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Monday, July 26, 2021

Executive Pharmacy Exchange: Maximizing Org Structure, Strengthening Alignment & Managing Supply Expense

Panelists: Barry Baird, Kara Fortune, Jonathan Lakamp, David Silverman

Moderator: Aigner George

| Disclosures

The presenters have no real or perceived conflicts of interest related to this presentation.

Note: This program may contain the mention of suppliers, brands, products, services or drugs 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, product, service or drug.

Learning Objectives

At the end of this session, participants should be able to:

1. Recognize the current challenges in maximizing organizational structure, strengthening enterprise alignment and managing supply expense
2. Describe shared strategies and tips that can address challenges in organizational structure, enterprise alignment and supply expense management
3. Identify opportunities to maximize organizational structure, align resources and strengthen supply expense management

Panel Introductions

| Mercy

Jon Lakamp, PharmD, BCPS | Vice President, Chief Pharmacy Officer

- Facilities
 - 44 Hospitals
 - 48 Ambulatory Pharmacies
 - 3 Specialty Pharmacies
 - 900 Physician Practices
 - 50 Urgent Care Clinics
 - 20 Ambulatory Surgery Centers
- Bed Size Range: 10 to 859
- Facility Types
 - Acute Care
 - Specialty (Heart, Children's, Orthopedic and Rehab)
 - Critical Access
- Key Service Lines: NICU, Trauma, Burn, Stroke, Oncology
- Annual Rx Spend ~\$600M



HCA Healthcare – South Atlantic Division

Barry Baird, R.Ph | Vice President of Pharmacy

- 13 Facilities
- Bed Size Range 70 to 700
- Facility types
 - Acute Care
 - Community
 - Academic
- Key Service Lines
 - Behavioral Health
 - Burn
 - Cardiovascular
 - Emergency / Trauma
 - General Surgery
 - Orthopedics
 - Women's and Children's
- Annual Rx Spend: \$110,000,000



| Prime Healthcare

David Silverman, PharmD, BCPS | Vice President of Pharmacy

- 46 Hospitals in 14 States
- 6,842 Staffed Beds
 - ADC ranges 15–350
- Facility Types
 - Acute Care
 - Trauma Center
- Key Service Lines
 - Critical Care
 - Neonatal Service
 - Behavioral Health
 - Trauma
- Annual Rx Spend: \$150,000,000



| Ardent Health Services

Kara Fortune, PharmD, BCOP | Assistant Vice President of Pharmacy

- 30 facilities
- 27–620 beds
- Facility Types
 - Acute Care
 - Community
 - Rehab
 - Ambulatory Surgical Centers
 - Clinics
- Key Service Lines
 - Cardiology
 - Oncology
 - OB/GYN
 - Orthopedics
- Annual Rx Spend: \$244,099,983



