# Cost Savings and a Better Patient Experience: A Win-Win How 340B Pricing Saved Over \$1,000,000/Year

# Healthforce Center at UCSF

# **Project Description**

I wanted to address the increased cost to our health care system from our patients going to outside non-340B pharmacies. I believed I could do this by improving the outpatient pharmacy experience.

## **Problem Statement:**

Over 20% of our patients on Enbrel and Humira go to outside pharmacies. We lose millions of dollars per year from these patients not using our 340B pharmacies.

### **Discovery:**

- . I developed an initial business model and interviewed 28 internal and 14 external customers prior to phase 1 implementation. An additional 6 customers were interviewed prior to phase 2.
- 2. I was surprised that only 50% of my proposed improvements were accepted by a majority of external customers interviewed.
- 3. Based on my interviews and research I narrowed my solution to the ideas liked best by both internal and external customers.

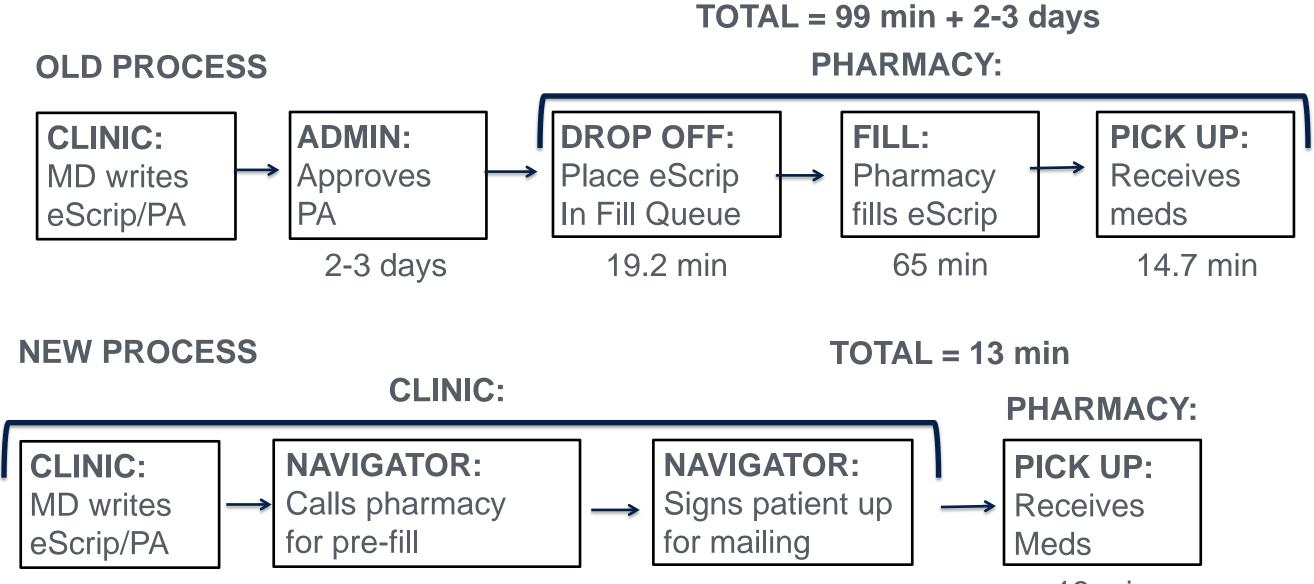
**Goal:** To reduce costs by decreasing the number of patients using outside pharmacies by making it easier for patients to procure their anti-TNF medications at our 340B pharmacies.

**Outcome-oriented Objective:** Generate cost savings of at least \$1 million annually from retention of our patients in our pharmacies by June 2018.

