiscal year 2015 → QI team

IV Acetaminophen QI Project Methods

Interventions

- PGY1 resident outcome-based, IRB-approved research project (Jul 2014)
 - Less opioids but no impact on outcomes
- Short-cycle pharmacy initiative to improve adherence to prescribing restrictions (Dec 2014-Feb 2015)
- Revised prescribing restrictions via order set only, ERAS protocol implementation (Fall 2015)
 - 1 dose only, service limits, attending approval for >1 dose.

Tools

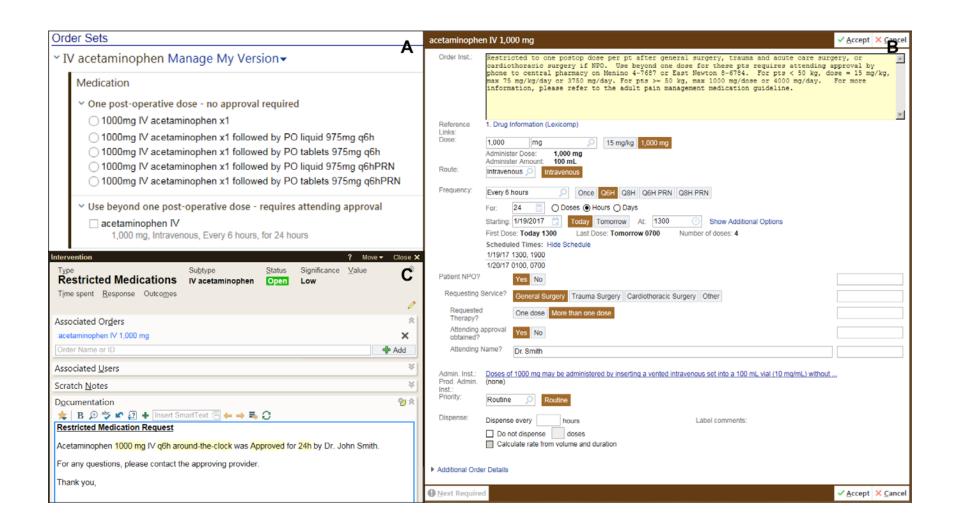
- Asana[™] for project and task management
 - Track timeline, feedback
- Access to real-time use and dispensing data
 - IV room doses prepared
 - Automated dispensing cabinet doses dispensed
 - Doses administered
 - Interventions
 - Cost from wholesaler
- QI macro for MS Excel™
 - Create run and statistical process control charts

