

Pharmacy Redistribution: Understand How to Control and Monetize the Rx Supply Chain

Pharmacy is a health system's single largest supply expense category. **Implementing a pharmacy redistribution program** can help lower costs, initiate supplier incentive payments, increase service levels and simplify compliance.

Health systems create strategic and financial value through consolidated pharmacy redistribution programs.



200

Shortage Mitigation

Ongoing and active shortages have been higher than 200 medications per month since 2018¹. Shortages of fluids, local anesthetics, benzodiazepines and ADHD treatments, among others, are affecting large numbers of organizations and patients.

Strategy: Use demand planning procurement strategy, supporting forward and bulk buy, enhancing patient safety and reducing readmissions.

20-50%

Optimizing 340B Drug Pricing Program

Discount pharmaceutical prices available through the 340B Drug Pricing Program can save participants an estimated 20-50% off drug costs².

Strategy: Improve the management and compliance of medication reimbursements and capture all applicable information required for the federal government's 340B Drug Pricing Program in order to maximize your savings for eligible prescriptions.

30%

Reducing Pharmaceutical Waste

30% of discarded pharmaceuticals can be attributed to logistics issues³. Medication worth over \$5 billion is thrown out by hospitals and long-term care facilities every year⁴.

Strategy: Apply supply chain management best practices into your pharmacy to reduce costs and waste.

\$577B

Return on Investment

More than 20,000 prescription drug products are approved for marketing⁵ and more than 100 new specialty drugs are expected to hit the market in the next five years⁶. In 2021, overall pharmaceutical expenditures in the US grew 7.7% compared to 2020, for a total of \$576.9 billion⁷.

Strategy: Gain complete visibility of your inventory across the entire system, including medications in transit or stored inside automation technologies such as carousels and dispensing cabinets, in order to be effectively managed leading to an ROI in labor and supply chain.

1. ASHP Drug Shortage statistics, <https://www.ashp.org/drug-shortages/shortage-resources/drug-shortages-statistics>
2. Overview of the 340B Drug Pricing Program, 2021, <https://www.340bhealth.org/members/340b-program/overview/>
3. The Answer to Rising Pharmaceutical Supply Chain Costs, Cassidy Bird, January 2018, <https://www.getconvey.com/blog/pharmaceutical-supply-chain-visibility/>
4. NCSL State Prescription Drug Repository Programs, October 2021, <https://www.ncsl.org/research/health/state-prescription-drug-return-reuse-and-recycling.aspx>
5. FDA At A Glance Fact Sheet, FDA, November 2020, <https://www.fda.gov/about-fda/fda-basics/fact-sheet-fda-qlance>
6. How to reduce specialty pharma inventory costs, boost visibility with a consignment model, Becker's Hospital Review, Shayna Korol, October 2018, <https://www.beckershospitalreview.com/supply-chain/how-to-reduce-specialty-pharma-inventory-costs-boost-visibility-with-a-consignment-model.html>
7. National trends in prescription drug expenditures and projections for 2022: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9383648/#:~:text=For%202022%2C%20we%20expect%20overall,%2C%20respectively%2C%20compared%20to%202021>