## **Proposed Improvements:**

- 1. Removing need for prior authorization for Enbrel/Humira
- 2. Assigning a navigator in clinic as a single point of contact for patients to:
  - a. Work with outpatient pharmacy to "fast-track" medication fills
  - b. Help sign patients up for mailing medications

**Process Flow Diagram for "Fast-Track"** 

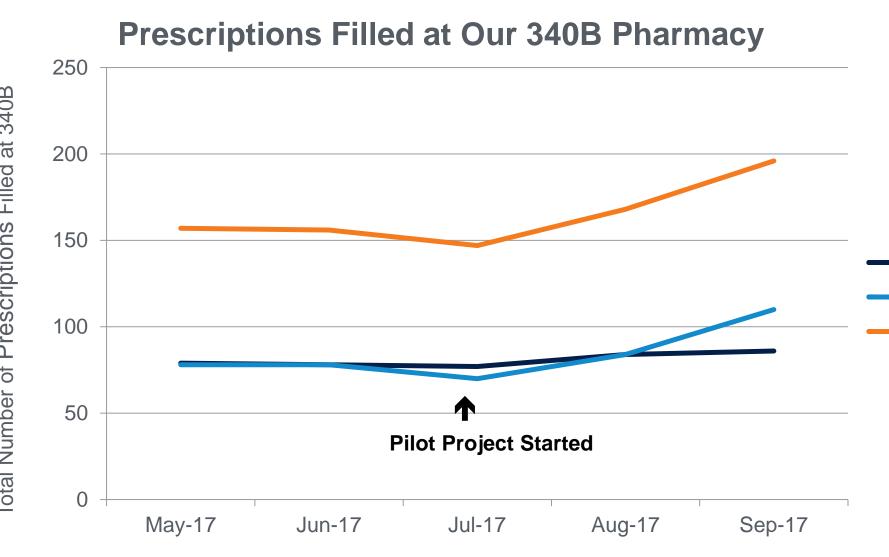


Stanley Dea, MD, Chief Medical Informatics Officer-Specialty Care, (sdea@dhs.lacounty.gov) Department of Health Services, County of Los Angeles, Los Angeles, CA (dhs.lacounty.gov)

ICK UP:
eceives
leds
13 min

## Results

## Phase 1 (Pilot): Navigator Increases 340B Usage



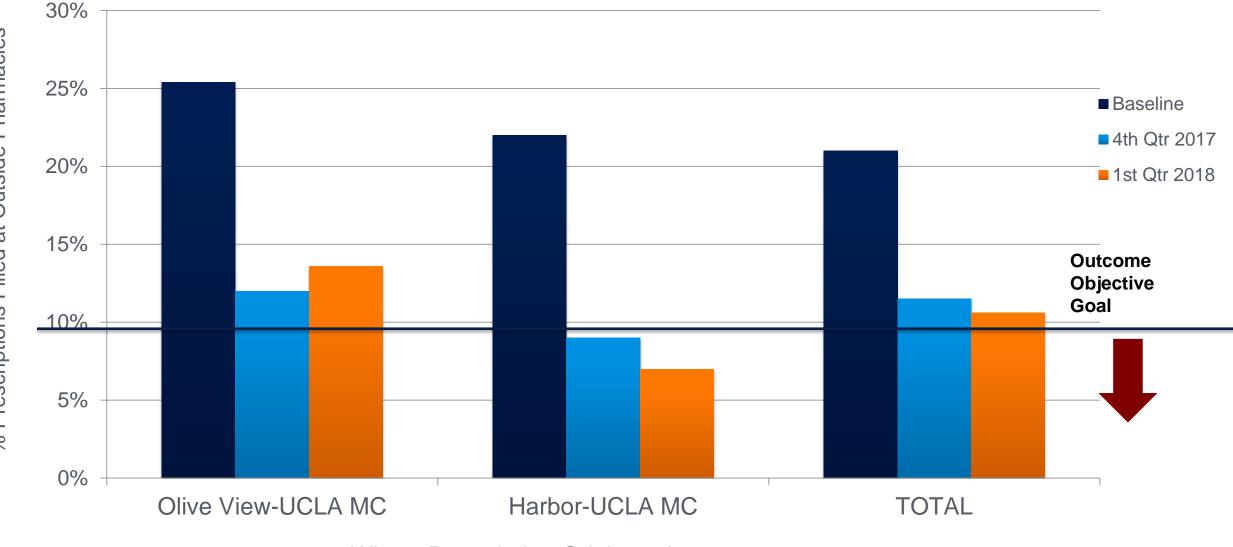
**Post-Phase 1 Patient Satisfaction Survey** 