IV Acetaminophen QI Champions

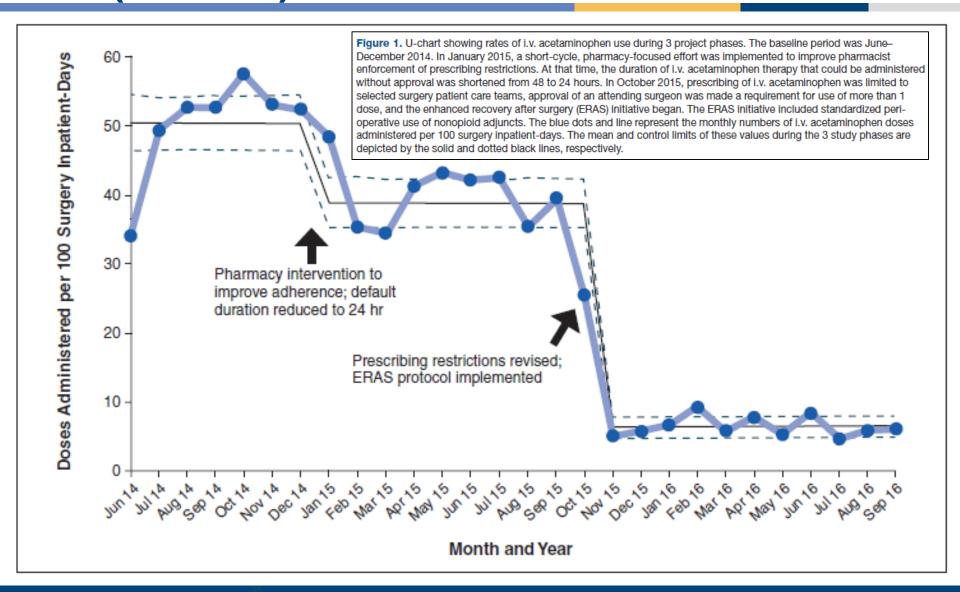




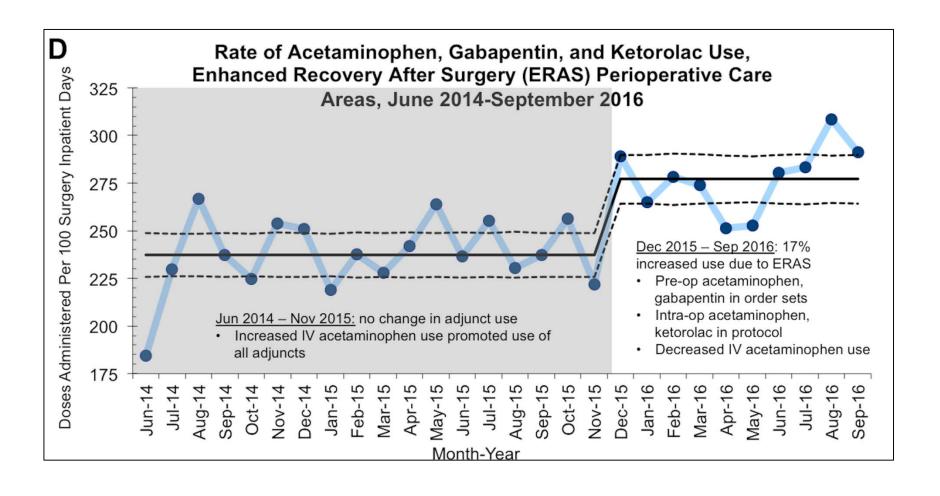
Information Systems Interventions



Outcome Metric – Rate of IV Acetaminophen Use (U Chart)

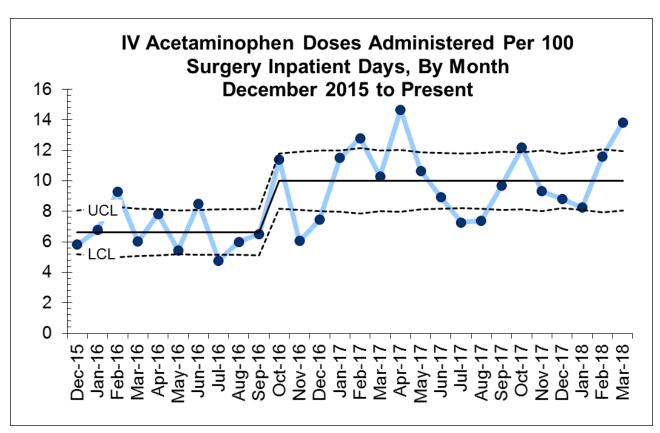


Process/Balancing Metric – Rate of Non-Opioid Adjunct Use (U Chart)



Sustain Success (for 2 More Years)

- Revisit eligible services/patients
 - Omits neurocritical care, septic shock
- Revisit approval process?
 - Stop calling attending surgeons for approval for > 1 dose, clarify in CPOE
 - Strict NPR
 - OR/PACU only
 - 2020 countdown



IV Acetaminophen QI Project Summary

- Reduce IV acetaminophen annual spend to < \$100,000 in FY16
 - Short-cycle, incentivized pharmacy focus on prescribing restrictions
 - PGY1 outcomes evaluation
 - Enhanced recovery after surgery
 - Service-based, duration restrictions
- Reported data over time
 - Doses per 100 patient days, cost, interventions, all adjunct doses per 100 patient days
- Lessons learned
 - Better relationships with surgery and possibly better care
 - IHI model for improvement = tools to tackle future initiatives
 - Need to continue monitoring monthly, revisit restrictions and approval process

Assessment Question #2

Which of the following statements about improvement science is true?

