

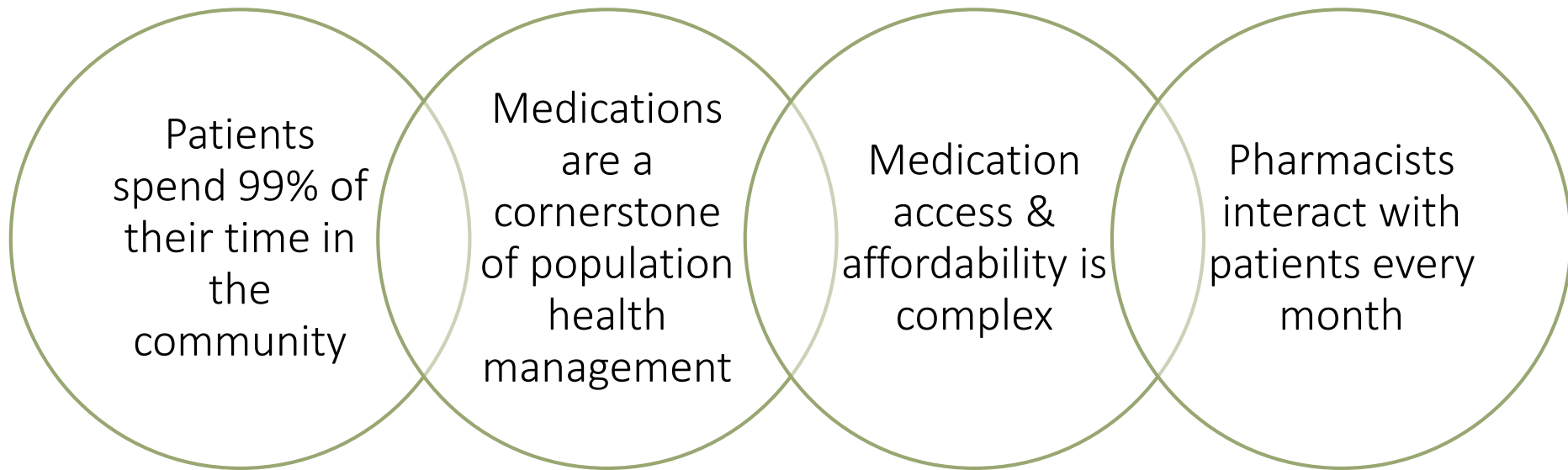
Specialty Pharmacy: A Key to Organizational Success in Population Health Management

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Chief Pharmacy Officer, Cleveland Clinic

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Director of Pharmacy, University of Wisconsin Health

The speakers have no actual or potential Conflict of Interest in relation to this presentation.

The Big Picture



Overview

- What is specialty pharmacy and why is it relevant to population health?
- UW Health's specialty pharmacy program
- Cleveland Clinic's "secret sauce"
- Proof of concept: improved quality, lower cost

What are we talking about when we say “Population Health”?

- The health outcomes of a group of individuals, including the distribution of such outcomes within the group - 2003



What are we talking about when
we say “Specialty Pharmacy”?

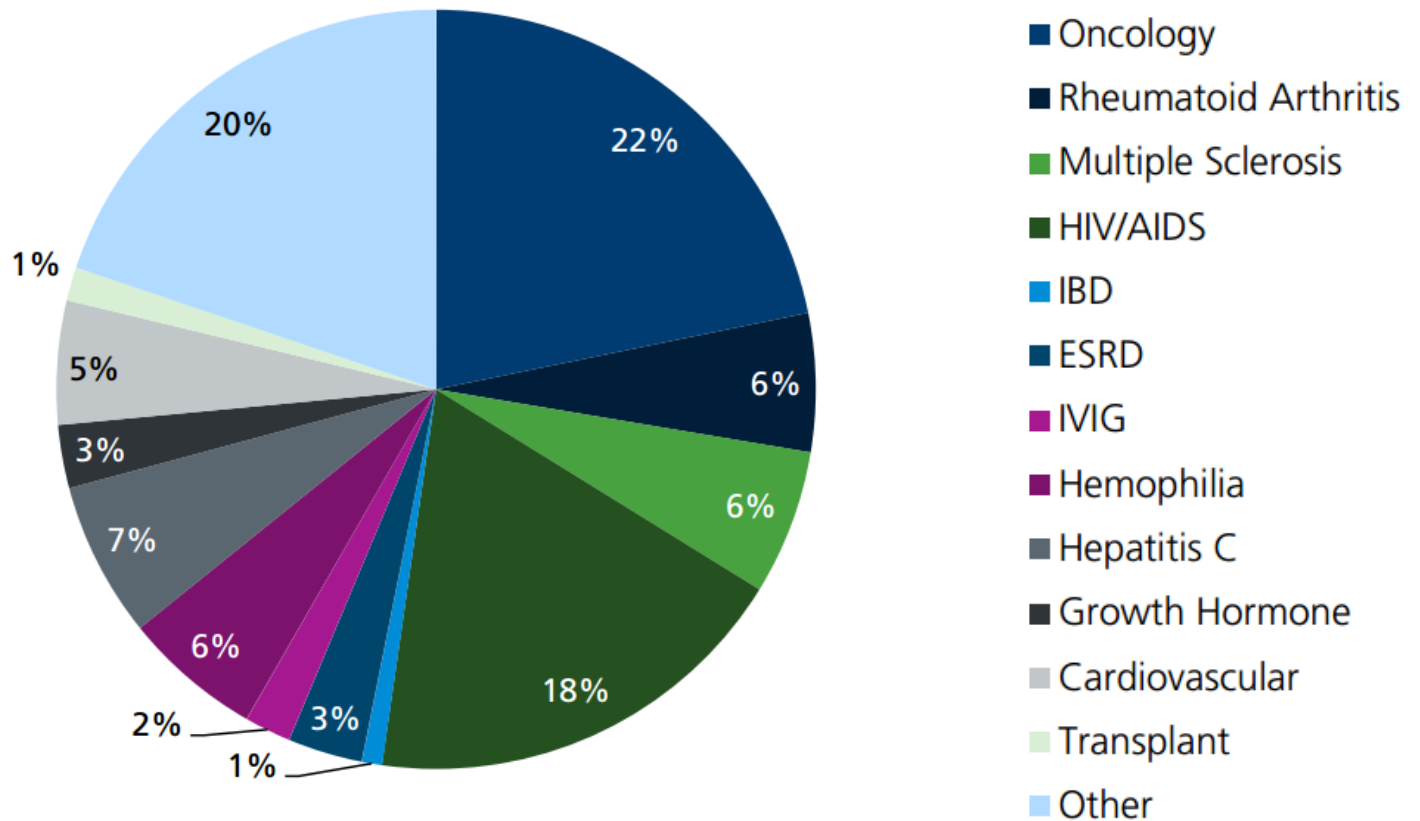
Specialty Pharmaceuticals

What are they?

- Very expensive: average prescription cost¹ = \$3,500
- Number of patients growing quickly
→ 2% currently, expected to hit 5-6% by 2018
- Initiated by a specialist & often require special handling
- Increasingly transitioning to therapies that can be self-administered in the home
- Require significant clinician accountability to work

\$130B marketplace, forecast to hit \$400B by 2020

Complex Drugs for Complex Illnesses



Source: UnitedHealth Group, 2014

Notes: Includes spending under the pharmacy and medical benefit; IBD = inflammatory bowel disease, ESRD = end-stage renal disease, IVIG = intravenous immunoglobulin

Increase in Drug Costs

Wonkblog

Specialty drugs now cost more than the median household income

A



35

By Carolyn Y. Johnson November 20 [Follow @carolynjohnson](#)

