

Maximizing the Capacity for Pharmacy Services

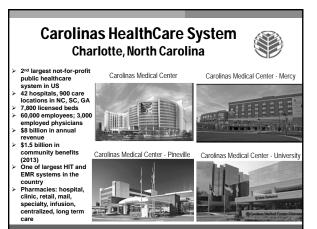
Robert (Bob) Carta Vice President Division of Pharmacy Services Carolinas HealthCare System Charlotte, North Carolina John A. Armitstead System Director Pharmacy Services Lee Memorial Health System Fort Myers and Cape Coral, Florida

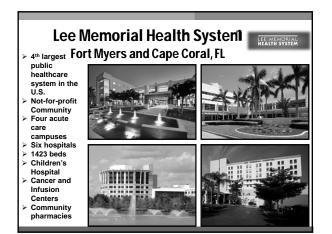
Maximizing the Capacity for Pharmacy Services Disclosure

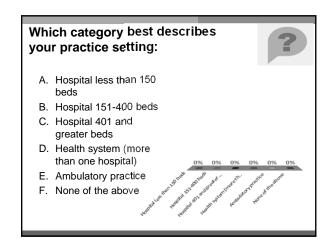
 Bob Carta and John Armitstead have no relevant disclosures in context with this session on *Maximizing the Capacity for Pharmacy Services*.

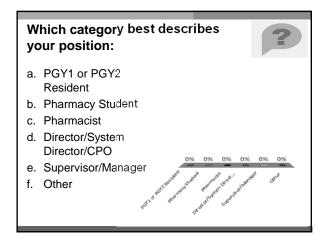
Maximizing the Capacity for Pharmacy Services **Objectives**

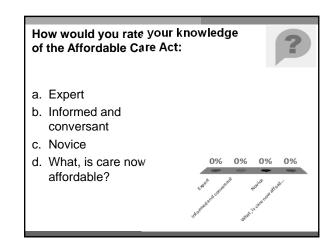
- Describe innovations that can result in reductions in pharmacy costs and lead to improvements in value.
 Applyze situations in the current healthcare environment
- Analyze situations in the current healthcare environment related to the Affordable Care Act, Lean Transformation, and pharmacy system development and integration.
- Formulate a pharmacy information systems structure for implanting the electronic health record.
- Develop a strategy to reduce FTEs and improve productivity.
- Propose a plan to increase HCAHPS scores using pharmacy staff as a result of a lean transformation project.











The Affordable Care Act (ACA)

- · Discussion by Bob Carta
 - Carolinas HealthCare System
 - Charlotte, North Carolina

Affordable Care Act - What does it do?

- Passed in March 23, 2010 complex and comprehensive set of laws – touches every part of healthcare
- To expand coverage to all Americans
 - Governs healthcare insurance companies to cover everyone
 - Requiring all American citizens to purchase healthcare. (2014) – if not, individual will pay a tax penalty which increases on an annual basis

Affordable Care Act – Provisions?

- More accessible coverage will expand number of Americans insured
- Removal of pre-existing conditions as criteria for coverage
- Establishment of health insurance exchanges (aids in accessible/affordability)
- Establishment of health insurance subsidies will assist those who can't afford
- Health insurance claim denials are easier to appeal

Affordable Care Act - Provisions

- Eliminates lifetime and unreasonable annual limits in benefits
- Requires coverage of preventive services and immunizations
- Penalties will be assessed to both consumers and employers who don't purchase/offer insurance

Affordable Care Act - Provisions

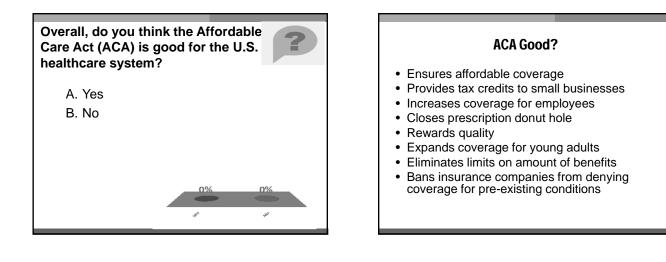
- Extends dependent coverage to age 26
- Preserves, protects and reforms Medicare
- Eliminates the "donut hole"
- Healthcare institutions and professionals will be incentivized to improve care (value and quality based)

The US deficit is now in the trillions. Part of ACA is to increase taxes to reduce the deficit. This in conjunction with reducing spending in areas such as Medicare so provides a dual edged sword for healthcare organizations.

