
3 ways to contain medicine costs and shortages



With drug prices and supply often at odds with each other, for example when supplies are plentiful but costs reach sky-high levels, what can a hospital exec do to mitigate the impact on operations? Pharmacy directors at three health systems give their views.

Create your own drug company

Trinity Health, based in Livonia, Michigan, for a long time used to purchase generic injectable medications from multiple vendors at reasonable prices. All of a sudden the hospital was unable on a regular basis to access basic medications, including electrolytes or opiate injections needed for acute pain management.

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"The drug shortages of the last few years have been unprecedented," says Bob Ripley, chief pharmacy officer at Trinity. "It is really beyond belief to walk in every day and hear about the next shortage and how are we going to manage that." These shortages not only affected prices but also had clinical implications, adds Ripley's colleague, Lou Fierens, Trinity's executive vice president of administrative services.

Tired of getting slapped around by the invisible hand of the free market, Trinity and six other health systems across the country took matters into their own hands this past summer and formed Civica Rx, a not-for-profit drug company. The consortium will focus on 14 pharmaceuticals that have been susceptible to price hikes, supply problems, or both. Civica is set to begin supplying drugs to its members sometime in 2019. The consortium is open-ended, Fierens says, and Civica is looking at various membership structures so "every hospital can participate." The aim is to have a guaranteed source of supply for member hospitals, at reasonable cost.

Optimise medication usage

To mitigate the growing burden of drug price hikes and scarcity, hospitals can implement strategies to optimise use of medications and avoid waste. The University of Illinois Hospital & Health Sciences System, for instance, uses "commonsense, hands-on tactics" identified by the health system's Pharmacy Value Analysis Committee that have wrung out about \$3 million in drug savings over the past five years. The committee, composed of clinical pharmacists, administrators, and materials managers, analyses drug usage reports looking for fluctuations and waste.

The hospital has 22 clinical pharmacists working with the medical teams to identify the appropriate medicines in the appropriate doses. "They're trying to make sure that we're as cost-effective as possible, that we aren't wasting," says Andrew J. Donnelly, PharmD, director of pharmacy services at UI Health. These savings often come one patient at a time, but they add up. It might be something as simple as keeping a lower inventory of higher-priced drugs, or using smaller IV infusion bags.

The committee also keeps close tabs on cheaper biosimilars and other lower-cost alternatives. "We're taking advantage of biosimilars that are hitting the market right now," Donnelly says. "We switched from Neupogen to Zarxio, and we saved about \$175,000 annually." On some medications, UI Health pharmacists will prepack smaller doses from a vial. "We take a 2 mg vial of remifentanyl and we prepare 50-microgram syringes out of that 2 mg vial, thereby eliminating waste," Donnelly says.

Involve your clinicians

At the Washington, D.C.-based MedStar Health a number of strategies are helping to contain drug costs and maintain supplies. Input from clinicians and staff is taken into consideration when launching a project or initiative.

Two years ago, MedStar launched a medication use management programme with a dedicated staff that included two pharmacists and a systems analyst. "They work collaboratively with physicians and pharmacists using our electronic records so that we can impact the way drugs are used to make them less expensive, and it always works out safer," says Bonnie Levin, corporate vice president for pharmacy services at MedStar Health. Clinical practice guidelines were put out after a lot of consultation and collaboration and a technology build, Levin explains.

Physician acceptance for the initiative was achieved over time through clinical practice councils that represent all specialities. It works, Levin says, because physicians know they have a voice in the process. The programme saves between \$8 and \$10 for every \$1 invested. "It's an ongoing investment and it takes a whole lot of time, but it gets easier over time," she adds.

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