Average annual price of specialty drugs



Source: AARP Public Policy Institute
WAPO.ST/WONKBLOG

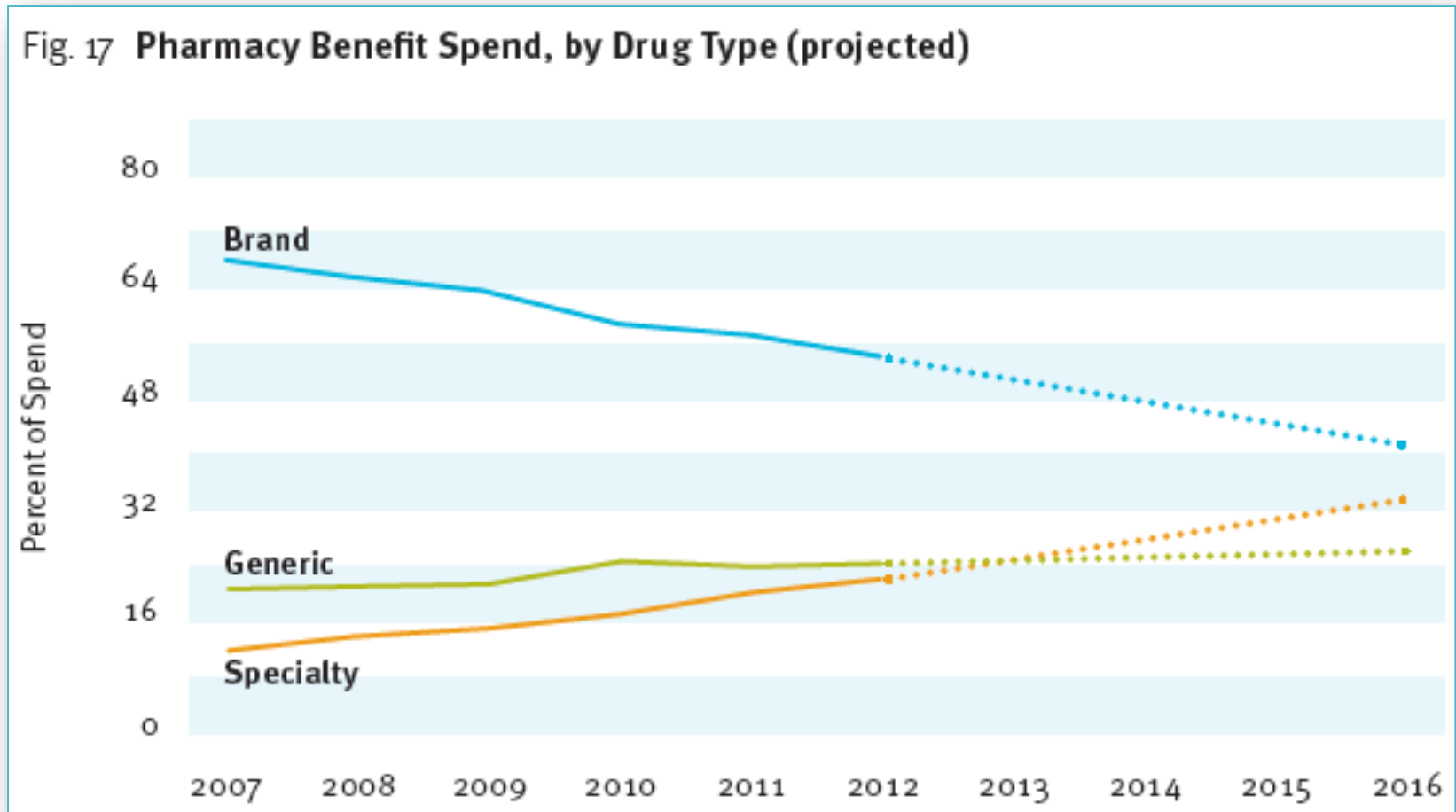
Most Read

- 1 Dow and DuPont, two of America's oldest giants, to merge in jaw-dropping megadeal
- 2 DraftKings, FanDuel lose big, ordered to shut down in New York
- 3 There's a crisis at Chipotle
- 4 I asked psychologists to analyze Trump supporters. This is what I learned.
- 5 Why do doctors choose a \$2,000 cure when a \$50 one is just as good?



National Drug Spend

Traditional vs. Specialty Growth



Complex Management: Traditional vs. Specialty Pharmacy

Operations

- Claims adjudication
- Accounts receivable
- Billing and collection
- Prescription dispensing & delivery
- Cold chain shipping systems*

Patient Support

- Adherence packaging
- 24/7 pharmacist access*
- Benefits investigation*
- Prior authorization*
- Financial Assistance*

Patient Care Management

- Call center, patient education*
- Complex disease state management*
- Compliance management*
- Training patients on therapy complexity*
- Data reporting*

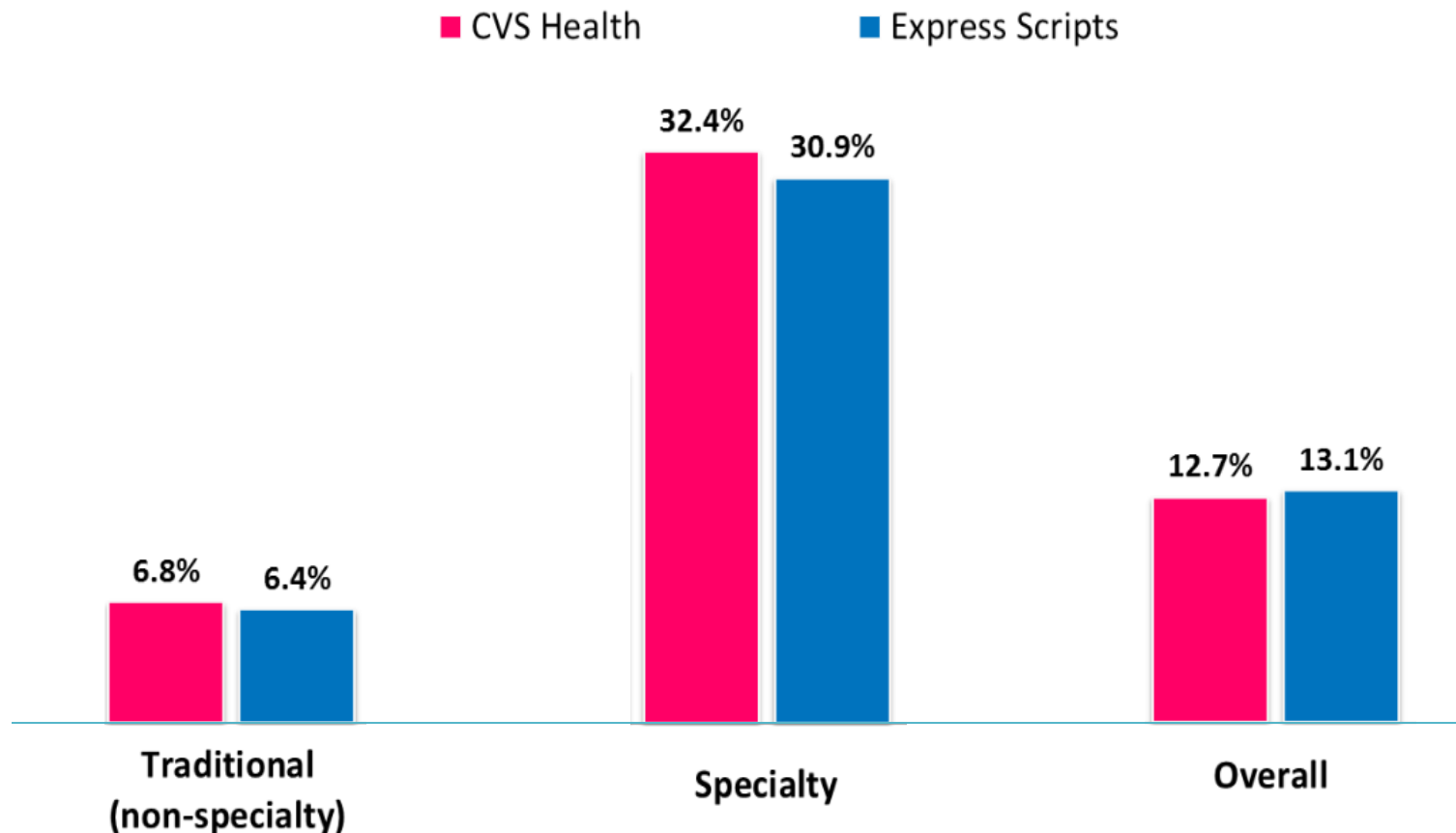
* Indicates “specialty” differentiated services

What's coming?

