

ASAP Annual Conference: Next Generation Data Metrics for Pharmacy Comparisons

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Agenda

- Standard pharmacy reports
- Need for enhanced reporting
- Pharmacy reporting – the next generation
 - Drug Inflation, Utilization, Mix of Business
- Opportunities for improvement
- Continual process evaluation

Typical Pharmacy Metrics

- End of day reports – used to establish a high-level baseline understanding of pharmacy’s business
 - Daily Prescription Log
 - Third Party Sales
- End of week reports
 - Summary Sales Report
- Second generation reports based on workflow tracking
 - Prescription processing time report
 - Service performance metrics
 - Individual user productivity report

Pharmacies – No Two Are The Same

- Physical Foot print or layout – Yes, that is often the case, but...
- Like snowflakes, 2 two pharmacies are NOT the same considering:
 - Customer mix
 - Prescribing habits of local MD's
 - Third party mix - Insurance utilization
 - Immunization & clinical services offered
 - Pharmacists on staff at pharmacy

Scenarios That Require Enhanced Reporting

- Heavy Medicaid prescription pharmacy – pharmacies have unique mix of Rx volume per patient, profitability, and gross margin %.
- Heavy Immunization pharmacies – require more time per Rx, but are earning greater gross profit dollars per prescription
- Heavy Specialty – requires more time and may require more technician help to process prior authorization and other specialty requirements

Next Generation of Reports

- Pharmacy owners and managers need enhanced reporting capabilities that will better account for individual pharmacy situations and scenarios.
- Identify what to measure and how the metric drives performance
- New reports will help determine the norm or average:
 - Drug Inflation
 - Utilization
 - Mix of Business

Drug Inflation

Segment prescriptions

- Brand and Generics
- Specialty Pharmacy will be an overlay after the fact
- Vaccines / Immunizations should also need to be segmented
- Exclude prescriptions for OTC's and compounds
 - unless a significant portion of the business – then review as a separate segment

How to present the data

- Calculate metrics at pharmacy level, or using a company regional or hierarchy structure
- Determine other methods for rolling up the data

Drug Inflation

Brand Analysis

- Need drug acquisition cost at the time the prescription is filled
- Use transaction date (date filled) vs. sold date (POS)
- Tracking acquisition cost changes (internal software vs drug compendia)

Generic Analysis

- Acquisition cost for generics increase and decrease
 - Suggest evaluating increases and decreases separately
- Consider the situations that cause generic cost changes
- Use transaction date (date filled) vs. sold date (POS)
- Tracking acquisition cost changes (internal software vs drug compendia)

Utilization

- Period to period reports will indicate utilization trends at the pharmacies
- Other metrics could include Rx/active member, Rx/active member over time, new patients vs. existing patients.
- Use PMPM metric – this metric commonly used in the Managed Care industry could also help pharmacies effectively measure their business

Utilization

Using the PMPM metric

- Patient identifier is crucial for this calculation
- Use prescription fills and total prescription price to calculate PMPM metrics for:
 - Brands
 - Generics
 - Specialty
 - Services
 - Overall total
- Determine the appropriate reporting period
- Determine how new patients fit into the analysis
- Ratio of patients using the pharmacy versus all store patrons

Utilization

- Use PMPM metrics to measure success for:
 - Med Sync
 - Auto refill
 - MTM
 - Loyalty card program patients
 - Third party payer type
 - Disease or therapeutic category
 - Long term care
 - Home delivery

Utilization

Using the PMPM metric

- Identify patient behavior
 - Overdue, late or missed refills
 - Early refills
 - How patient behavior effects pharmacy staffing, hours and inventory.

Mix of Business

- Measure and trend mix of business using:
 - Gross profit per prescription fill
 - Dispensing fee per prescription fill
 - AWP effective discount
- Break out by:
 - Brands, Generic, Specialty
 - Services
 - Third Party Line of Business
 - Maintenance versus Acute
 - 30 and 90 Day Maintenance and Acute prescriptions
 - Days' supply segments

Benchmarking Reports

- Compare metrics across pharmacies to identify best practice pharmacies, outliers and potential tactics to improve operations
- Pharmacist report card reports provide incentives and peer pressure to improve performance, i.e. immunization rates

Reporting - Process Improvement

- Analyze current reports for gaps, deficiencies & potential misinterpretation
- Involve Pharmacy Management on metrics needed to manage dynamic business needs
- Identify beneficial reporting metrics considering: Cost changes, Utilization, Mix

Reporting - Process Improvement

- Proof process with pilot pharmacy(ies)
- Refine based upon management and pharmacy level feedback
- Implement after testing with desired modifications
- Monitor for changing market conditions & adjust accordingly

Questions?

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