Maximizing Organizational Structure

Maximizing Organizational Structure

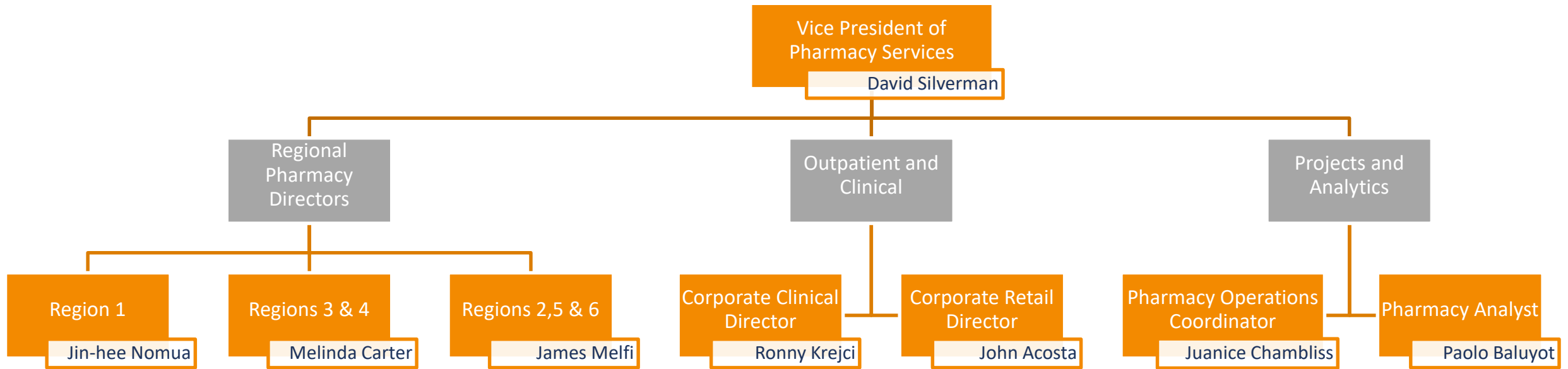
Maximizing Resources

- 133 hospitals across four IDNs represented today

**What is the construct of your pharmacy enterprise
and how do you maximize your resources?**

Maximizing Organizational Structure

Maximizing Resources – Prime Healthcare



Maximizing Organizational Structure

Leadership Development – Succession Planning

- Global spend on leadership development is \$357.7B¹
- 86% of leaders believe succession planning is important²
 - 14% believe it's done well
- 53% of organizations do not have a formalized process for succession planning³

How do you manage succession planning in the modern, complex reality of the pharmacy enterprise with limited leadership FTEs?

1 - <https://trainingindustry.com/wiki/outsourcing/size-of-training-industry/>

2 - <https://www2.deloitte.com/us/en/insights/topics/leadership/effective-leadership-succession-planning.html>

3 - <https://www.td.org/insights/succession-planning-is-your-organization-prepared>

Assessment Question: #1 of 3

A formulary management team has the ability to help with:

- a. Managing supply expense
- b. Revenue cycle management
- c. Profit assessment
- d. All of the above