- **771** compounds in trials for **Oncology**
- **>100** for **Rheumatology**
- **82** medications for **Alzheimer's**
- **44** medications and vaccines for **HIV**
- **38** medications for **Multiple Sclerosis**
- **27** medications for **Parkinson's**
- **14** compounds in late-stage trials for **Hepatitis C**

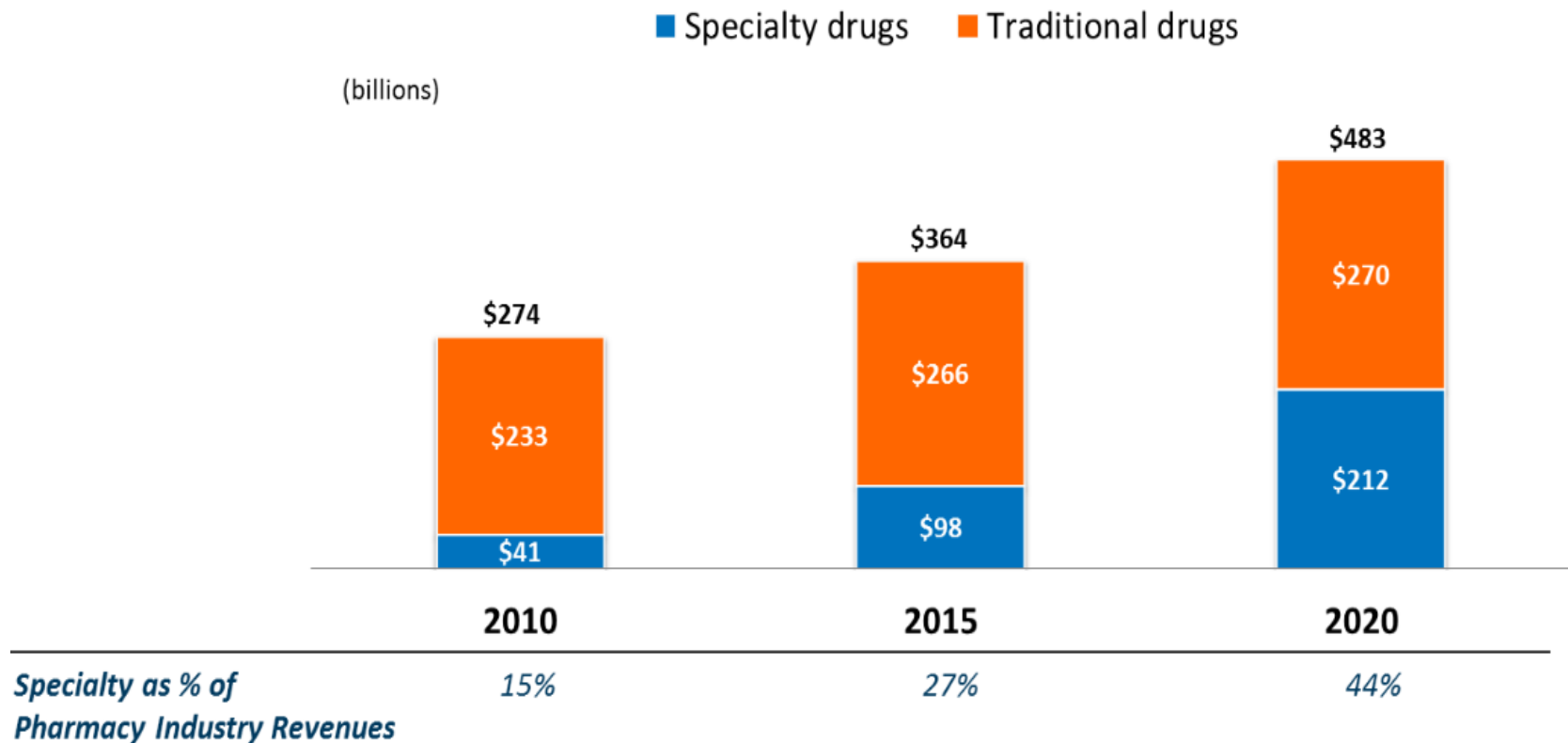
Specialty **cholesterol**, **hypertension**, and **diabetes** medications are now entering the pipeline

2014 Drug Dispensing Trend: Traditional vs. Specialty Drugs, by PBM



Source: Pembroke Consulting analysis of company drug trend reports. CVS Health and Catamaran figures represent each PBM's overall book of business. Express Scripts figures represent commercially insured beneficiaries only.

Pharmacy Industry Revenues: Traditional vs. Specialty Drugs, 2010-2020



Figures in billions
Source: Pembroke Consulting estimates

This table appears as Exhibit 34 in: Fein, Adam J., *The 2016 Economic Report on Retail, Mail, and Specialty Pharmacies*, Drug Channels Institute, January 2016. Available at http://drugchannelsinstitute.com/products/industry_report/pharmacy/

Specialty Pharmaceuticals

Summary

Background

- \$130 billion national market (20% annual growth)
- Treat chronic, high-cost diseases
- Require dedicated clinical & administrative resources for complex “high touch” therapies
- Require special access to (1) specific drugs and (2) insurance contracts/reimbursement
- For many complex patients with chronic disease, deriving value from specialty drugs is key to overall health management

Goals

- Enhance continuum of care
- Capture incremental revenue & margin
- Leverage integrated delivery network (IDN)
- Improve physician office satisfaction & efficiency
- Improve patient experience & outcomes

What are we talking about when we say “Specialty Pharmacy”?

- An immediate revenue opportunity
- Long-term patient health care outcomes strategy



About the Health-System

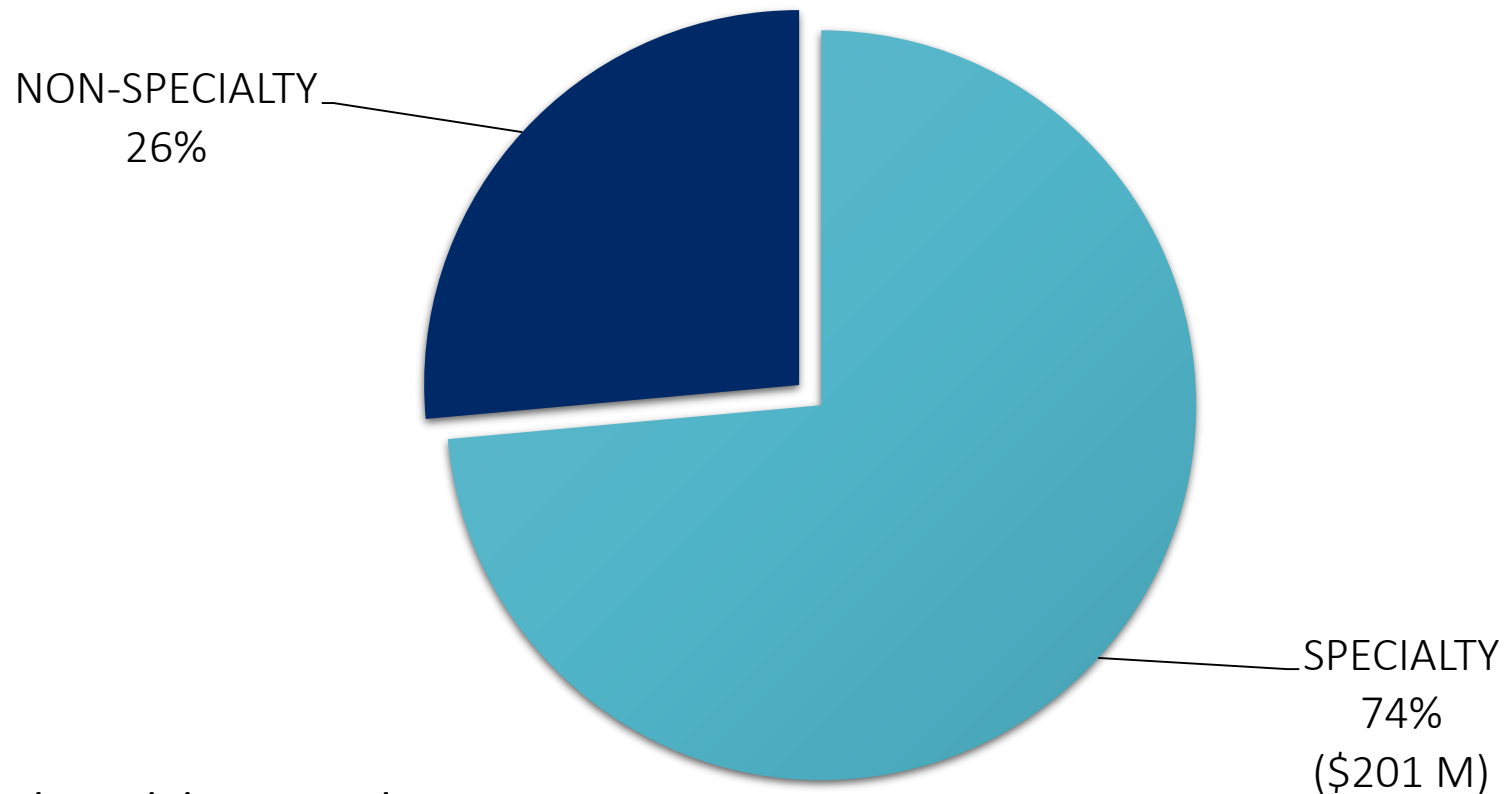
- Multi-hospital, regional referral health-system
- Serves > 600,000 patients per year in the Upper Midwest
- Six Cancer Centers
- Regional outreach clinics in approximately 65 locations