Being hit from both

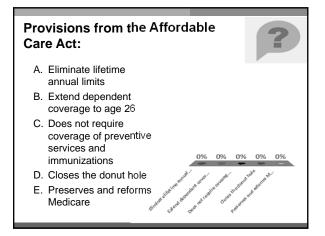
Affordable Care Act – Here to stay?

- Concept Great
 - Provide health insurance to more!
 - Make health insurance more affordable!
 - Remove limits and barriers
 - Incentives for quality, not quantity
- Open enrollment for 2014 insurance coverage under ACA ended on March 31st
- Enrollment targets were met after a rocky start



ACA Bad?

- · Religious liberty concerns
- Constitutional concerns
- · Cost concerns
- ACA requires business with 50 or more employees to provide insurance for full time but doesn't on those working less than 30 hrs/wk
- · Government run keep throwing money at it?
- Healthcare exchanges managing data breaches

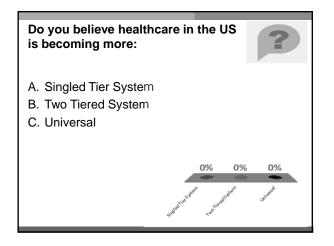


Affordable Care Act – Here to stay?

- · Repeal of ACA is unlikely; here to stay
 - Could be scaled back (if Congress & Presidency changes party)
 - Might weaken the penalties for people who remain uninsured
 - Might cap Medicaid spending
 - Might authorize each state to reject or curtail certain elements of ACA

Affordable Care Act - Here to stay?

- Overtime, political war, and maybe the courts not objective measures, will determine the law's fate
- ACA was crafted to leave in place as much as possible of the pre-existing health insurance system
 - Complex
 - Costly
 - Overlap



ACA – A Two Tiered Healthcare System?

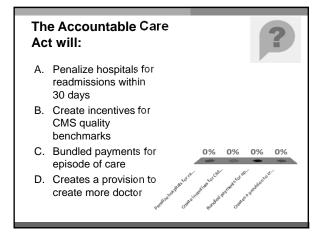
- US is essentially a "single-tiered health system that is supplemented by public funds for elderly and poor
- Over 52% of physicians have already limited the access to Medicare patients or planning to according to a 2012 survey by Merritt Hawkins for Physicians Foundation

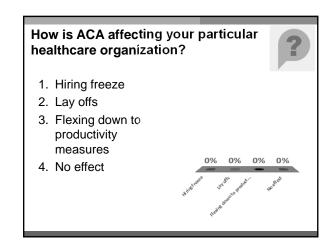
ACA – A Two Tiered Healthcare System?

- Most doctors than ever already refuse Medicaid and Medicare due to inadequate payments for care
 - Trend will only accelerate
 - As government lowers reimbursement

ACA – Two Tiered System?

- Huge increase in demand for care, major decrease in supply
- Just like Canada or Britain, we are going to experience rationing by waiting
- Concierge practices are increasing rapidly and thriving
 - Cash only
 - American Academy of Private Physicians: 4,400 concierge physicians (30% more in one year)





Affordable Care Act - What now?

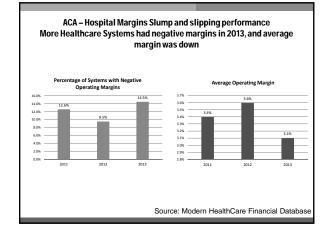
- · Worst isn't over
- Revenue from patient care has been squeezed
 - Medicare/Commercial insurers, reduce
 - Hold down spending
 - Reduce utilization
- Explosion of high deductible health plans
 - Patients delay care
 - Staffing/operational challenges

Affordable Care Act – What now?

