



CASE STUDY SNAPSHOT

A Prescription for Efficiency in Parkview Health’s Pharmacy Supply Chain

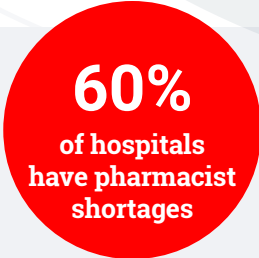
Trends



Drug manufacturers raised list prices on 775 brand-name drugs during the first half of January 2024.¹



Drug shortages continue to disrupt patient care delivery with the ASHP reporting 255 active shortages in February 2024.²



More than 60% of hospitals report shortages of frontline pharmacists, 74% shortages of entry-level pharmacy technicians, and 57% shortages of candidates for roles at the manager level.³

About Parkview Health

Parkview Health is a not-for-profit, community-based health system serving a northeast Indiana and northwest Ohio population of nearly 950,000. Its mission is to improve health and inspire well-being in the communities it serves. Parkview Health consists of 12 hospital facilities, four retail pharmacies, a specialty pharmacy and an extensive network of primary care and specialty care physicians. With more than 15,000 co-workers, it is the region's largest employer.

¹ Drugmakers Raise Prices of Ozempic, Mounjaro and Hundreds of Other Drugs, Wall Street Journal, January 18, 2024, <https://www.wsj.com/health/pharma/drugmakers-raise-prices-of-ozempic-mounjaro-and-hundreds-of-other-drugs-bdac7051>
² Drug Shortages, ASHP, February 19, 2024, <https://www.ashp.org/drug-shortages/current-shortages/drug-shortages-list?page=CurrentShortages>
³ Health Systems Support Efforts to Prevent Burnout Among Pharmacy Staff, ASHP, April 18, 2023, <https://news.ashp.org/news/ashp-news/2023/05/02/health-systems-support-efforts-to-prevent-burnout-among-pharmacy-staff>

Challenges

Like most health systems, Parkview Health's pharmacy lived on its own island with only rudimentary inventory management capabilities through its enterprise resource planning (ERP) system.

Lack of visibility and control resulted in frequent overordering, excess inventory and returns, potential overpayments to wholesalers and suppliers, and a massive amount of nonvalue-added work for the Pharmacy team. While they couldn't pinpoint all the exact gaps in the pharmacy's supply chain because of lack of transparency into its processes and data, the team instinctively knew there were significant opportunities for greater efficiency and cost savings.

Obstacles to overcome:



Pricing challenges

No automated way to confirm the health system was paying the correct prices for drug products based on class of trade.



Wasted staff resources

40% of drugs outside the ERP system required manual intervention for procurement, inventory management and replenishment.



Wasted supplies

Lack of drug inventory visibility resulted in overordering, excess inventory, waste and returns.



"In this era of bottom-line pressures, pharmacy leaders must be more business savvy than we've ever been before. We can't afford to not evolve with healthcare. As uncomfortable as change might be, the consequences of not changing have the potential to be a lot more uncomfortable."



Chris Jellison
Vice President, Pharmacy
Parkview Health

Solutions

Finding the right technology

Parkview Health and Tecsys had already transformed the health system's medical/surgical supply chain operations, reducing manual work by 50%, reclaiming over \$193M of uncharged supplies and generating \$8M+ annually in potential savings. The two teams embarked on an initiative to extend this groundbreaking work into the pharmacy.

Allocating resources

Parkview Health assembled a project team comprised of Pharmacy staff members who were most passionate about building a pharmacy supply chain that would support the future of the health system. These subject matter experts played an essential role in helping Parkview Health and Tecsys develop a pharmacy-specific model that addressed the health network's unique needs.

Managing change

There is a pervasive belief throughout the industry that the pharmacy must stand alone in its supply chain operations because it has challenges and processes that are unique from med/surg. The Parkview Health project team worked cross-functionally with Pharmacy and Supply Chain to explain why it was important to extend supply chain centralization and automation into the pharmacy. This created a "burning platform" to inspire the team and secure their investment in the change.

Scoping and mapping the project

Parkview Health and Tecsys mapped pharmacy and med/surg supply chain processes to uncover similarities and synergies, understanding there were differences to be addressed. It came down to translating everything into a common language that was understandable to everyone involved.

Expanding centralized storage and distribution

Parkview Health deployed additional hardware in its consolidated service center (CSC) to effectively incorporate bulk drug purchases into the health system's centralized supply chain processes. Tecsys collaborated with equipment vendors to integrate its supply chain management (SCM) software with these platforms and worked with Parkview Health's IT and Data Operations teams to ensure data flowed seamlessly from one system to the next.



"We recognize that the pharmacy is one of the most critical elements of both expense and revenue for healthcare systems. If you think about the spend you have in Pharmacy, it's significant. So why would we manage it any less effectively and efficiently than we would the med/surg supply chain?"

Donna J. Van Vlerah

*Senior Vice President, Support Division
Parkview Health*

Outcomes

Parkview Health has achieved what many feel is impossible – collaboration between a health system’s pharmacy and broader healthcare product supply chain to deploy a single, end-to-end, electronic and automated solution for both pharmacy and med/surg product management.

With complete transparency into all supply purchases and inventory, including med/surg and pharmaceuticals, Parkview Health is driving down costs, increasing efficiencies and capitalizing on savings opportunities, all while ensuring clinicians have the products they need for patient care.

Results

Accurate purchasing and pricing

Complete transparency into all drug purchases and automated price updates/matching support accurate payments to wholesalers and suppliers across multiple class-of-trade price points. Actionable analytics drive strategic spend management and significant opportunities for savings.

Staff resource savings

Automated and streamlined workflows encompassing procure-to-pay processes, drug tracking and tracing, and inventory management minimize manual intervention for greater efficiency and productivity.

Supply optimization

Real-time visibility to drug inventory down to the lowest unit of measure, including items stored in Parkview Health’s CSC, informs accurate ordering decisions. This in turn supports supply chain continuity while reducing the risk for waste (e.g., product expiry, returns).



“One of our bigger lessons learned was the level of complexity in the pharmaceutical world. There was a learning curve that had to take place for us to move forward. There are a lot of commonalities but helping the teams get aligned and collaboratively work together between Pharmacy, Supply Chain and Informatics was something that has helped us become a better organization.”



Donna J. Van Vlerah
Senior Vice President, Support Division
Parkview Health

<https://www.tecsys.com/elite-healthcare-solutions/>



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