UW Health

*Home to a homegrown
Specialty Pharmacy program*

Percentage of Total Drug Spend: Specialty Pharmaceuticals



*Total budgeted drug spend FY17:
\$274 million*

UW Health Specialty Pharmacy Services

Current Personnel

8 FTE Prior Authorization Coordinators

8 FTE Pharmacy Technicians

6 FTE Pharmacist

3 FTE Fiscal/Accounts Payable

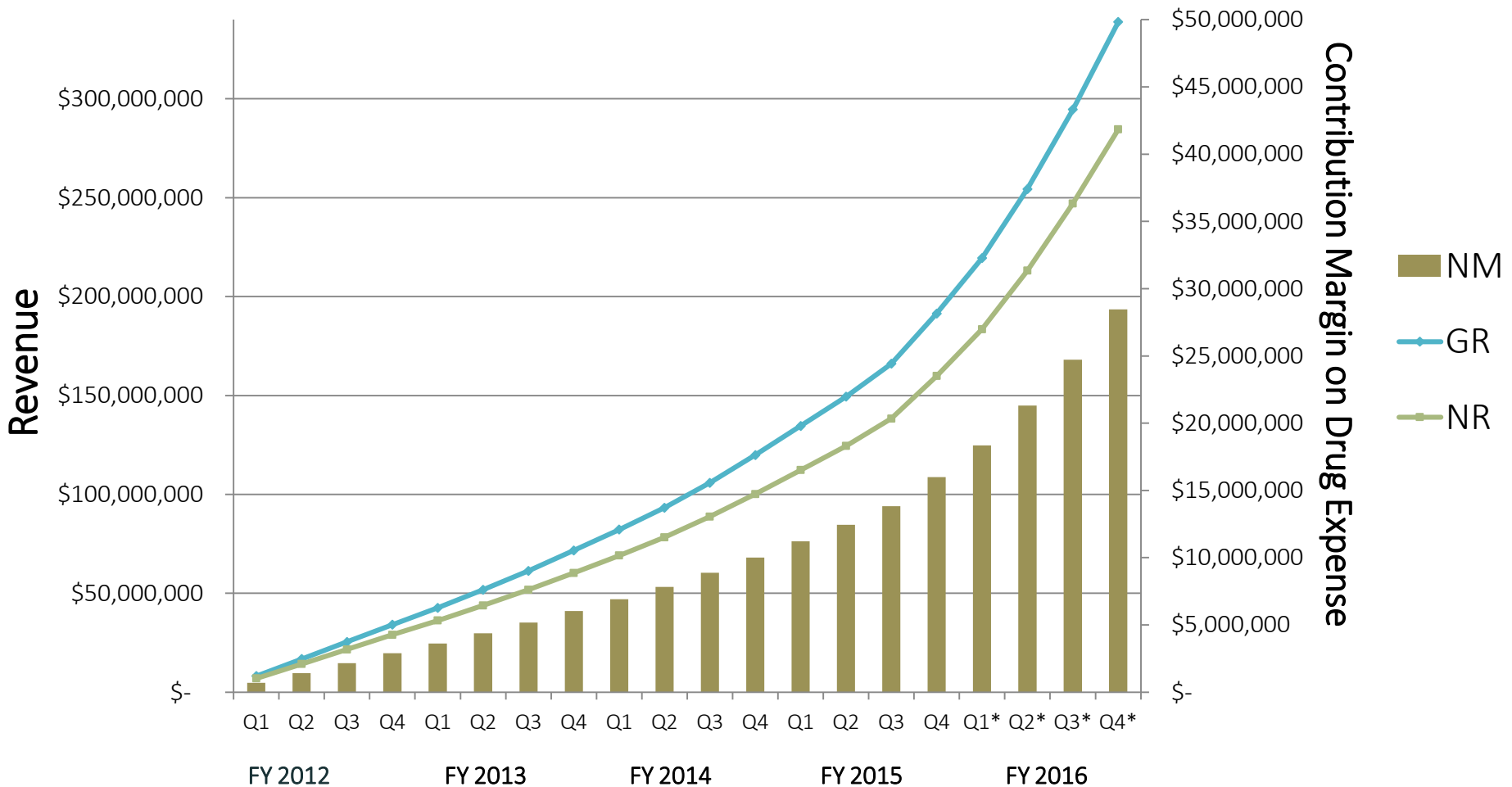
1 FTE Medication Assistance Program

1 FTE Manager

27 FTE Total support for Specialty Pharmacy operations

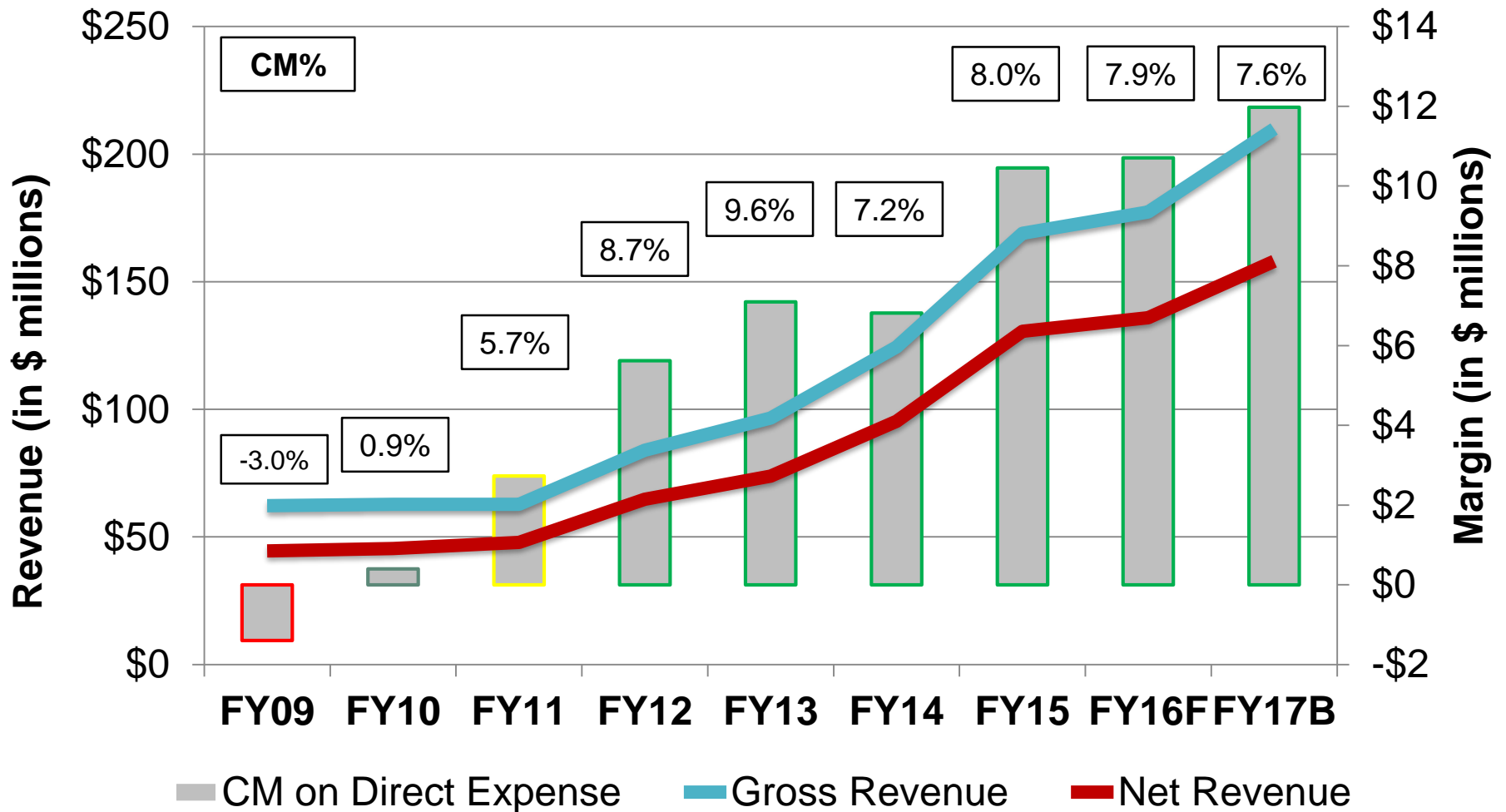
UW Health Specialty Pharmacy Services

5 Year Return on Investment



FY09 to FY17

Positive Growth Driven by Specialty & Supply Chain



UW Health Specialty Pharmacy Program Adherence Snapshot

HIV

- 54,750 medication days dispensed
- Aggregate MPR: 96.9%
- Literature metric: 90-95%