- A. All PGY-1 residents must complete research projects according to the 2015 competency areas and goals
- B. All institutions require Investigational Review Board review of quality improvement projects
- C. Pre vs. post/before vs. after analysis is the best way to demonstrate improvement
- D. Representing data over time is typically preferred over summary statistics

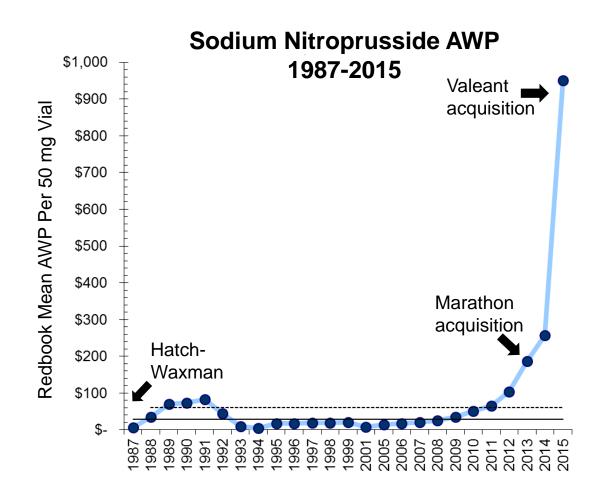
Response Question #2

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Sodium Nitroprusside Re-Branding

- Spring 2015
 - Purchaser:
 "Hey Will, we need to start talking about Nipride. It's like \$800 per dose"
 - Me: "..."(inaudible muttering)



The ICU Blood Pressure Players

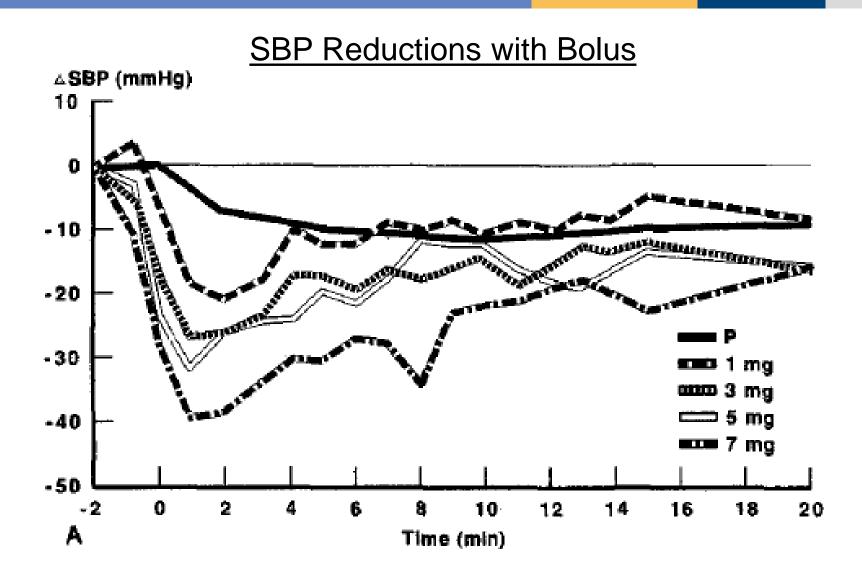
Category	Nitroprusside	Nicardipine	Clevidipine
Hemodynamic Effects	Reduces afterload and preload → may increase ICP	Decreases afterload, minimal effect on preload → improved CPP, CO	Decreases afterload, minimal effect on preload → improved CPP, CO
Onset for hypertension	30-60 secs , peak 2 mins	60 secs, peak 2 mins (w/bolus), $\mathbf{t}_{1/2\alpha}$ = 3-15 min	2-4 min , peak 3 min
Distribution & Elimination	Vd = ECF, MetHgb buffer 500 mcg/kg SNP. CN radicals converted to TCN	Vd=7-8 L/kg, 95% highly protein bound. Hepatic metabolism → feces 40%, urine 60%	Poor water solubility → 20% soy-based lipid emulsion 99% protein bound, Vd 0.17 L/kg. Rapid hydrolysis by esterases
Half-life	2-4 minutes (parent); 3 days (thiocyanate)	$t\frac{1}{2}_{\beta} = 45 \text{ min}$ $t\frac{1}{2}_{\gamma} = 14.4 \text{ hrs}$	$t\frac{1}{2}_{\beta} = 1 \text{ min (predominant)}$ $t\frac{1}{2}_{\gamma} = 15 \text{ min}$
Titration	Every 5 minutes	Every 5-15 min; decrease dose by 2.5-5 mg/hr once target BP achieved	Double dose every 90 secs; as BP approaches goal, increase dose by less than double every 5-10 mins

