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Looking to Pharmacy for Better Hospital Care

Pharmacists are crucial members of the care team who can improve outcomes and reduce costs.

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Times are changing. For those of us in the health care business, they are changing at an unprecedented rate. With the passing of the Affordable Care Act, we will be seeing more change in the next 10 years than we have in the past 50.

Just as value-based purchasing is changing business models, health system leaders, seeking better outcomes, are altering the way resources are used. This includes one significant untapped source: the pharmacy.

At a recent gathering of pharmacists from more than 70 hospital and health systems, McKesson pharmacists led discussions on strategies for managing some of the biggest health care delivery challenges. They showed how health systems can thrive with new financial constraints and expectations for quality outcomes. Participants shared key learning points on reducing avoidable readmissions, supporting population care management, and optimizing pharmacists' clinical expertise within ambulatory centers and medical homes.

A Change in Perception

The role of the clinical pharmacist is growing rapidly as hospital leaders recognize that pharmaceutical services can help them expand care and improve outcomes. Such leaders have realized that their pharmacy departments can help cut costs in three areas:

- hospital performance scores;
- readmissions;
- indigent care and recurring emergency department visits.

Hospital Performance Scores

Beginning in fiscal 2014, hospital performance scores will be based on three domains, two of which have significant implications for the pharmacy:

Clinical process of care. This domain score accounts for 45 percent of a hospital's total performance score and is based on 13 measures, *nine of which have pharmaceutical implications.*

Patient experience of care. This domain score accounts for 30 percent of a hospital's total performance score and is based on eight Hospital Consumer Assessment of Healthcare Providers and Systems measures. *Of these, four have pharmaceutical implications.*

Outcomes. This domain score accounts for 25 percent of a hospital's total performance score and is based on three mortality measures.

Readmissions

Medication issues are a major factor in preventable readmissions. They include:

Unfilled prescriptions. Patients often do not get their prescriptions filled. One study found that discharge medications are often absent from discharge reports.

Patient comprehension. Citing five reasons for unnecessary readmissions, a publication of the Dartmouth Atlas project stated that "patients may be confused about what medicines they should take and when they should take them, and they may not take the right medication at the right time." See "[Care About Your Care: Tips for Patients When They Leave the Hospital.](#)"

Lack of medication reconciliation. Data from the Health Research & Educational Trust regarding readmissions show that poor patient understanding and failure to disclose current drug therapy, as well as inadequate medication reconciliation, can lead to duplication or drug interaction. See "[Reducing Avoidable Hospital Readmissions.](#)"

Adverse events. Research shows that 19 percent of Medicare discharges are followed by an adverse event within 30 days; two-thirds of these are drug events, which are often preventable. (See "[Reducing Avoidable Hospital Readmissions.](#)"

Hennepin County Medical Center in Minneapolis recently released a pilot study that looked at 30 patients with an average of 24 medications who were discharged to a skilled-nursing facility. Upon initial review, 90 percent of these patients had some form of medication error in their discharge orders. When pharmacists collaborated with providers to improve discharge medications, discharge errors were essentially eliminated, and 30-day readmission rates were reduced by 40 percent.

In 2010, the medical center engaged in an additional pilot. Within three to five days of discharge, select patients received medication therapy management visits. The pilot reduced total hospital admissions by 42 percent, ED visits by 37 percent and the cost of care by approximately \$2,500 per member per year.

Indigent Care and Recurring ED Visits

Regardless of the sweeping changes brought by payment reform, hospitals still must manage an uninsured population. Pharmaceutical manufacturers offer patient assistance programs for those unable to afford their medications. This enables organizations to stretch scarce resources as far as possible when providing charity care, reaching more eligible patients and providing more comprehensive services.

Indigent medication management also helps stem the tide of potentially avoidable ED visits. As an example, the Hennepin County Medical Center pharmacy team worked with health care providers to create a low-cost formulary for a family practice clinic with a patient population that is 80 percent indigent. This low-cost formulary has a 90 percent generic fill rate, has dramatically reduced the cost for the clinic and has prevented avoidable ED visits.

Even with improved medication management, hospital and pharmacy leaders still face challenges working with pharmacy benefit managers to resolve cost vs. outcome-based issues. Many of these managers favor lower-cost medications and do not consider all the implications of efficacy.

Out with the Old, in with the New

Managing the pharmacy department has never been an easy task. In the past, hospital leaders focused primarily on drug costs rather than total costs, which include drugs plus vital distribution and clinical services. However, by expanding the scope of service, pharmacists can increase revenue by improving quality rather than seeking only to decrease cost.

The following table compares old and new perspectives in light of payment reform.

Leadership perspective of health system business model

Old Activity-based, fee-for-service reimbursement	New Payment rewarding quality, outcomes and cost-effectiveness
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Leadership perspective of health system pharmacy

Old <ul style="list-style-type: none">• Product-focused, guide-like trade• Production culture• Supervision of drug distribution• Dispensing-oriented function• Supply chain integrity• Task-focused culture• Work functions differentiated by job title	New <ul style="list-style-type: none">• Patient-focused profession• Patient care culture• Management of medication therapy• Integrated drug distribution/control and clinical services• Outcomes-focused• Work functions viewed as shared responsibility• Part of the health care team
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It is important to note that order review and dispensing will continue to consume a significant portion of pharmacists' time.

Improving Coordination of Care

Hospital and pharmacy leaders must work together and plan carefully for changes in their organizations. A thorough review of discharge orders is a straightforward way to learn where medication errors may be occurring. Using pharmacists' expertise in reviewing discharge orders will ensure that the patient has the right medication at the right time.

Additionally, reviewing ED visits and discerning which were due to medication mishaps can help to determine a course of action for better medication management and reconciliation services.

Pharmacists as Part of the Team

As the health care industry continues to move toward value-based purchasing, both clinical and business leaders are realizing the many benefits from continued collaboration toward their common goals — managing cost and improving outcomes. No doubt, ensuring that pharmacists collaborate with other members of the care team will prove to be a critical investment in long-term success.

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