Oral Oncology

- 6,176 medication days dispensed
- Aggregate MPR: 92.4%
- Literature metric: none

Multiple Sclerosis

- 24,836 medication days dispensed
- Aggregate MPR: 93.6% (target >90%)
- Literature metric: 80%

Inflammatory Conditions

- 82,652 medication days dispensed
- Aggregate MPR: 89.2% (target >80%)
- Literature metric: 80%

March 2016 Patient Satisfaction Scores

- **99.3%** of patients reported that pharmacy services met or exceeded expectations
- **90.3%** of patients reported that they'd either recommend or strongly recommend a family member to use UW Health Pharmacy Services



UW Health Hepatitis C Case Study

Outcomes and Performance Measurement

Literature reported specialty pharmaceutical (Hep C) discontinuation rates:

- Specialty Pharmacy: 5.9-8.5%
- Retail Pharmacy: 8.8%

UW Health adherence and health outcomes:

- Courses of Hepatitis C treatment initiated: 20
- Sustained virologic response (SVR): 93% → 100%
- Therapy completion: 100%

The true benefit of driving utilization to specialty pharmacies can be seen from the better clinical outcomes that a specialized pharmacy can provide.

Our Health System Reality

- 5% of our patients comprise 50% of our total medical expense
- Disproportionately specialized patient population
- Population health expectations continue to mount
- Increasingly accountable for *outcomes*
- Comprehensive patient management will be necessary
- Specialty pharmacy is no longer niche
- Most to all risk will eventually be carved in

The value of retail and specialty pharmacy to a health system goes way beyond the ROI of the pharmacy business. It includes success of the organization in a value-based payment world.

About the Health-System

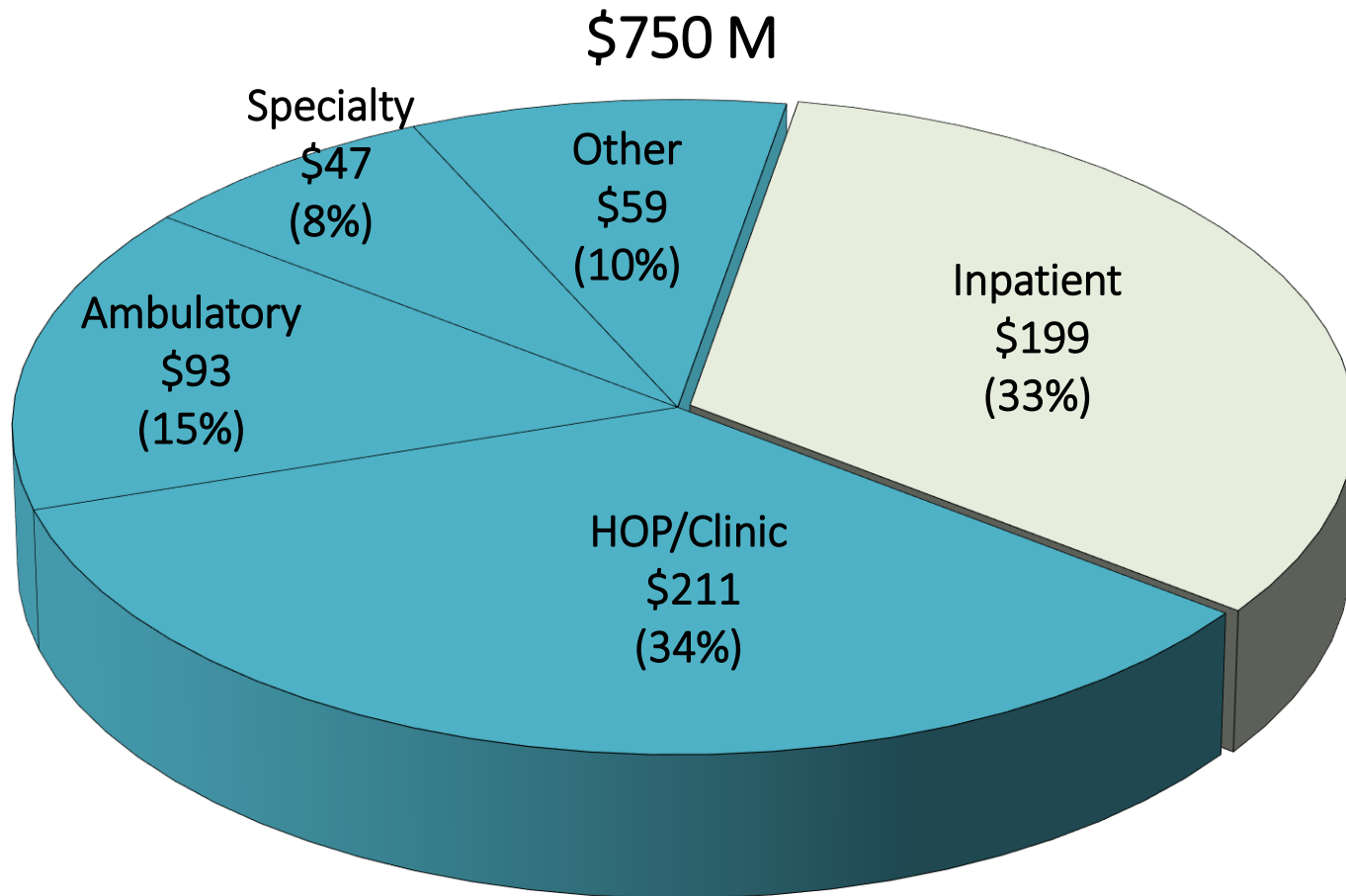
- Nine regional hospitals
- 6.62 million patient visits per year
- \$7.2 billion operating revenue
- 1440-bed main campus

Cleveland Clinic

...and our “secret sauce”

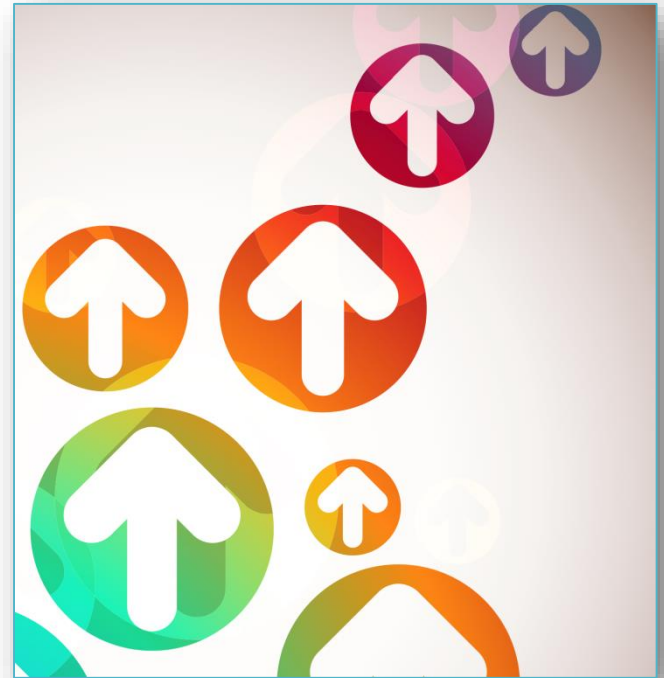


2016 CC Pharmaceutical Purchase Overview



Why We Entered the Market

- \$153B marketplace by 2018
 - 50% of new drugs are specialty
 - PhRMA investment in pipeline
- 20% annual growth
- Population health management
 - \$ Drugs > \$ Medical
- Service line integration