- Cost are rising
 - New technology
 - Care coordination staff needed to participate in healthcare reforms new payment models
- Cost-cutting worked temporarily, but now we must invest in improving our ability to keep enrolled populations healthy
 - Population health

Affordable Care Act – What now?

- Making up shortfall with non-operating revenue/boost to bottom line
 - Investment portfolios
 - Endowments
 - Donations



Affordable Care Act – How is it affecting hospitals?

- Uncertain environment
- Poses both a challenge and opportunity
- · Accountability, efficiency, quality
- Challenges
 - Influx of new patients
 - Penalty to hospital for readmissions within 30 days

Affordable Care Act – How is it affecting hospitals?

- Multiple and/or follow-up visits for care of same condition will have decreased payments
- New approaches, new healthcare delivery structure (ACO's)
- Tax-exempt status/requirements being challenged
- Opportunities
 - Value based purchasing (VBP)
 - Incentive payments that meet/exceed (\$850M into a collective pool), CMS performance benchmarks (unlike in the past) rewarded for simply reporting performance)

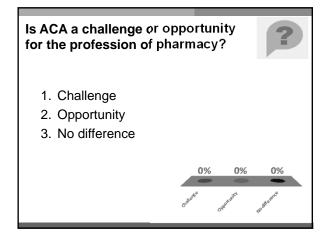
Affordable Care Act – How is it affecting hospitals?

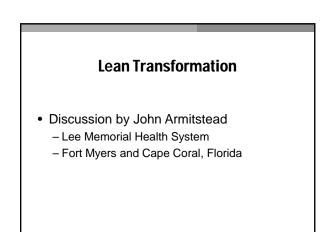
- Efficiency metrics
- Patient satisfaction metrics
- Quality metrics heart failure, pneumonia, hospital-acquired infections
- Bundled payments
 - For episode of care
 - Both hospitals and physicians share a single payment

Solution to Affordable Care Act

- Build a more efficient and effective healthcare delivery system
- Must get better at coordinating care across the continuum
- Better management of transitions of care
- Improve hospital/physician alignment
- Reinvention of the American Hospital

Is LEAN our answer?

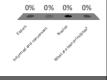




How would you rate your knowledge of lean principles?



- a. Expert
- b. Informed and conversant
- c. Novice
- d. What are lean principles?



At LMHS the journey starts with the Mission, Vision and Values

Mission:

To continue to meet the healthcare needs and improve the health status of the people of Southwest Florida

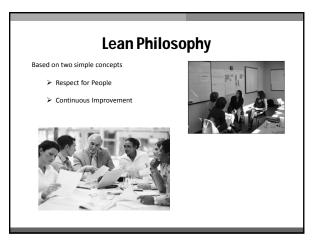
Vision:

To become the best patient and family centered healthcare system by working collaboratively to deliver excellence in quality, safety, efficiency and compassion

Values:

We are committed to the values of Safety, Quality, Service, Compassion, and Teamwork

Where we are g	joing: 5 Strategic Initiatives
Service, Safety & Quality	Deliver safe, highly reliable and exceptional patient centered care
Clinical Integration	Continue development of a clinically and technologically integrated provider network
Aligned Multispecialty Group	Develop a culturally and strategically aligned multispecialty group
Workforce	Ensure an optimal supply of quality physicians and workforce
Financial Viability	Assure on-going financial viability of LMHS



Lean Defined

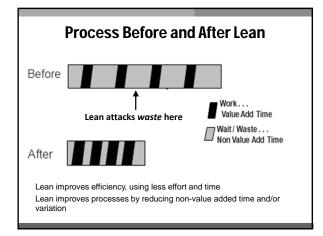
"Lean is a set of concepts, principles and tools used to create and deliver the *most Value* from the *Customers' perspective* while consuming the *fewest resources*

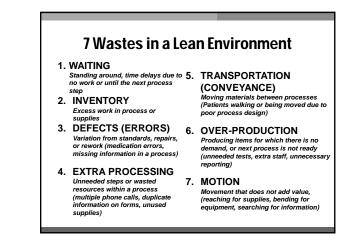
by fully utilizing **the skills and knowledge** of those who do the work."

