

Case Study: Clinical Programs Solution

Executive Summary

Within 12 months of implementing McKesson’s Adherence Performance Solution into their daily process, the pharmacy realized each of their corporate-wide objectives for adherence for their patient population, including:

- Increased CMS Star performance rating for diabetes, going up one full star rating.
- Earned back a portion of DIR withholdings from certain plans
- More than a 12% increase in the average PDC in all three CMS Star adherence categories (diabetes, hypertension, and cholesterol).
- Increased fills by almost 5 scripts per patient across all three tracked categories.
- Enhanced patient engagement by delivering value-added clinical services and counseling
- Improved staff and operational efficiencies by having the clinical application in workflow

Pharmacy Chain Increases Bottom Line and Enhances Patient Engagement

Boosting clinical services and patient adherence serves as differentiator for the regional pharmacy chain



Key Organizational Challenges Tackled by Targeting One Initiative: Medication Adherence

As with most chain pharmacy organizations, different internal functional roles must meet different objectives; addressing each of these performance goals simultaneously can be a challenge.

- Leadership wants to look more attractive to payors and reduce DIR fees;
- The operations team is focused on improving process flow and ways to improve store efficiencies; and
- At the retail store level, it’s all about finding ways to deliver clinical value to enhance patient care.

The chain decided that all these objectives could be met by focusing on a single initiative across the chain: medication adherence.

According to the pharmacy chain’s manager, “We were feeling the pressure from PBMs and third-party payors to help improve their CMS Star ratings, so one of my initial projects was a study of the medication synchronization program to

determine how it was affecting adherence rates and workflows within the stores.”

“As we gained a better understanding of how adherence, Star ratings, and DIR fees related to each other, we saw that the adherence numbers and measures were directly tied to the DIR fees and could adversely impact our reimbursement rates.”

“As a result of collective, targeted efforts, our goal was to increase the quality of care delivered to our patients through improving the process by which they receive their medication. Doing so will lead to increased adherence and thus better patient outcomes, improved Star Ratings, and a reduction in DIR fees.”

A Targeted Approach to Boost Adherence with a Single, Integrated Clinical Solution on the EnterpriseRx Pharmacy Management System

With a mission of providing an exceptional experience that advances customers’ health, happiness and wellbeing, the pharmacy is an advocate of using technological advances to achieve their goals.

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They began by targeting a single disease state for adherence across all chain stores: diabetes.

“Our diabetes score had typically been our lowest, so the initial goal was to improve by at least one Star rating measure.”

With multiple stores each filling hundreds of scripts per month, they took a cautious approach and did not want to introduce too many additional workflow steps that would put undue pressure on stores too soon.

Because of this, they chose to use McKesson’s robust Clinical Performance Solution (CPS) which is a fully integrated, clinical platform that operates within the EnterpriseRx pharmacy management system.

They implemented the Adherence Performance Solution (APS) within CPS, which helped them identify and track non-adherent patients. With CPS integration, APS provides real-time visibility of non-adherent patients directly through an interactive, online dashboard.

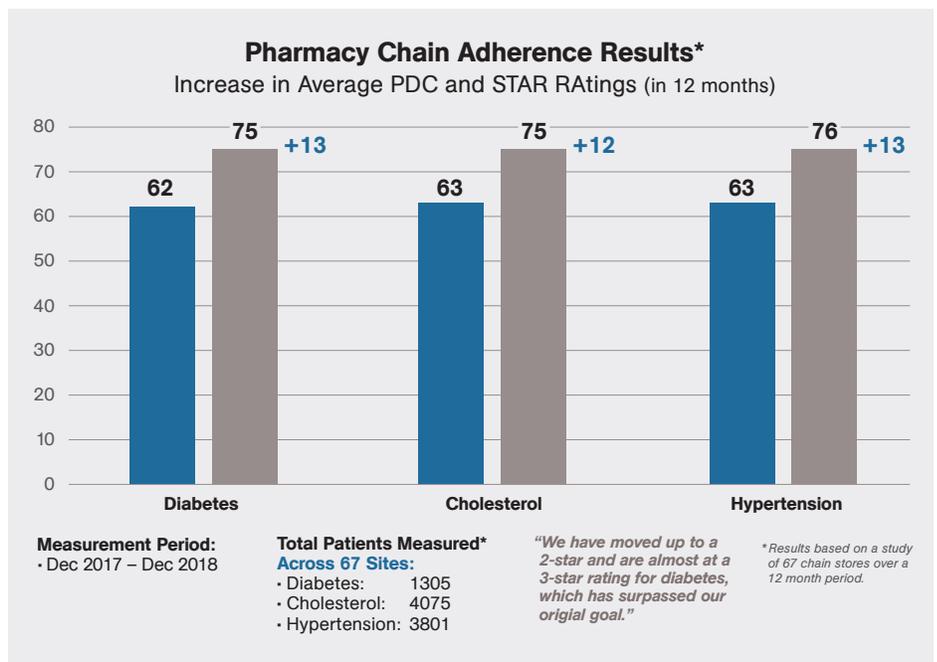
Using APS on EnterpriseRx helped them improve adherence, enhance efficiencies, and improved patient engagement across all their stores.

Workflow efficiencies have prompted the pharmacy staff to get out from behind the counter, according to the pharmacy “it’s helping our pharmacists make a transition to becoming providers, by offering information and adherence counseling that allow them to practice at the top of their license.”

