



CASE STUDY SNAPSHOT

The Road to Efficiency: Baptist Health’s Centralized Pharmacy Supply Chain Initiative

Trends



Estimated amount hospitals spend annually to manage drug shortages and find alternative treatments for patients.¹



The number of drug shortages reported by the American Society of Health-System Pharmacists (ASHP) in March 2024.²



Percentage of health system leaders reporting their pharmacy formulary compliance is less than 90%.³

About Baptist Health

Founded in 1924 in Louisville, Kentucky, Baptist Health is a full-spectrum health system dedicated to improving the health of the communities it serves. The Baptist Health family consists of eight hospitals in Kentucky and southern Indiana, employed and independent physicians, and more than 450 points of care, including outpatient facilities, physician practices and services, urgent care clinics, outpatient diagnostic and surgery centers, home care, fitness centers, and occupational medicine and physical therapy clinics.

¹ Policy Considerations to Prevent Drug Shortages and Mitigate Supply Chain Vulnerabilities in the United States, U.S Department of Health and Human Services (HHS), April 2, 2024 <https://aspe.hhs.gov/sites/default/files/documents/3a9df8acf50e7fda2e443f025d51d038/HHS-White-Paper-Preventing-Shortages-Supply-Chain-Vulnerabilities.pdf>

² 3 things to expect from the pharmaceutical supply chain in 2024, Supply Chain Dive, March 11, 2024 <https://www.supplychaindive.com/news/3-things-to-expect-from-the-pharmaceutical-supply-chain-in-2024/705776/>

³ Untapped opportunities for health system pharmacies, McKinsey & Company, November 7, 2023 <https://www.mckinsey.com/industries/healthcare/our-insights/untapped-opportunities-for-health-system-pharmacies>

Challenges

As Baptist Health continues to grow through mergers and acquisitions (M&A) and the building of new hospitals and ambulatory care facilities, the health system has the opportunity to expand its pharmacy operations.

But space constraints and process inefficiencies have been barriers to scaling services, compounded by the broader industry challenges of rising drug costs, shortages and regulatory demands.



“Pharmacy logistics are notoriously complex. There are many opportunities for efficiency, but you must be brave enough to pursue them.”

Nilesh Desai
Chief Pharmacy Officer
Baptist Health

Obstacles to overcome



Decentralized processes

Multiple different workstreams for pharmaceutical product procurement and management across eight hospitals.



Technology gaps

Disparate systems and manual processes limit drug inventory visibility and control, resulting in waste.



Limited capacity

Hospital community pharmacies at maximum capacity, restricting service expansion to new clinics and care areas.



“While we made efforts to extend pharmacy services into ambulatory settings, we reached peak capacity in a short period of time because we were maxed out from a space perspective. Then there were inventory management challenges, drug shortages and 340B pricing complexities adding to the issue.”



Nilesh Desai
Chief Pharmacy Officer
Baptist Health



Solutions

Centralize pharmacy operations

Baptist Health is currently constructing a 102,000-square-foot consolidated pharmacy service center (CPSC), setting the foundation for Desai and his team to centralize and standardize pharmacy services for not only Baptist Health's eight hospitals, but also its more than 450 points of nonacute care.

Implement enabling technology

The Baptist Health CPSC will employ Tecsys' advanced cloud-based Elite™ platform to centralize and automate pharmacy operational, clinical and regulatory processes including drug procurement, preparation, management, storage, replenishment, documentation and reporting.

Automate inventory management

Leveraging Tecsys' solution, Baptist Health will extend automated inventory tracking from the CPSC out to Baptist Health facilities all the way through to the point of use, which alleviates pharmacy staff and clinicians from manual inventory management tasks.

Make data-driven decisions

The integration of Tecsys' solution with Baptist Health's electronic health record (EHR), enterprise resource planning (ERP), financial systems, and pharmacy point of use solutions establishes a single repository for drug purchasing, tracking and usage data. With all the data in one place, and the application of advanced analytics, Desai and his team will have actionable insights for informed decision-making and proactive planning.



"In the world of pharmacy, no matter how much people say we have automated technology, we don't have anything near what other industries have in terms of automation. I didn't want to implement piecemeal solutions in the CPSC as we do in the hospital and have some processes automated and others still manual. I wanted a technology partner that could help us achieve our vision to automate processes from end-to-end."

Nilesh Desai

Chief Pharmacy Officer

Baptist Health

Outcomes

This truly transformative work led by Desai will support Baptist Health's continued growth while addressing the top challenges facing pharmacies today – rising costs, drug shortages, labor shortages, pricing/reimbursement complexities and increasingly stringent regulations.

Empower pharmacists and enhance patient care

Free pharmacists from manual inventory management tasks so they can dedicate more time to patient care.

Mitigating supply shortages

Centralize drug inventory management, allowing for efficient allocation of products across various care sites to minimize waste and expiry.

Expand storage space and bolster security

Strategic space utilization, including climate-controlled environments for specific drug types and secure storage areas for high-risk controlled substances, enhances overall security of pharmacy supply chain operations.

Enhancing strategic procurement

Access the data insights needed to undertake strategic and volume-based initiatives, resulting in cost-effective pharmacy procurement.

Ensure regulatory compliance

Centralize oversight of regulatory requirements to safeguard patient safety and maintain compliance with industry standards.



“With a partner like Tecsys, I can say I need something done and even if they don't have the ability to do it today, they will put in the work to get us there.”

Nilesh Desai
Chief Pharmacy Officer
Baptist Health



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For more information about Tecsys contact us at **800-922-8649** or info@tecsys.com

