

ARTICLE

7 Specialty Pharmacy Areas Ripe for Optimization

At a time where healthcare margins are strained, specialty pharmacy can provide health systems with an opportunity for financial growth. Specialty medications are projected to account for 65% of drug spending by 2025 and health systems are investing in entity-owned specialty pharmacies to capture their share of these funds.

However, simply establishing a specialty pharmacy will only get you so far. Specialty pharmacy is a complex business consisting of several unique processes few health systems have the expertise to successfully navigate on their own. Doing so can result in suboptimal outcomes that can diminish your return on investment.

The following are 7 specialty pharmacy areas where health systems commonly underperform, and how partnering with an expert like Omnicell can help you realize the full potential of your program.

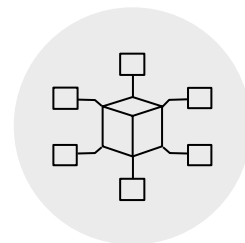
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Provider Adoption

Your specialty pharmacy is only as successful as the number of prescriptions it fills and this all boils down to provider adoption. In other words, you need to maximize the percentage of prescription drug referrals your pharmacy receives from in-network physicians. For many health systems, this percentage is shockingly low (well under 50%).

There are multiple reasons for poor provider adoption including a lack of awareness of in-house specialty pharmacy procedures and physician reluctance to change old workflow habits. An experienced specialty pharmacy partner like Omnicell can help you improve network visibility and control – showing you exactly which providers are underperforming and providing you with the tools to motivate them to keep their referrals in-network. The results are an increased prescription capture rate and reduced patient leakage.

Omnicell helps its partners achieve up to 75% physician utilization for targeted disease states.



Data Analysis

A big part of being able to increase provider adoption or inform any specialty pharmacy improvement is to ensure you are measuring your performance effectively. You need to know your numbers and accurately measure the right metrics to improve outcomes. When it comes to specialty pharmacy, too few health systems know exactly where to look or what to measure to move the needle in a meaningful way.

Omnicell's specialty pharmacy experts are gurus at data collection and analysis. We know the metrics that matter and how to identify the hospital departments or specific medications that provide the largest specialty pharmacy growth opportunities.

Omnicell helps Temple continually increase provider adoption by identifying hospital departments that write a high number of specialty prescriptions, but fill a low percentage of these scripts in-network. For example, Omnicell helped Temple realize that Endocrinology was filling nearly \$15 million in annual specialty prescriptions outside the hospital network and helped the health system develop a plan to fill more of these prescriptions in-house over time.



Drug Access

The success of any specialty pharmacy is, in large part, dictated by the number of specialty medications the pharmacy can make available to its patients. Because of the complex storage, handling, administration, and monitoring requirements for specialty medications, many pharmaceutical manufacturers limit the number of specialty pharmacies that have access to specific medications. It takes time for a pharmacy to earn the right to carry some of these Limited Distribution Drugs (LDDs). As such, newer specialty pharmacies may have sub-optimal fill capabilities.

Working with a partner with long-established pharmaceutical manufacturer relationships can help a health system specialty pharmacy immediately expand its LDD access. For example, Omnicell currently provides clients with up to 97% access to LDDs.



Payor Mix

A limited payor mix can also negatively impact your specialty pharmacy outcomes, particularly if you don't work with the insurers that cover the breadth of your patient population. Payor contract negotiations are a painstaking exercise that can take years to come to fruition. Moreover, some payors limit their networks to control costs, which can make partnering with these insurers even more problematic.

Omnicell maintains its own Pharmacy Services Administration Organization (PSAO) to help with payor contracting. Our experts will analyze the unique makeup of your regional payor market and customize an engagement plan to expand access.

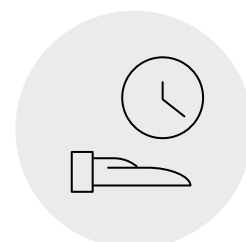


To date, Omnicell provides access to >4200 plan-sponsored groups via 75+ Pharmacy Benefit Manager (PBM) contracts.

Prior Authorizations

The Prior Authorization (PA) process is a bottleneck for many specialty pharmacy operations. According to a recent study in the Journal of Managed Care and Specialty Pharmacy, the average turnaround time for a specialty medication is between 2 to 3 days,

With unique knowledge and years of experience with specialty pharmacy PA process, Omnicell's experts average a clean prescription turnaround time of just 1.2 days – approximately twice as fast as industry averages. Faster prescription fills, means happier patients and physicians, helping to ensure repeat referrals.



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340B Savings

The 340B Drug Pricing Program provides covered health entities with essential drug discounts that keep drugs affordable for vulnerable patient populations while ensuring providers have the resources necessary to fund vital clinical programs and services. However, the rules and regulations governing this program are constantly changing and drug manufacturers are placing tighter restrictions on these discounts than ever before. As a result, many eligible health systems aren't maximizing the savings they could be receiving from the program.

Omnicell offers the only comprehensive shared savings model that fully integrates 340B TPA with Specialty Pharmacy Services. Our powerful split-billing software and team of experts will ensure your qualification logic is sound, helping you identify and capture all the discounts available to you. At the same time, we'll help optimize your expansion into Medication Therapy Management (MTM) and new medical specialties.

Over the past three years, Omnicell has secured \$5.3B in 340B TPA-driven savings for its clients.

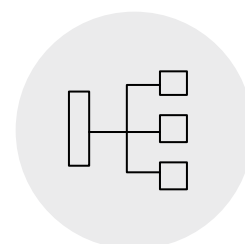


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Program Expansion

Far too many health systems let their pharmacy expansion initiatives stagnate. The launch of an entity-owned specialty pharmacy is not the end, but a single step, in an ongoing journey of pharmacy optimization.

Omnicell's specialty pharmacy experts will help you uncover new expansion possibilities that provide your health system with the best opportunity for growth – whether that be via internal home infusion, retail, medication adherence, or any other number of other initiatives.



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