

Cost Saving Strategies In Pharmacy



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25th Annual NPPA Conference

August 9-11, 2022
Las Vegas, NV

Organized & Hosted By NPPA,
The National Pharmacy
Purchasing Association

www.PharmacyPurchasing.com



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Learning Objectives

- 1) Identify waste reduction strategies in the pharmacy and within the departments you work with, such as nursing, pharmacy, and others.
- 2) Demonstrate how to maximize your GPO to bring greater value and savings to the organization.
- 3) Identify items and services where a direct/indirect contract could be negotiated, and how to design and create a Request for Proposal (RFP).

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Learning Objectives (*continued*)

- 4) Compare the contracts presented and how to choose the best fit for your organization.
- 5) Distinguish the need for a bulk buy and how to construct the request and information for leadership review and illustrate the need to shift from Just-In-Time (JIT) inventory and the reasons why.

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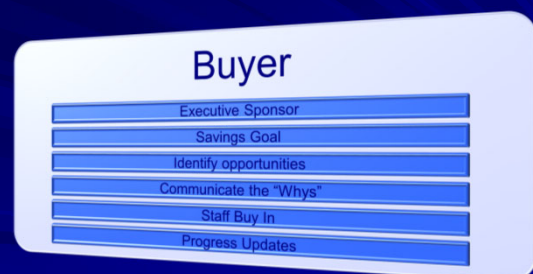
Key Take-Aways

- Understand the critical role that the Pharmacy Buyer plays in process
- Understand waste and how to impact
- Develop tools to maximize GPO savings
- Understand direct/indirect contracts
- Sharpen contract comparison skills



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Let's Get Started



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Areas Of Opportunity

- Waste
- GPO Maximization
- Bulk Buy
- Direct Contract

Waste



Waste Examples

- Medication left in a single dose vial
- Medication lost in transit
- Medications not used because of an error
- Medications dispensed that is not transferred with the patient
- Expired medication



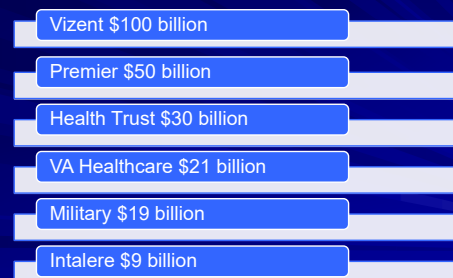
Waste Reduction



Group Purchasing Organization (GPO) Maximization



Top GPO's



Maximize, Maximize, Maximize

- Assure access to every contract available
- Understand the different tiers that may be available
- Review compliance requirements and document/discuss concerns
- Understand "Failure to Supply Reimbursement" options available

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Maximize, Maximize, Maximize (continued)

- Identify rebates offered
- Understand the different Class of Trades identified and optimize where possible
- Regional GPO offerings
- Accessing multiple GPO's
- You make the difference

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Direct Contracts



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Direct Contracts

- When is it beneficial?
- Things to consider?
- Why these type of contracts over a GPO?

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Direct Contracts (continued)

- Available even if there are GPO contracts with same manufacturer
- Know your reasoning for a direct agreement before approaching manufacturer
- Consider creating an RFP (Request For Proposal)

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RFP Process

- Gather RFP requirements
- Craft your RFP
- Conduct the initial evaluation

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RFP Process *(continued)*

- Follow up with shortlisted vendors
- Make your final selection
- Create/Review and complete the contract

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Contract Review



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BASIC
TIPS

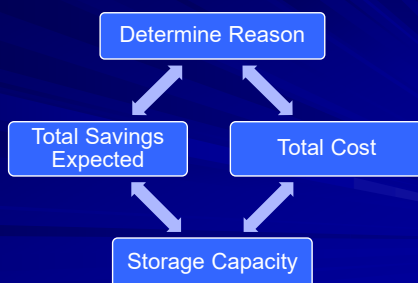
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Bulk Buys



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Bulk Buys *(continued)*



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Bulk Buys *(continued)*

- Unofficial/Official Emergency Response Action (ERA) in place.
- Formalize one for your pharmacy
- Return on Investment



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ERA Example

- Inventory defined as critical
- Inventory NOT defined critical
- Min: 60-90 Days Quantity On Hand (QOH)
- Min: 14 Days QOH
- Max: 120 Days QOH
- Max: 28 Days QOH

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Critical Medication Examples

- Top Antibiotics dispensed within the pharmacy
- Total Parenteral Nutrition (TPN) Ingredients (Macros and Electrolytes)
- Life Sustaining (Inotropes)

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Critical Medication Examples (continued)

- Intravenous immunoglobulin (IVIG) and Subcutaneous Immunoglobulin (SCIG)
- Fluids:
 - a) Large Volume Parenteral (LVP)
 - b) Small Volume Parenteral (SVP)
 - c) Small Volume Parenteral Preparations (SVPP)

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Summary

- You do make the difference!
- Cost savings in the pharmacy can occur through a number of different avenues
- Keep an open mind
- Start small if you have to, but start somewhere

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Put It Into Action

- Take 5 minutes to jot down some ideas that have come to mind as I have been talking
- Be open to sharing with this group
- Case study and example of cost savings that I have uncovered in the past



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Cost Savings Examples

- 3-month purchase of an antibiotic to avoid cost increase
- Bulk Buys due to contract change and/or shortage
- Cost savings with Direct Contract
- Cost savings from reduction in waste

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Questions or Comments?