Verity SOLUTIONS

How a DSH Hospital found substantial savings on their day-to-day drug spend using Verisave by Verity Solutions.

OVERVIEW

The average drug catalog has over 60,000 items to manage. A hospital with a 3-way split has three catalogs to manage in order to find the best priced drug to help reduce their pharmacy spend. In addition, they must deal with manufacturer backorders, availability of inventory, and maintain compliance with their 340B drug purchasing program. Knowing the lowest priced drug at any given time can be an insurmountable task for a pharmacy technician or buyer for many reasons.

The pharmacy for a 305-bed, not-for-profit, DSH hospital in northeastern USA juggled multiple systems to find the best priced drug to help reduce their drug spend. One of their biggest challenges was continuous price changes with their 340B and GPO contracts. While the hospital did a good job reviewing drug orders retrospectively to bring savings to their bottom line, COVID-19 and supply chain bottlenecks created additional complications to the ordering process. Adding to the complexity, they also manage drugs coming into their pharmacy for mapping to their ERP/EMR.

APPROACH

Verity Solutions was tasked with creating an automated system that would proactively take a covered entity's purchase order, split it into the different price files based on accumulations, check for the best priced drug available, and make that substitution if a lower priced drug is available. In finding the best priced GPI (Medispan Generic Product Identifier) equivalent drug, Verity also knew that other factors needed to be taken into consideration, such as:

- Manufacturer backorders
- Unit-dose items vs bulk bottles
- Pharmacy Formulary
- Individual pharmacy contracts
- Eligible accumulations based on 11-digit NDC
- Wholesaler inventory

The challenge was to help a northeastern DSH hospital find the lowest priced drug with a proactive solution instead of using a retrospective purchasing program.

SOLUTION

Verity developed a software program that, after the covered entity's purchase order is placed through the V340B® system and accumulations are taken into consideration, finds the least expensive 14-digit GPI generically equivalent drug according to the best blended price of 340B, GPO, and WAC purchasing. The solution, called VERISAVE, allows the pharmacy buyer or technician to review the changes made before the order is submitted to the wholesaler. Verisave also has the ability to not switch formulary drugs, keep unit-dose items instead of bulk bottles, or not substitute other drugs that the pharmacy requires for various reasons.

> " *The manual complexity of managing budgets to reduce cost is a constant challenge for healthcare organizations. The pharmacy industry is dealing with growing drug costs, wholesaler and manufacturer contractual variations, regulatory changes, and continued drug shortages. Although we had good processes in place, the initial results after using Verisave exceeded our expectations. Verisave has already made a significant and positive impact to our monthly drug spend thanks to our dedicated team of buyers and a great partner in Verity Solutions.*"
>
> - Pharmacy Business Manager

10% savings
on day-to-day drug spend

RESULTS

After 18 months of development, Verisave was turned on at the hospital. It began in a test environment for 3 months before moving to a live environment, and Verisave was able to successfully accommodate several pharmacy requirements:

- Unit-dose items versus bulk;
- Upload of hospital pharmacy formulary so those drugs are never substituted;
- Ability to identify specific drugs never to be substituted until a certain dollar savings threshold is met;
- Ability to review each order and instantly see where lower priced drugs were available in their catalog.

The most unexpected outcome was that the savings were higher than anticipated. Verisave helped them achieve over **10% savings** on their day-to-day drug spend.

CONCLUSION

Verisave was able to dramatically decrease the community DSH hospital's drug spend and reduce tedious and manual retrospective review processes by proactively and automatically selecting the best priced product, even with formulary and threshold requirements.

Verity SOLUTIONS

Results you can believe in.

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