Source: J Anaesth Clin Pharmacol 2014;30:462-71. Circulation 1978;57(4):732-8 Drugs 2006; 66 (13): 1755-1782. Clin Pharmacol Ther 1990;47:706-18. Drugs 2014;74:1947-60

SNP vs. NIC in Cardiac Surgery

Reference	Patients & Study Design	Intervention & Comparator	Outcomes	Conclusions/ Comment
J Cardio- thorac Vasc Anesth 1991;5(4):3 57-61.	Open, randomized, multicenter trial N=74 CABG pts with post-op HTN	NIC 2.5-12.5 mg bolus followed by 2-4 mg/hr infusion, vs. SNP 0.5-6.0 mcg/kg/min	NIC>SNP: goal MAP < 90 mmHg achieved more quickly, ♥ SVR, 2x fewer dose adjustments/24hr SNP>NIC: ↑ HR, 400 mL more blood transfused	Bolus helped NIC achieve BP target faster NIC is an alternative to SNP
J Cardio- thorac Anesth 1989;3(6):7 00-6.	Prospective cohort N=45 CABG pts	NIC 3 mcg/kg/min (≈ 12.5 mg/hr) vs. SNP 1 mcg/kg/min started before surgery	Comparable MAP control ✔ PAP with SNP prior to sternotomy Myocardial ischemia: NIC (9%) vs. SNP (24%) (from induction to start of CPB)	High initial NIC infusion NIC may be a suitable alternative after coronary artery surgery
Am J Cardiol 1989;64(15) :22-7H.	Prospective RCT N=120 CABG pts	1:1:1 = NIC 3 mcg/kg/min vs. SNP 1 mcg/kg/min vs. no vasodilator	Comparable MAP control Myocardial ischemia: NIC (10%) vs. SNP (25%) vs. 28% (control)	High NIC infusion rate