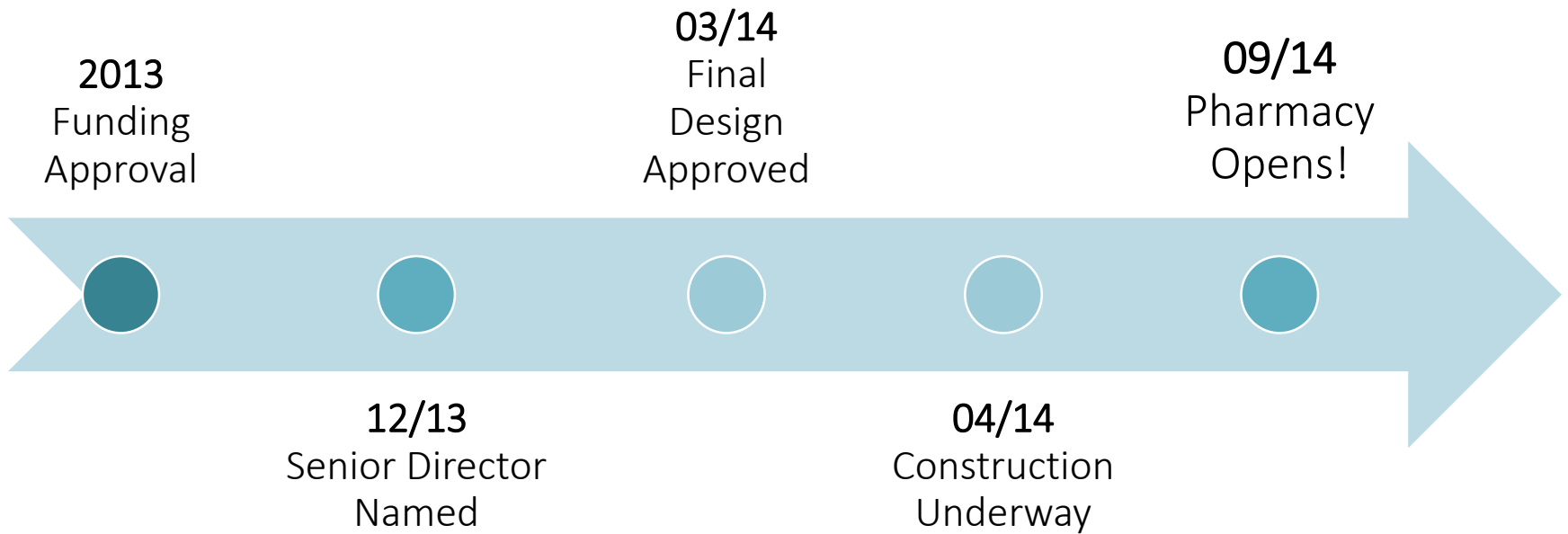
Disrupting the Market

- Concierge patient care
- EMR integration
 - Fully documented in Epic
- Improve health system efficiency
 - Pre authorizations
 - Workflow simplification
- Clinical program integration
- Proof of concept / data warehouse

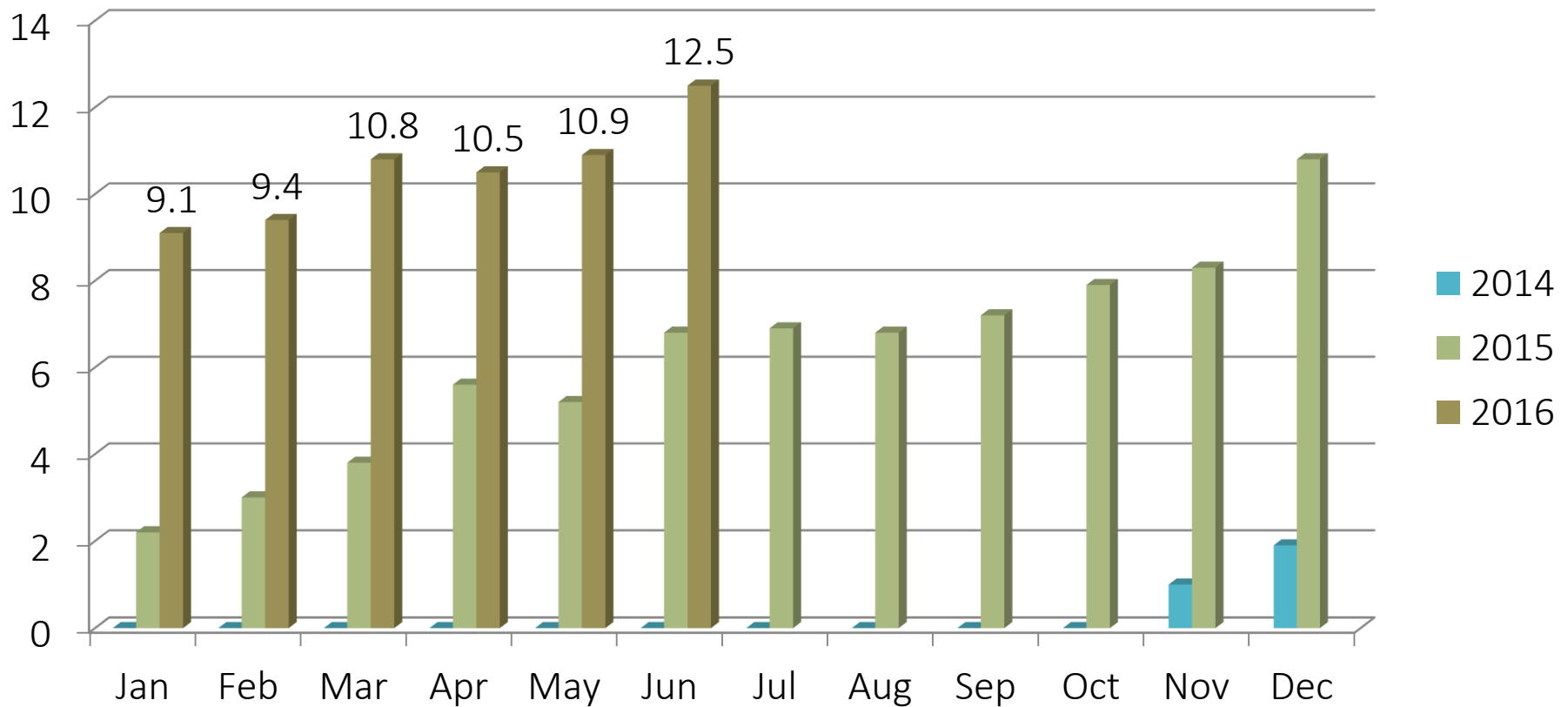


Think Different

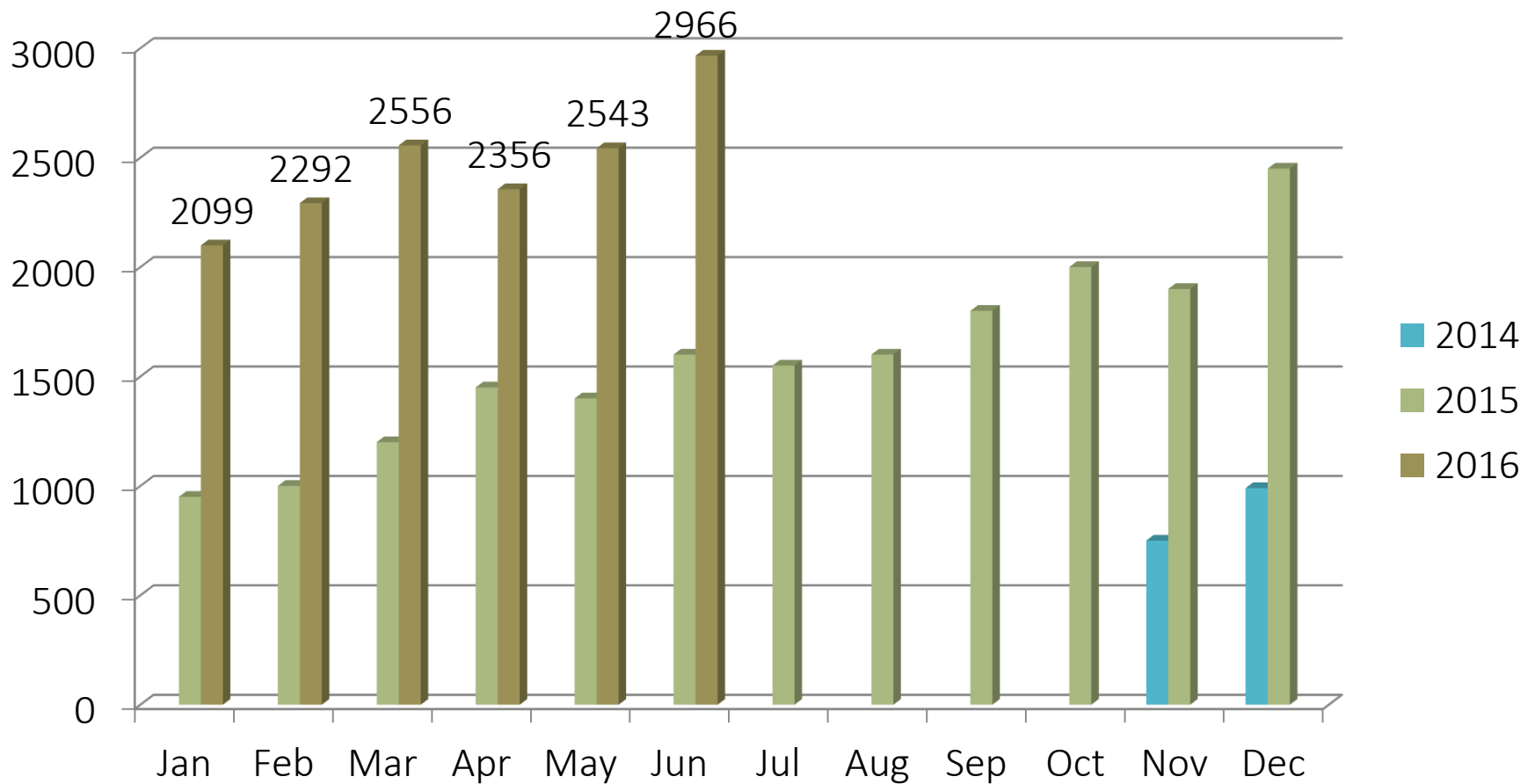
Cleveland Clinic Timeline



Specialty Revenue Monthly Trending (millions \$)