| Poll Question: #1 of 2

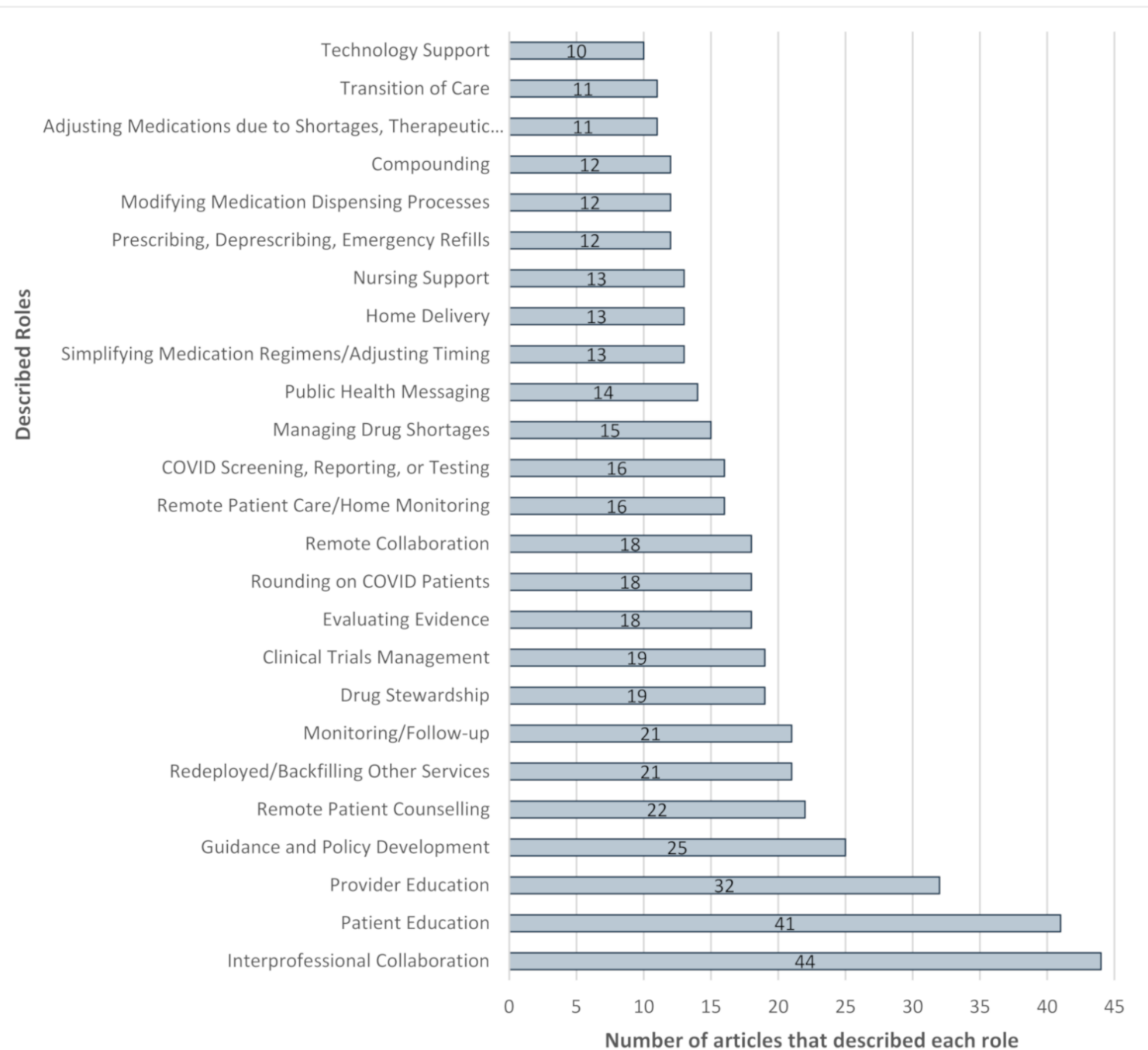
Does your pharmacy enterprise have a formalized succession planning strategy?

- a. Yes
- b. No

Strengthening Alignment

Strengthening Alignment

The COVID-19 Pharmacist Leader



| Strengthening Alignment

COVID-19: Evolving Pharmacist Leader

Has the pandemic provided the opportunity for pharmacy leaders to redefine their leadership role within their organizations?

| Strengthening Alignment

The Value of Pharmacy Services – Returns on Investment

Non-Financial Return on Investment

- Increased Efficiency
- Regulatory Compliance
- Enhanced Quality of Care
- Stakeholder Satisfaction



Financial Return on Investment

$(\text{Net Profit} / \text{Cost of Investment}) \times 100$

What is your approach for advocating for funding of pharmacy initiatives?

Elements of a non-financial Return on Investment (ROI) may consist of:

- a. Increased Efficiency
- b. Stakeholder Satisfaction
- c. Enterprise Margins
- d. Both A and B

Managing Supply Expense

| Managing Supply Expense

Pharmacy as a Profit Center

- Ambulatory Care Pharmacy Operations
 - Retail Pharmacy
 - Mail Order
 - Specialty Pharmacy
 - \$217.7B in U.S. spend in 2018
 - 45.7% of total drug expenditures (11% increase from prior year)

What opportunities exist to position the pharmacy as a profit center?