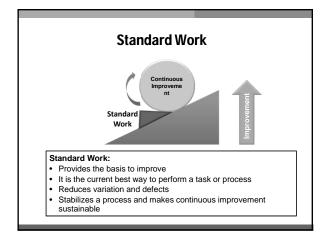
Worth, J., Shuker, T., Keyte, B. et al. Perfecting Patient Journeys. 2012

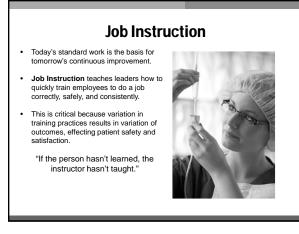
5 Lean Principles

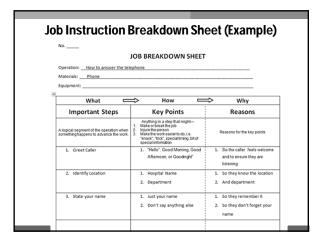
- 1. Specify Value
- 2. Identify Value
- 3. Create Flow
- 4. PULL where you can not flow
- 5. Strive for Perfection

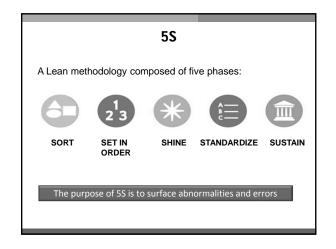


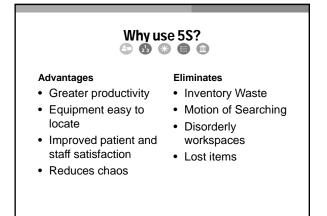


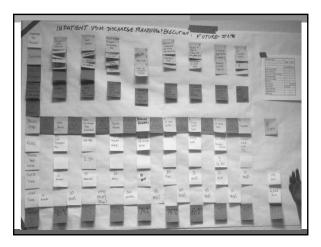


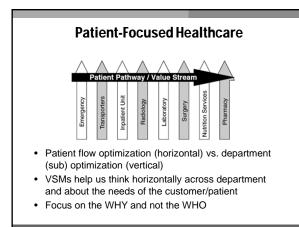


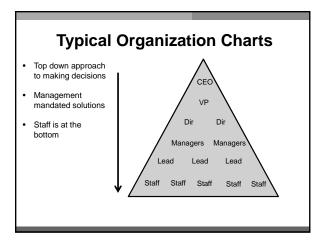


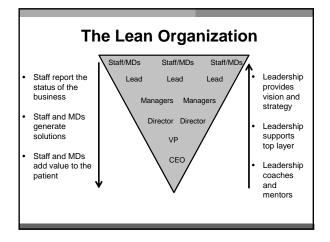


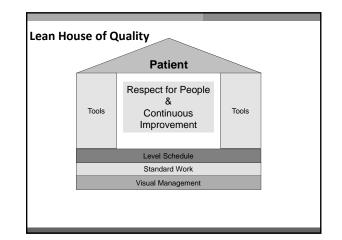


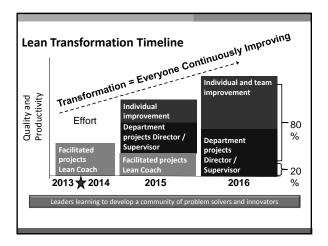


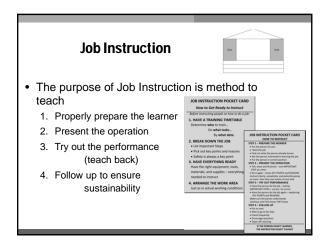


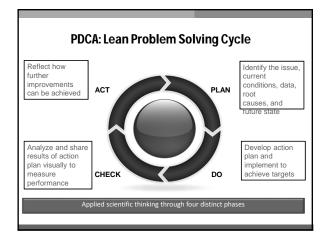


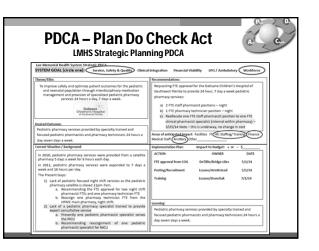


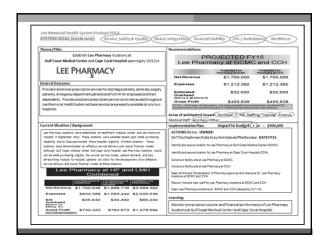


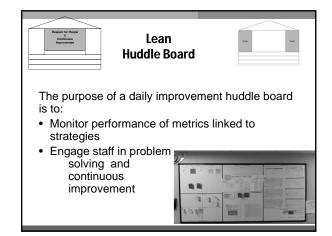


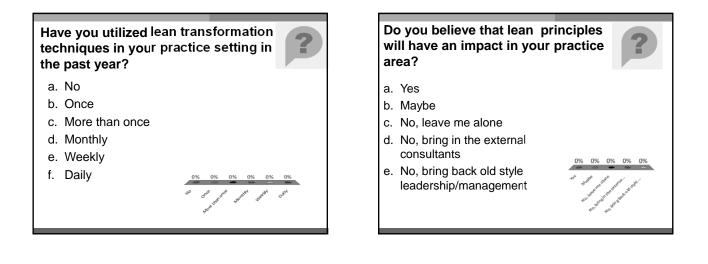




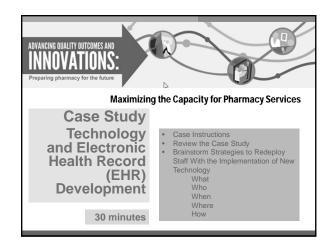


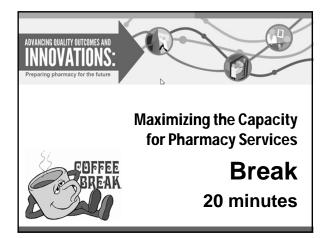




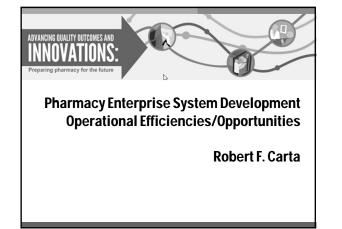


Descention distribution	CONTINUOUS IMPROVEMENT	
Exceptional: 3 Points	voblem solving, improving processes, and eliminating inefficiency is e implements as project bare lead, team method or individual a process improvement idea to promote safety, productivity, Patient andior Customer Experience, and/or financial performance. OR Fully participates in a structured Lean activity such as 'Value Stream Mapping Rapid Improvement Workshop, PDCA 55, or Job Instruction Breakdown	ssential to our system's success.
Fully Successful: 2 Points	Completes annual Lean training for staff as determined by system and/or department. Regularly attends and actively participates in department daily improvementades or meetings and summits credible ideas to the leader to improve safety, work processes, patient/customer experience, or financial performance. Improves value time customer by continuously evaluating processes and reducing waste.	Ponts x & = Score
Needs Improvement: 1 Point	Opes not complete annual Lean training for staff as determined by system and/or department. Does not actively participate in department daily improvement huddles or meetings. Does not contribute or blocks improvement ideas or contributions which are in alignment with LMS spails.	