Prescription Volume Monthly Trend (# Rx)



Accreditation



CERTIFICATE OF Full Accreditation

is awarded to

**The Cleveland Clinic Foundation
9500 Euclid Avenue / AC5b-137
Cleveland, Ohio 44195**

for compliance with

Specialty Pharmacy Accreditation Program

pursuant to the

Specialty Pharmacy, 2.1

Effective from the 08/01/2016 through the 08/01/2019

Kylanne Green
President & Chief Executive Officer

Certificate Number: SPP004169 - 98622



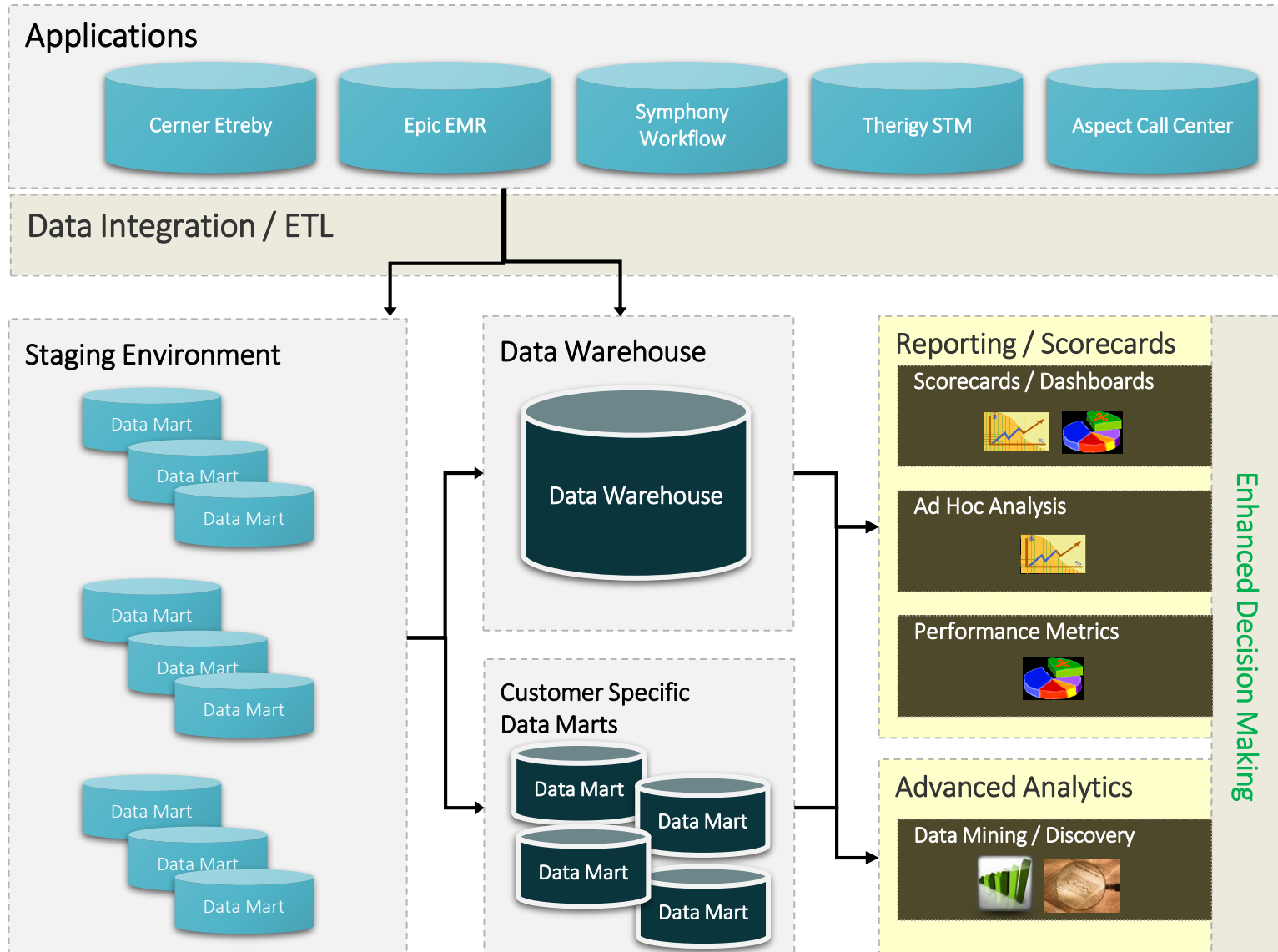
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URAC accreditation is subject to the representations contained in the organization's application for accreditation. URAC must be advised of any changes made after the granting of accreditation. Failure to report changes can affect accreditation status.

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Data Warehouse



Patient Advantages

- Concierge onboarding
- Coordination of insurance benefits
- Facilitate grant / foundation access
- Proactive refill management
- Adherence monitoring



Provider Advantage

- Electronic Health Record (EHR) documentation
 - Onboarding
 - Ongoing
- Prior authorization management
- Ease of access
 - Shared electronic medical record
 - E-prescribing
 - Electronic prior authorizations

Multiple Sclerosis (MS): Coordination of Care

- MS Turn-Around Time (TAT)
 - Patients receive medication within 3 business days after receipt of prescription
 - TAT includes prior authorization processing
- MS Patients on Tecfidera Therapy
 - 90% of CCF Specialty Pharmacy patients initiated on Tecfidera remain on therapy due to aggressive side-effect management protocols

Hepatitis C

Coordination of Care

- After PA is approved, patients receive their antivirals within 1-2 business days
- Upon discontinuation of therapy, all HCV patients are referred back to their providers for follow-up appointments



Hepatitis C Patient

Contact Information				
Date & Time	Provider	Department	Encounter #	Center
1/6/2015 12:19 PM	LUCIA VESCERA, PHARMACIST	Pharm Specialty	310254479	None

Patient Info		
Patient Name	Sex	DOB
Varga, Terry D (33216149)	Male	10/25/1954

MC Sensitive Note

LUCIA VESCERA, PHARMACIST 1/6/2015 12:34 PM Signed
 Cleveland Clinic Specialty Pharmacy received an rx for Harvoni on 12/17/14. Benefits investigation was completed and indicated a prior authorization was needed. PA was approved 01/29/14, through 3/23/14. Patients co-pay was \$3,685.54. Being that he is medicare he qualifies for patient assistance through Patient Assess Network Foundation (PAN-F). I submitted the essential financial information relative to the patient and received a \$10,000 grant to cover the remaining of his co-pays. The patient is aware and delivery will be made for 01/07/15. I introduced the patient and his wife to the medication. We reviewed side effects, adherence, and storage. He will follow up with the office to confirm start date.

Thank you,

Lucia Vescera, PharmD RPH
 Cleveland Clinic Specialty Pharmacy
 P: 216-448-7732

Allergies as of 01/06/2015

No Known Allergies
 Date Verified: 12/17/2014

Reason for Visit

Patient Update Patient assistance.

