



24th Annual NPPA Conference
August 17-19, 2021
Las Vegas, NV

Organized & Hosted By NPPA,
The National Pharmacy
Purchasing Association

www.PharmacyPurchasing.com





From Blind Date to Everlasting Love Communication Between GPO's & Pharmacy Buyers



Introduction



- Provides strategic analysis to identify key trend drivers and educates members providing knowledge and understanding of key pharmacy tools.
- Bachelors in Mathematics; Masters in Education Administration
- Over 13 years of experience in Pharmacy; Has taught at many levels including junior high, senior high, and collegiate.
- Previous experience included providing on-going analytical and consultative support to produce external communications & studies for members, provided strategic analysis to identify key trend drivers for members.

Sarah Davis, BS, MS Ed, CPhT

Apexus Certified 340B Expert

Lead Product Advisor, Product Delivery

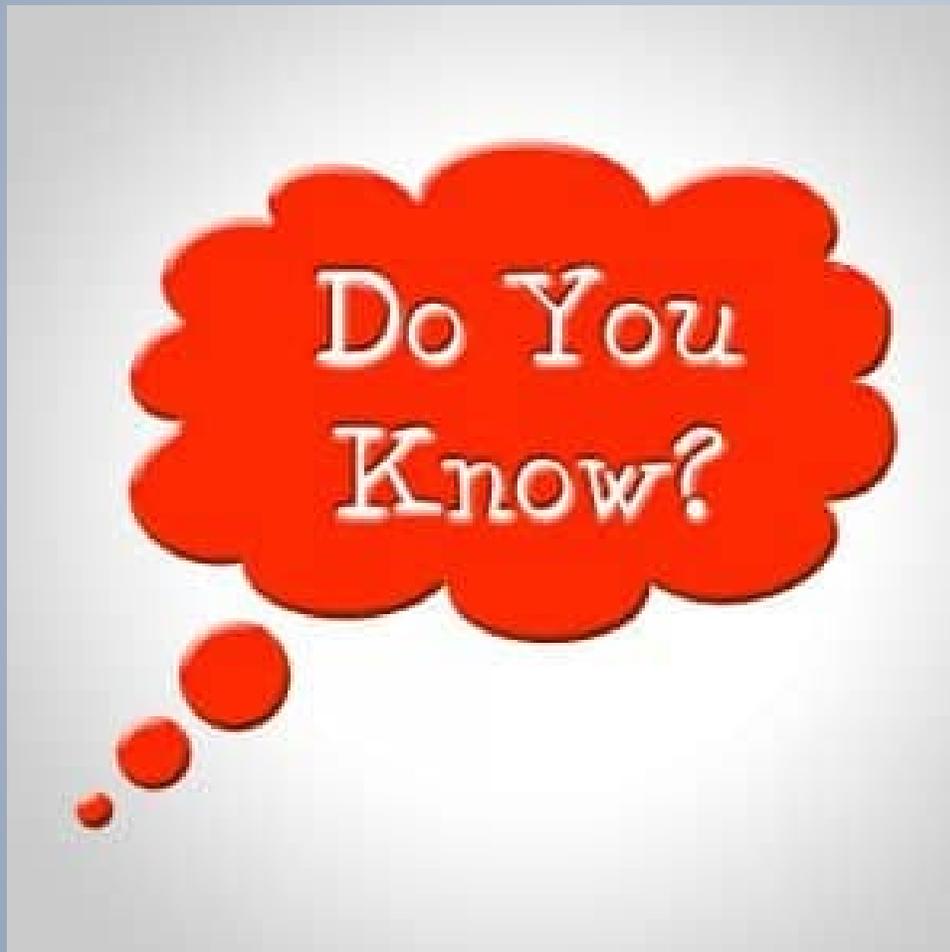
Vizient, Inc.



Learning Objectives

- › At the completion of this presentation, the participant will be able to do each of the following:
 - Explain the purpose for effective communication with their GPO.
 - Identify the appropriate contact to communicate with from their GPO.
 - List at least three topics to address with their identified point of contact at their GPO.
 - Formulate a plan of action for their communication with their GPO.

Polling Questions



- 1) Who is your primary pharmacy GPO partner?
- 2) Who is your point of contact for pharmacy from your GPO partner?
- 3) How often do you communicate with your point of contact?
- 4) Is that enough?

Cause & Effect

Pharmacy is a significant portion of a health system's nonlabor costs with limited control over growing spend.

Cause

- Increasing drug costs
- Reimbursement shortfalls
 - Budget cuts
 - Drug shortages
- Costs associated with COVID-19



Effect

- Delaying infrastructure projects
- Using alternative medicines
- Cutting back on services
 - Reducing staff



WHY COMMUNICATE?

Work more efficiently

Complete more projects

Increase productivity

Improve group problem solving skills

Create a team atmosphere

Build strong relationships

Boost employee moral



But why with my GPO?

GPO's provide
volume-based
discounts

Buying more of product "X" instead of a combination of products "X" and "Y" will allow me to access a better tier price.

GPO's can help
organizations identify
changes in purchasing
habits

Significant changes in spend in specific account types may indicate a change in 340B status, acquisition of a new location or an increase/decrease in contract coverage

But why with my GPO?