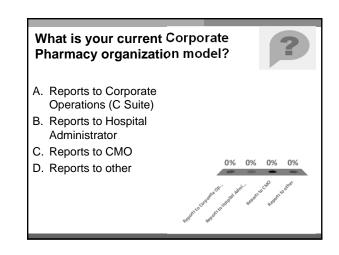
Operational Efficiencies/Opportunities

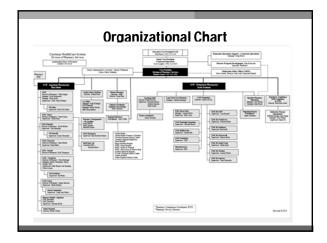
- Implementation of healthcare reform has accelerated the need for pharmacy executives to:
 - Implement financial efficiencies
 - Create economies of scale
 - Minimized infrastructure costs
 - Look at consolidation and standardization
 - Clearly think outside the box

Operational Efficiencies

Corporate Pharmacy Model

- The Leader; VP/CPO
- Appropriate organizational and leadership structure
- All Pharmacy Leaders/staff report into Corporate Pharmacy
- Staff can move seamless around all sites
 Plug and Play
- Flex staffing up or downManage the whole medication continuum
- Standardization



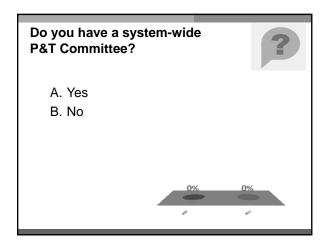


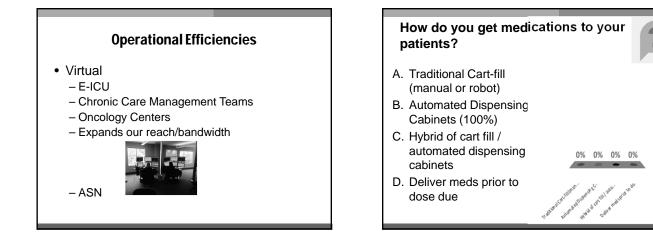
Operational Efficiencies

- · Common goals
- Common mission/vision
- · Common accountabilities
- Standardize policies & procedures
- Standard job description/salaries
- Stand work (operational/clinical

Operational Efficiencies

- Centralization
 - Centralized System P&T Committee
 - Optimize medication use
 - Engage medical staff
 - Same formulary across continuum of care
 Acute Ambulatory
 - Centralized admixing, prepacking, purchasing, and inventory control center
- After hours coverage
- · Inpatient vs. ambulatory med reimbursement





Operational Efficiencies

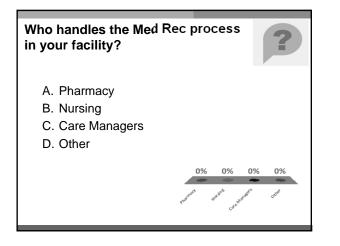
- LEAN in full force
- · Less batching

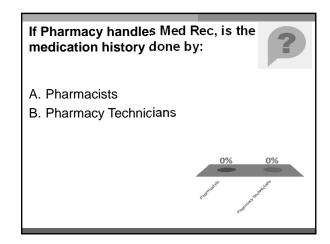
IVs made on demand for low usage items; every 2 hours on everything else

- Cart fill (where we have it)
- Central Custom TPNs/Clinimix E
- Centralized IV/purchase/prepacking
- pharmacy

Operational Opportunities

- Residency Expansion/Specialty PGY2
- Discharge meds at bedside
- Employee scripts (mail order, retail)
- Specialty Pharmacy
- Discharge Med Rec
- Transition of pharmacists into Quality Infrastructure Core Measure





Opportunity with Challenge

- Embrace change lead transformational change
- Seize the opportunities
- Begin to focus outside the four walls of our hospitals
- Pharmacists in our physicians' offices, ambulatory clinics, chronic care teams
- · Focus on management of population health
- Pharmacists are in a prime spot to improve patient outcomes, reduce readmissions and be part of the multidisciplinary team for CMS Core measure success.

