

Getting Started in Specialty Pharmacy

INTRODUCTION

Specialty drugs are changing the landscape of the pharmacy space, and by 2020, the specialty drug market is projected to hit \$250 billion, accounting for more than 50% of pharmacy plan spend. As revenue from non-specialty drugs continues to trend flat, health systems are under increasing pressure to provide specialty pharmacy services in order to treat patients with chronic, complex diseases and benefit from higher revenues driven by specialty medications.

Transitioning into or expanding an existing specialty pharmacy requires a careful strategy in order to overcome significant challenges that include:

- *High cost of specialty medications, most over \$2,000 per fill*
- *Fewer than two percent of patient populations requires these drugs*
- *Complex administration and compliance issues*
- *Manufacturers may choose to limit specialty drug distribution*

SPECIALTY DRUG MARKET
Projected to Hit **\$250B** by 2020.

PREPARING TO MAKE THE MOVE

Having an in-house specialty pharmacy enhances a hospital's ability to deliver consistent, high-quality patient experience and continuity of care that leads to better outcomes. An on-site retail pharmacy is an essential component for a successful specialty pharmacy launch or expansion. With an on-site retail pharmacy in place, there are five key steps to launching a successful specialty pharmacy:



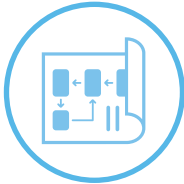
STEP 1: EDUCATION

Specialty pharmacy begins with education and research into the complex specialty drug market and the potential value to the hospital, financially and clinically. Consider the patient community that the healthcare organization serves and what specialty drug services are best aligned with the organization's needs.



STEP 2: ASSESSMENT & STRATEGY DEVELOPMENT

Take a hard look at the hospital opportunity as well as potential investment necessary to realize that opportunity. Analyze the payor mix, 340B opportunities, payor contracting and contract pharmacy options, in order to develop a viable specialty pharmacy strategy.



STEP 3: DESIGN

Whether expanding an existing specialty pharmacy or building out a new specialty pharmacy, consider the physical needs of the pharmacy space. Will your organization require a new facility construction or physical expansion of the existing pharmacy site? In either case, be sure to include these technologies in the site design in order to facilitate communications with hospital departments, patients, payors and drug manufacturers:

- Communications center
- IT infrastructure
- Patient telepharmacy



STEP 4: IMPLEMENTATION

Current staff will require training, and additional specialty pharmacy staff may need to be hired and trained. Someone within the organization should be designated to:

- Obtain and manage accreditation
- Ensure compliance
- Interface with manufacturers in order to gain access to limited distribution drugs



STEP 5: GO LIVE

With all of the elements in place to go live, pharmacy and administrative teams should be prepared to manage and maintain the ongoing specialty pharmacy program going forward.

CONSIDER A PARTNER

A specialty pharmacy partner, such as CPS SPARX, prepares pharmacy teams to establish a best-in-class ambulatory and specialty pharmacy. Take these questions into consideration when looking at potential partners in specialty pharmacy:

- Is the partner flexible and able to create a custom strategy specific to your organization's needs?
- Does the partner have a strong track record of handling all components or working side by side with your organization's team?
- Who will control the revenue stream?

CPS SPARX assesses facilities to develop a strategy consistent with that organization's needs. CPS teams can handle all of the specialty pharmacy preparation and management or work side-by-side with existing pharmacy teams. Partnering with CPS means your organization will control the revenue stream, ensuring a maximum financial benefit to your healthcare organization.

SPECIALTY PHARMACY RESULTS IN

Greater impact on clinical quality

New sources of revenue from specialty medications

Stronger cost controls

For more information on how the CPS SPARX Team can help your organization, visit: cpssparx.com