7 patients surveyed):

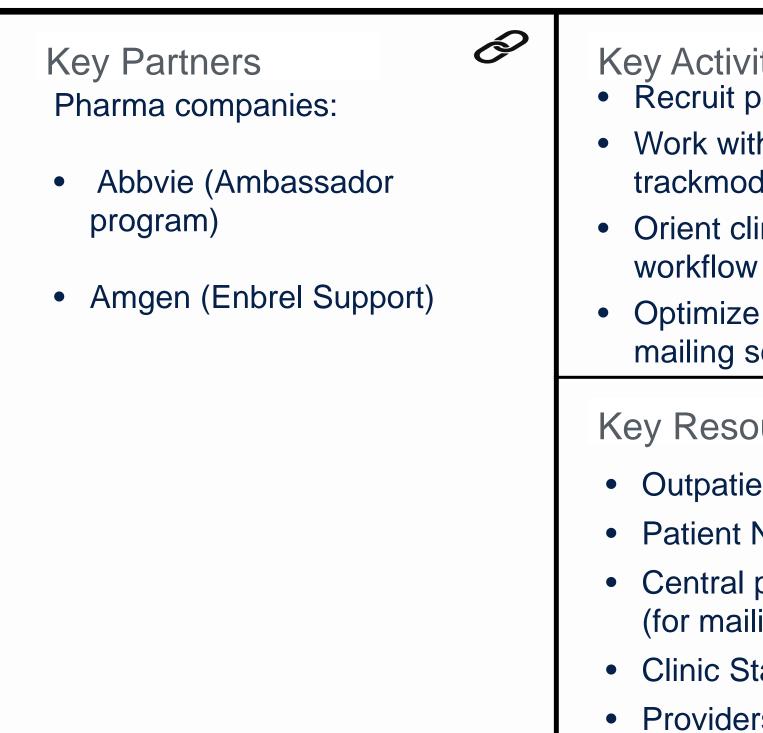
• Average rating 5 (Rating 1-5, 5 highest)

## Phase 2 (Scalability): Results Duplicated

**Prescription Data Across the Enterprise (March 2018)** 



Where Prescription Originated



#### Mission Budget/Cost

- Additional pharmacy staff
- Additional clinic NPs/Care coordinators



-Enbrel -Humira

# Lessons Learned

- By recapturing patients into our 340B pharmacies we were able to save over an estimated \$1.4M annually
- Emphasis on mailing was as important as navigation
- Discovery was critical in identifying the ideas most likely to be successful
- Getting buy-in before starting from all stakeholders, i.e., clinic providers, outpatient pharmacies, administration, navigators and staff was critical to the success of the project

## **Next Steps:**

- Confirmatory trial at LAC+USC Hospital by adding navigation • Application of the model to other medications with similar 340B
- cost-savings

# **Mission Model Canvas**

vities patient navigator with pharmacy on fast- odel for medication fill clinic staff and providers to w te and expand existing service	<ul> <li>Value Propositions</li> <li>Get medications on the same day as the clinic visit</li> <li>No need for prior authorization</li> <li>Less waiting in line</li> </ul>	<ul> <li>Buy-in &amp; Suppo</li> <li>Convert non-3 340B pharmad</li> <li>Sign patients u service</li> <li>Fast-track pres pharmacy</li> </ul>
ources		Deployment
ient pharmacy		<ul> <li>340B outpatier</li> </ul>
t Navigator		Central medica
I pharmacy		mailing service
ailing service)		<ul> <li>Specialty clinic</li> </ul>
Staff (Nurses)		
ers (MDs/NPs)		
	Mission Achieve	ement/Impact Fac

• Cost savings of using 340B pharmacy (potential savings of \$1M per year) • Cost savings of using mailing service (unknown savings at this time).





### California Health Care Foundation



Beneficiaries ort -340B users to • Outpatients on self-injected anti-TNF medications, e.g., acies Humira, Enbrel, seen in up for mailing Rheumatology, GI and Dermatology outpatient clinics. escription fills in Medi-Cal managed care patients (ACA) Medicare patients ent pharmacies cation fill and ics actors