Data-Driven Adherence Results Improve Financial Performance Across Chain

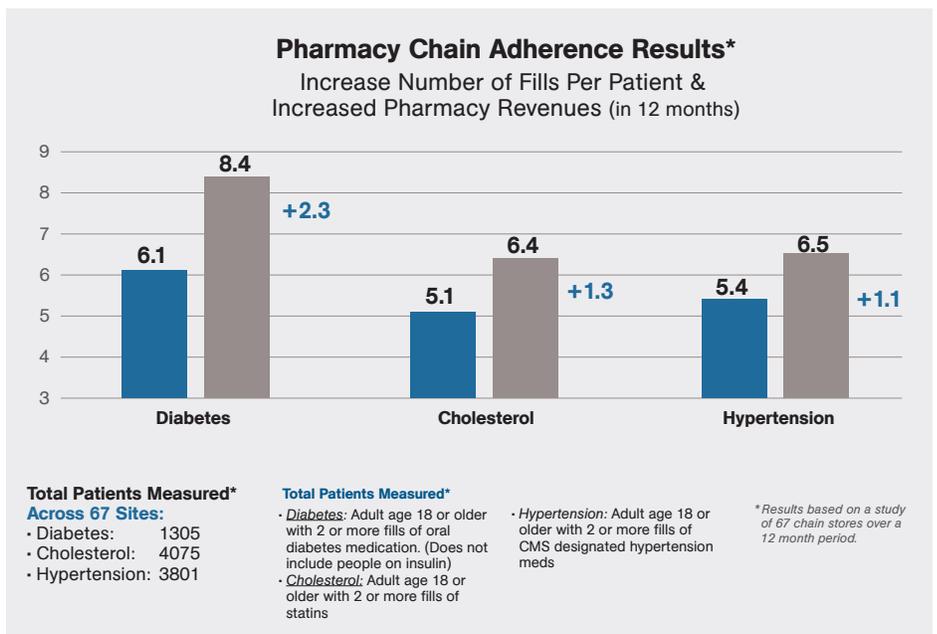
By using APS over a twelve-month measurement period, they increased the average PDC by over 12% across all Star Rating categories (diabetes, hypertension, and cholesterol).

An improvement above 10% generally increases a pharmacy’s ranking by one full Star Rating Adherence measure.



The significance of the increase in fills is evident in the increased revenue and profitability realized across the chain including:

- **Prescription refills increased by almost 5 scripts per patient across all three tracked categories,**
- **Incremental revenue of more than \$145,000 from these increased number of fills**
- **Incremental profitability potential of more than \$25,000.**



Individual Store Data can be used to Track Adherence Performance

Because APS reporting tracks at individual store levels, the pharmacy chain can quickly analyze the performance of each store for evaluations and forecasting purposes.

For example, year-to-year, the top three performing stores for Diabetes increased prescription refills by almost 6 scripts per patient across all three tracked categories, leading to:

- **Incremental increase in revenue of more than \$13,000 for the year (or average \$4,000/store/year)**
- **Incremental profitability potential of more than \$1,000/store/year.**

Performing at this adherence level across more than 60 stores could lead to a potential incremental revenue increase of more than \$850,000 across the entire chain.

Improved Adherence Also Increases Patient-Pharmacy Interactions, Improves Outcomes, and Strengthens Customer Loyalty

Improved adherence has positively affected patient care, helping pharmacists deliver value with every touch. “We are really focused on making sure we take great care and offer the best service to those patients we already have,” the pharmacy manager explains. “The greatest part of APS is the online dashboard, which provides the means to initiate a smart, guided conversation that can help improve patient health. And CPS gives actionable, patient-level detail that allows us to do proactive outreach and engage with patients, which they really appreciate.”

The pharmacy manager attributes these results to the emphasis being placed on the importance of adherence in the stores and the improved ability to easily identify patients to target. “There is an awareness now of what the metrics mean and the action steps that staff needs to do to help improve a store’s performance on a patient-by-patient basis. When you have an alert telling you that this person has a PDC score of 50%, it’s a lot easier to initiate that conversation. Our people are now more

willing to engage with the other programs and tools available because they really understand the impact it can have.”

The Future: Continue Adopting Innovative Clinical Solutions to Meet Increasing Adherence Standards and Drive Pharmacy Growth

After recognizing the impact to their bottom line that higher adherence can make across the entire organization, the chain continues to focus on improving adherence as a primary growth strategy.

With data in hand and as comfort levels increased using APS, the chain plans to expand to include additional adherence categories.

They are already tracking the results of their efforts by comparing Star ratings and DIR fees year-over-year.

“Each preferred network is contracted a little differently, so we have begun to combine reporting with specific contracts to identify risks and opportunities to lessen fees,” offers the pharmacy manager. “If a PBM emphasizes statin use in diabetes, we’ll utilize our tools to target these patients and monitor their numbers for improvements.”

The pharmacy chain finds success in every step they make towards improving adherence.

“We know it’s going to be a challenge to get to that 5-star amongst all disease states and targets, but that’s definitely where we want to be. We’ll get there by providing the best care possible for every patient, and, using the data and knowledge we’ve acquired along the way to reshape what we’re doing to continue to improve overall efficiencies and remain competitive in our region.”

Additionally, the pharmacy chain is aiming to further integrate McKesson’s CPS platform by interfacing CPS with their MTM and Med Sync programs for maximum patient engagement. They also utilize IntelligentPA™ within EnterpriseRx for efficient processing of prescriptions requiring prior authorization.

The robust nature of McKesson’s clinical solution means that the pharmacy chain can continue to assess enabling additional revenue-generating opportunities beyond adherence. The fully integrated CPS platform offers the chain continued growth opportunities and increased patient engagement.

*Assumptions from Actual Industry Pharmacy Data:

- Revenue Assumptions:
 - \$45/fill/patient in all 3 categories
- Profitability Assumptions:
 - Diabetes: \$12/fill/patient
 - Cholesterol and Hypertension: \$5/fill/patient/year

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