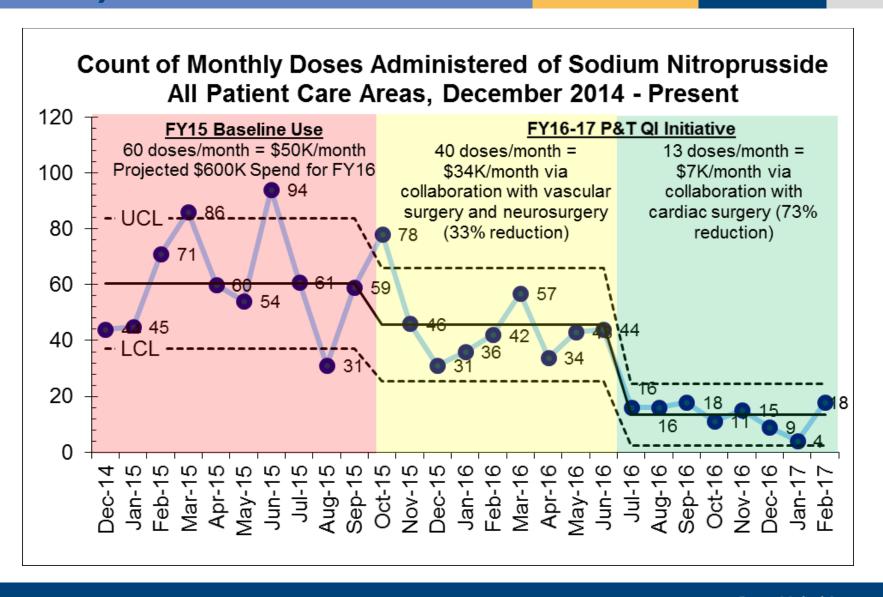
Nicardipine Bolus Pharmacodynamics



BMC's Response to SNP Price Hike

- Consider alternatives revisit clevidipine
- Pharmacy operations modifications
 - Add NIC to ADCs, on override to ICUs
 - Decrease SNP inventory
 - ADC alerts for preparation instructions for nursing, do not give NIC bolus IVP
- Systems improvements
 - Do not automatically dispense SNP from post-op order sets
 - Add NIC bolus from bag, update administration instructions, decrease lower rate limit to 2.5 mg/hr
 - Update smartpumps for ORs and ICUs
- Education about the SNP million dollar sweepstakes

Outcome Metric – SNP Doses Dispensed (C Chart)



Lessons Learned-Improvement Science as a Tool

Identify an issue

Collect baseline data

Driver diagram

Define metrics

Track metrics as data over time

Who Will Be Ready for the Next Price Hike?

Clinical Pharmacists

- Relationship with prescribers
- Patient, product, process knowledge, and empathy
- Build leadership experience
- Track real-time data (frontline feeling, feedback, observations & patient encounters/med use)
- Demonstrate your value to your team

Pharmacy Managers

- Administrative and political connections
- Negotiating skills/experience
- Purchasing data and trends and experience
- Ability to negotiate with distributors
- Important scope and perspective (forest, not just trees)

How We Broke Even

- Budget
- Strategies
- Outcomes

Relationships

Assessment Question #3

Which of the following statements best describe why clinical pharmacists should lead initiatives to combat price hikes?

- A. Knowledge of product, process and patient
- B. Ability to negotiate with distributors
- C. Administrative and political connections
- D. Expertise in analyzing purchasing data

Response Question #3

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- C. Administrative and political connections
- D. Expertise in analyzing purchasing data

Summary

- Price hikes and shortages in the ICU are common, relevant, and largely driven by the unapproved drugs initiative
 - Hospital budgets cannot keep up with this inflationary rate
- Improvement science can help demonstrate and sustain success with IV acetaminophen, sodium nitroprusside, and other cost-focused initiatives
- Critical care pharmacists should lead team efforts to mitigate patient and financial harm due to price hikes and shortages

Special Thanks

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Champions

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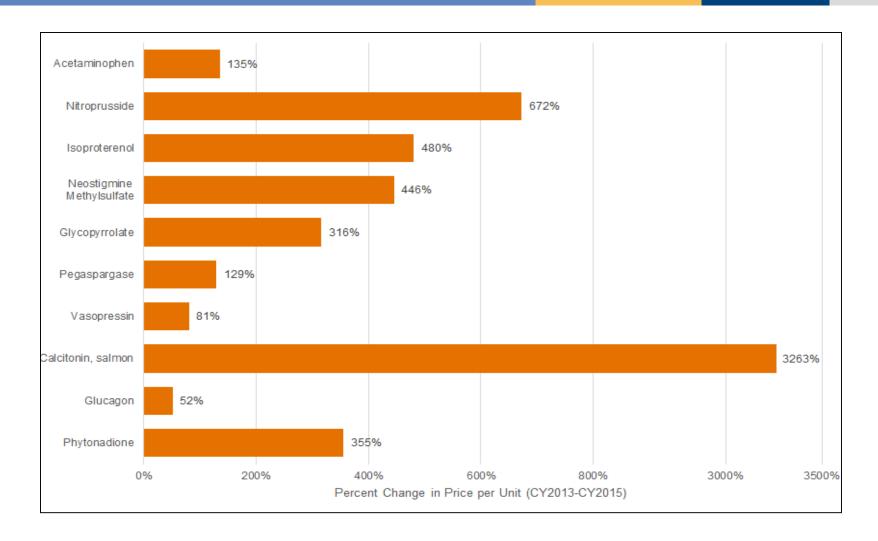