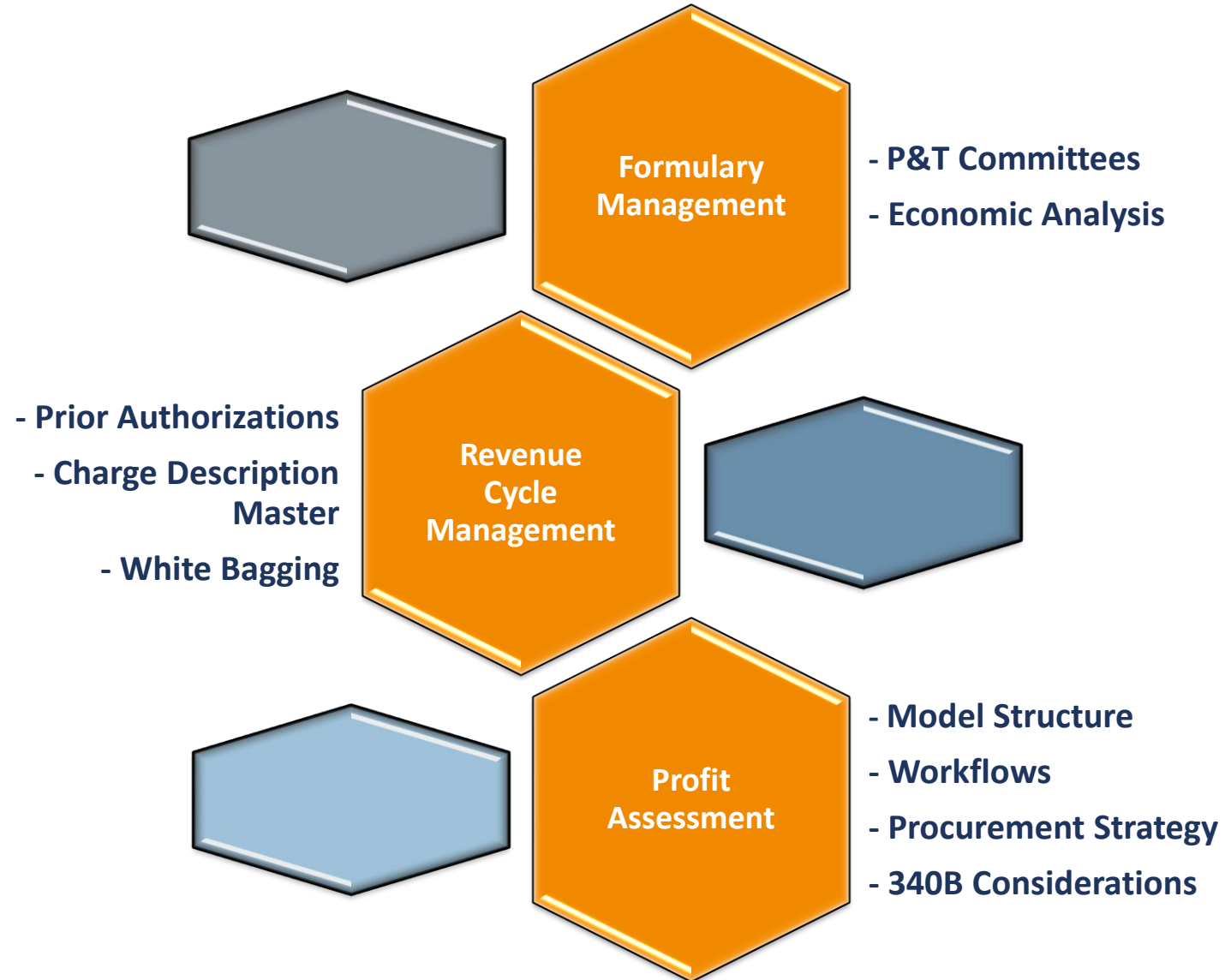
Poll Question: #2 of 2

Which Ambulatory Pharmacy Operations do you currently have in place? (select all that apply)

- a. Retail
- b. Mail Order
- c. Specialty
- d. Other

Managing Supply Expense

Billing & Reimbursement



| Managing Supply Expense

Billing & Reimbursement

How are pharmacy enterprises reconciling charges and actual reimbursement to ensure positive capture for high dollar outpatient therapies?

Assessment Question: #3 of 3

What are ways that pharmacy leaders are managing outpatient supply expense?

- a. Focused P&T Committees
- b. Prior Authorization Optimization Strategies
- c. Procurement Optimization Strategies
- d. All of the above
- e. None of the above

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