Outpatient Encounter Meds: End of Enc- 1/6/2015

ledipasvir-sofosbuvir (HARVONI) 90-400 mg tab	Take 1 tablet by mouth once daily.
sulfamethoxazole-trimethoprim (BACTRIM DS) 800-160 mg per tablet	Take 1 tablet by mouth every Monday, Wednesday, Friday.
PROGRAF 1 mg capsule	Take 1 capsule by mouth twice daily.
ALPRAZolam (XANAX) 0.5 mg tablet	Take 0.5 mg by mouth at bedtime as needed.
oxyCODONE HCl 15 mg immediate release tablet	Take 15 mg by mouth every 4 hours as needed.
testosterone 25 mg/ 2.5g (1%) TRANSDERM. GIPk	Apply 2.5 g to affected area.
Oxycodone 60 mg ORAL Tb12	Take by mouth three times daily.
Acyclovir 400 mg ORAL tablet	Take 1 tablet by mouth twice daily.
amlodipine besylate(NORVASC 2.5 MG TAB)	Take one(1) tablet daily.
CENTRUM SILVER TAB	Take one(1) tablet daily.

Meds Comments as of 1/12/2010






Cellcept changed to 1gm BID

Heart Transplant Patient

Reason for Call	
Patient Update	refill encounter
Call Documentation	
<p>LUCIA VESCERA, PHARMACIST 11/11/2014 4:43 PM Signed</p> <p>Spoke with patient today 11/11/14 in regards to her refill request. She is having weight fluctuations, difficulty breathing, and swelling/retaining fluid. She says she is taking two doses of her furosemide daily with no relief. I am concerned that she is taking a higher dose of lasix than I see on her epic mar with minimal relief. She has an appointment this Thursday (11/13/14). I encouraged her to share these concerns at her visit.</p> <p>Thank you, Lucia Vescera, PharmD Pharmacist, Specialty Pharmacy</p>	
Medications	
Outpatient Encounter Meds: End of Enc- 11/11/2014	
ranitidine (ZANTAC 75) 75 mg tablet	Take 1 tablet by mouth once daily.
tacrolimus (HECORIA) 1 mg capsule	Take 6 capsules by mouth twice daily.
trazODone (DESYREL) 50 mg tablet	Take 1.5 tablets by mouth daily at bedtime.
calcium-cholecalciferol, D3, (OSCAL+D 250) 250-125 mg-unit per tablet	Take 1 tablet by mouth twice daily.
amLODIPine (NORVASC) 5 mg tablet	Take 1 tablet by mouth once daily.
predniSONE (DELTAONE) 5 mg tablet	Take 3 tablets by mouth once daily.
Ferrous Sulfate 325 mg (65 mg iron) tablet	Take 1 tablet by mouth daily with breakfast.
potassium chloride SR (K-DUR, K-LOR-CON) 20 mEq tablet	Take 1 tablet by mouth once daily.
tacrolimus (HECORIA, PROGRAF) 0.5 mg capsule	Take 1 capsule by mouth every morning. V42.1 heart transplant
furosemide (LASIX) 20 mg tablet	Take 1 tablet by mouth once daily.
warfarin (COUMADIN) 1 mg tablet	Take as directed by Coumadin clinic. Currently taking one 1mg tab and one 5mg tab for total of 6mg)
insulin glargine (LANTUS SOLOSTAR) 100 unit/mL (3 mL) inpn	24 units SQ DAILY AT 8AM
Insulin Lispro, Human, (HUMALOG KWIKPEN) 100 unit/mL inpn	Inject 10 U with breakfast, 12 U with unch, 9 U with dinner
rosuvastatin (CRESTOR) 10 mg tablet	Take 1 tablet by mouth daily at bedtime.
Insulin Needles, Disposable, (NANO PEN NEEDLE) 32 x 5/32 " ndle	QAC/HS and prn.
Lancets (FREESTYLE LANCETS) lancets	For testing 4 times daily.
blood sugar diagnostic (FREESTYLE LITE STRIPS) test strip	Use as instructed before meals and at bedtime. Dx steroid-induced DM (4 x Daily)
lisinopril 20 mg tablet	Take 1 tablet by mouth once daily.
warfarin 5 mg tablet	Take 1 tablet by mouth once daily.
esomeprazole 40 mg capsule	Take 1 capsule by mouth once daily.
traMADol 50 mg tablet	Take 1 tablet by mouth every 8 hours as needed for Pain.
magnesium oxide 400 mg tablet	Take 2 tablets by mouth twice daily.
sulfamethoxazole-trimethoprim 800-160 mg per tablet	Take 1 tablet by mouth every Monday, Wednesday, Friday.
ergocalciferol, vitamin D2, 50,000 unit capsule	Take 1 capsule by mouth MON and THU.
enoxaparin 80 mg/0.8 mL syrg	Inject 0.7 mL subcutaneously q 12 HR. DO NOT TAKE THE NIGHT BEFORE OR THE MORNING OF YOUR BIOPSIES.
mycophenolate mofetil 250 mg capsule	Take 4 capsules by mouth every 12 hours.

Oncology Patient

Visit Report ? Clos

← Back     

Patient called and has questions with regards to his medication . Please call before 1:00pm or after 3:00pm. Thank you

ANNIE TRAN, PHARMACIST 12/10/2014 4:45 PM Signed
Specialty technician Camarri worked diligently to overturn the denial by Johnson & Johnson, and her appeal was approved! Pt has been approved for Zytiga for one year, and will not have any out-of-pocket costs for this medication. Pt is thrilled, and extremely grateful.

Pt actually chose to come by tomorrow afternoon 12/11 to our pharmacy at the CCAC in Beachwood to pick up his medication. I will counsel him on Zytiga at that time, and ensure that he has his prednisone from Costco. Dr. _____, when did you want him to start his medication?

Annie Tran, PharmD
Clinical Pharmacist, *Oncology, Growth Hormone*
Cleveland Clinic Specialty Pharmacy
P: (216) 448-7732, F: (216) 448-5601
Ext 8-5421

ANNIE TRAN, PHARMACIST 12/10/2014 1:10 PM Signed
We attempted to apply patient for free Zytiga through Johnson & Johnson, and due to his income, pt is not eligible for their program. J&J has income limits of \$62,920 for a household of two, and while they exceed that by less than \$3,000, they are not willing to adjust for out-of-pocket medical expenses. Pt is very concerned about this situation, and cannot afford this medication on his own, especially given his wife's declining health. We are in process of appealing this decision with J&J, given that the pt is retired and fully uninsured.

Pt asked if there are other options that could be considered by Dr. _____ while we are waiting for the appeal, and we stated we would look into it for him. From a financial standpoint, it does look like he would qualify for Xtandi (which has a \$100K income limit on their free drug program). I do not know if pt would be a candidate for Xtandi, but it may be something to consider, especially if J&J declines our appeal.

Annie Tran, PharmD
Clinical Pharmacist, *Oncology, Growth Hormone*
Cleveland Clinic Specialty Pharmacy
P: (216) 448-7732, F: (216) 448-5601
Ext 8-5421

ANNIE TRAN, PHARMACIST 12/10/2014 12:52 PM Addendum
Cleveland Clinic Specialty Pharmacy received a prescription for Zytiga on 12/03/14 from Dr. _____: Benefits investigation revealed that pt has no prescription coverage at all. We have been working diligently on getting free drug through Patient Assistance for him. Will continue to keep the clinic posted on status.

Outcomes: Focused on ED Use

- Population: CCF Multiple sclerosis patients
- Metric: ED utilization pre and post enrollment
- Result: Reduction in post enrollment ED utilization
→ 13% to 8%

Outcomes

- Population: Ohio Medicaid
 - ED utilization compared to outside SRx
 - Measured over a 4 month period
 - *CCF SRx: 25%*
 - *Outside SRx: 50%*

Outcomes

- CCF Employee Health Plan
 - Compare ED utilization vs outside SRx
 - Measured over a 4 month period
 - *CCF SRx 12.9%*
 - *Outside SRx 17.2%*

Where does specialty pharmacy fit on the quality spectrum?

A strong internal specialty pharmacy program provides value to health systems no matter the payment model(s)



Eight Reasons to Invest in an Internal Specialty Pharmacy Program

Revenue



Supply Chain
Efficiency



Improved Patient
Health Outcomes



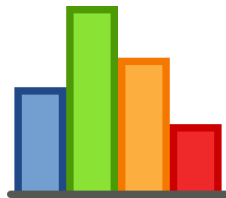
Patient and Provider
Experience



ACO/Capitation
Risk Avoidance



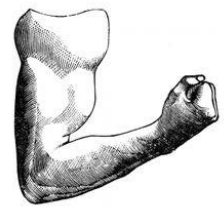
Internal Retail
Pharmacy Growth



Continuity of Care



Leverage



Key Takeaways

1. Accountability for improved health outcomes is the long-term financial opportunity
2. Management of the entire patient, rather than a few services, is our next reality
3. Pharmacy understands cost drivers of specialty populations and is a key partner
4. Involvement of pharmacy in value-based contracting should be a priority from the beginning

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