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Additional Information

Selected Percent Increases



Trends in hospital inpatient drug costs. National Opinion Research Center. October 11, 2016. Source: www.aha.org/content/16/aha-fah-rx-report.pdf

*UDI Ex: Neostigmine

Top Older Agents with High Growth in 2015						
Drug <u>a</u>	2015 Expenditures (\$ Thousands)	Percent Change From 2014				
Vasopressin	160,977	697.7				
Neostigmine	288,273	409.2				
Isoproterenol	219,748	275.7				
Hydroxyprogesterone	191,250	270.9				
Hydroxychloroquine	506,761	237.6				
Flucytosine	49,157	126.4				
Flecainide	88,321	123.8				
Nitroprusside	218,022	112.8				

UDI Ex: Neostigmine

- Received approval for the neuromuscular blockade reversal indication
- Used for decades off label
- Upon approval in 2013
 - Originally this was an Eclat Pharmaceuticals product
 - Manufacturer urged the FDA to disallow all generic competitors of the product
 - Letter claimed that other manufacturers lacked safety data and posed a safety hazard
- Net change from 2014 to 2015: 5%
- National Opinion Research Center Findings:
 - "Drug price increases appear to be random and inconsistent from one year to the next"

**Manufacturer Consolidation and Rights

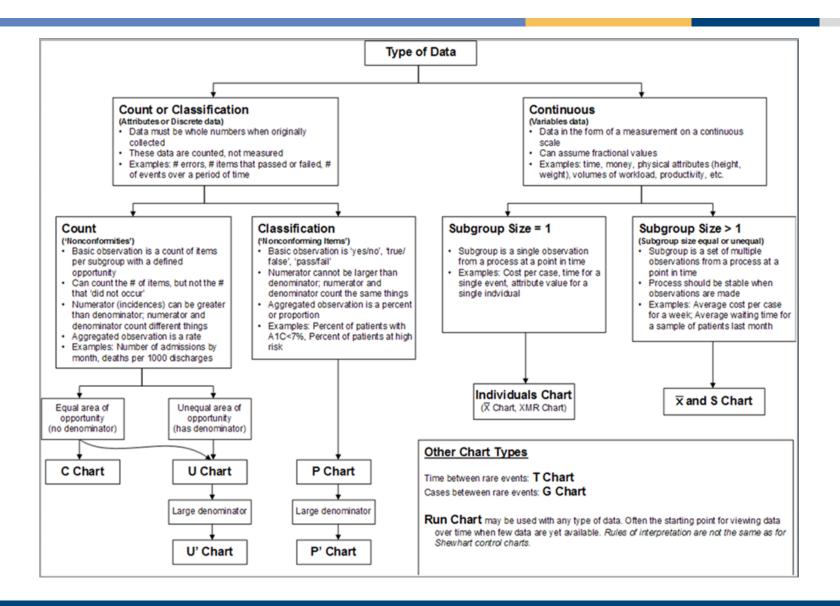
- Nitroprusside and isoproterenol
 - Originally Hospira products
 - Sold to Marathon (price increase #1)
 - Sold to Valeant (price increase #2)

Neostigmine

- Eclat sold to Flamel Technologies in 2012
- Flamel merged with Avadel Pharmaceuticals in 2016
 - Avadel business strategy:
 - Development patent protected products
 - Identification of Unapproved Marketed Drugs
 - Acquisition of commercial/late stage products

Source: Annual Report 10-K. United States Securities and Exchange Commission. Avadel Pharmaceuticals December 31, 2016.

Statistical Process Control Chart Selection



Rules for Detecting Nonrandom Change