GPO's can help organizations to implement exact match conversions, or replacing a supply with an almost identical product

Use conversions to move to products that result in better reimbursement from the payors

GPO's can assist with contract adherence and formulary management

Identify products being purchased off formulary and address with staff. Adjust formulary to become more contract compliant.



But why with my GPO?

GPO's can benchmark items and help your organization have a better understanding of industry pricing

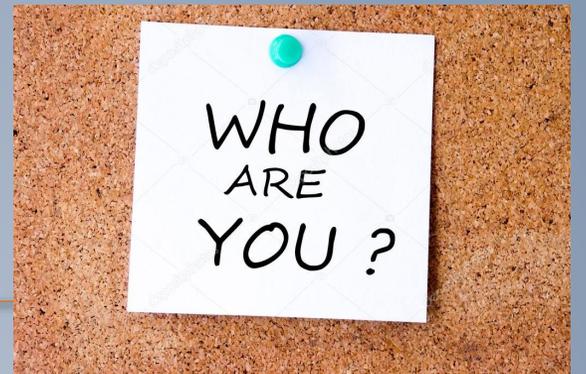
Utilize data to negotiate a lower price. Prioritize clinical initiatives based on high dollar categories. Identify where your system is benefiting from local agreements.

GPO's can advise organizations on healthcare supply chain best practices and innovations.

Compare your short supply list with your essential medication list to identify potential impact on delivery of patient care.



First Steps



Identify your GPO partner

Identify your pharmacy point person

List your expectations for the engagement with your GPO

Ensure you understand the contract strategies you currently have in place

Identify any other key initiatives that may appear to be outside of pharmacy



Starting the Conversation

In many cases you may already have a point of contact with your GPO but may not have someone specific to pharmacy or that person may not be directly engaging with you.

Now's the time to step outside of your comfort zone to initiate that engagement.

Reach out to your Pharmacy Manager, Director of Pharmacy, etc. and ask for the contact information for your GPO.



Plan of Action



How are savings opportunities identified?



What kinds of opportunities are identified?



How does our health care organization compare to others when it comes to pharmacy pricing?



Our HCO is 340B. Can you still help us with savings opportunities? How?



How can you help our HCO with drug shortages?



ASK QUESTIONS!

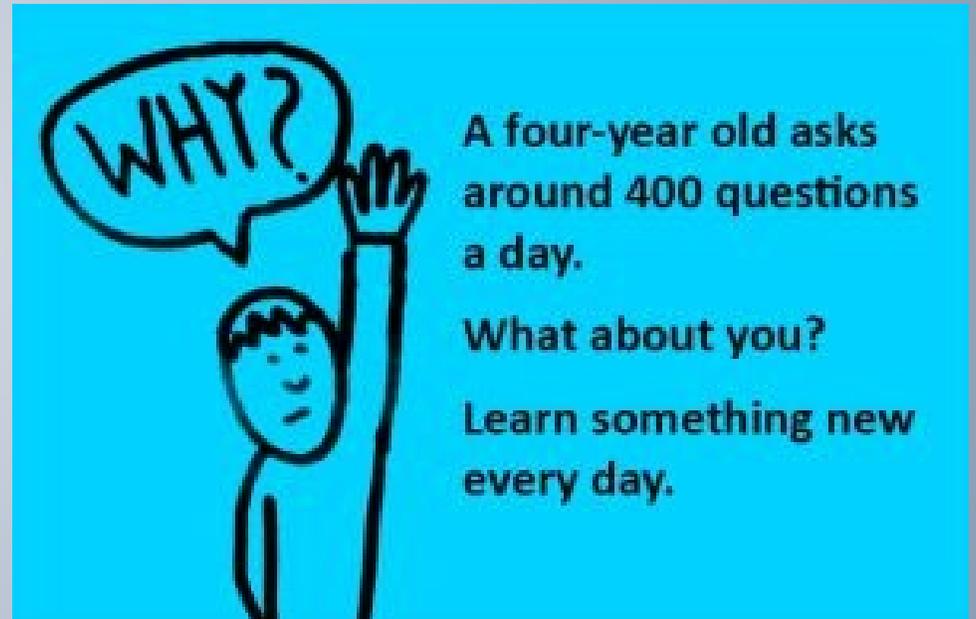


WRAP UP

Do you have a plan for reaching out to your GPO partner?

How often do you want to have contact with your GPO partner?

What is your most pressing topic you want to discuss with your GPO partner?





Questions?



References

ASHP Guidelines on Medication Cost Management Strategies for Hospitals and Health Systems. (2008). *American Journal of Health-System Pharmacy*, 65(14), 1368–1384. <https://doi.org/10.2146/ajhp080021>

Bai, G., & Zare, H. (n.d.). *Hospital Cost Structure and the Implications on Cost Management During COVID-19*. *Journal of General Internal Medicine*. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7326305/>.

RevCycleIntelligence. (2017, February 1). *Group Purchasing Reduces Healthcare Supply Chain Costs Up to 15%*. RevCycleIntelligence. <https://revcycleintelligence.com/news/group-purchasing-reduces-healthcare-supply-chain-costs-up-to-15>.

RevCycleIntelligence. (2019, December 18). *Leveraging Group Purchasing for Hospital Supply Chain Management*. RevCycleIntelligence. <https://revcycleintelligence.com/features/leveraging-group-purchasing-for-hospital-supply-chain-management>.