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# Leveraging Strategic Partnerships to Enhance the Continuum of Care

*Through the efforts of enhancing Ottawa County's healthcare services, Magruder Hospital realized \$1.5MM in annualized financial improvements*

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## **OPPORTUNITY:**

Magruder Hospital wanted to bring a best-in-class healthcare experience into the greater Ottawa County, Ohio community, while delivering on its core values of compassionate care with excellent outcomes.

## **SOLUTION:**

Magruder Hospital engaged Pharmacy Systems, Inc., a Comprehensive Pharmacy Services subsidiary company, to provide holistic pharmacy and supply chain shared services focused on leveraging the industry's top tier management methodologies and clinically integrate its services for the highest patient outcomes.

## **RESULTS:**

Magruder Hospital optimized \$1.5MM in FY-19 in cross departmental revenue generation and savings that allowed the hospital to reinvest in services geared toward improving the access and quality of care within the Ottawa County community continuum of care.

**"By carefully choosing strategic partners who share similar values, we have been able to streamline operations, increase efficiencies and expand access to high quality healthcare for our community."**

— Nick Marsico, *Vice President  
and Chief Operating Officer,*  
Magruder Hospital

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## **THE SITUATION**

Magruder Hospital, a 25-bed critical access hospital located in Port Clinton, Ohio, is a nonprofit hospital serving a population of over 40,000 residents in Ottawa County. Magruder employs nearly 400 people with 30 active and 120 courtesy staff physicians in an array of specialties. Its 24-hour emergency room, physician practices and large variety of outpatient and inpatient services allow the population of Ottawa County to receive quality healthcare close to home. The hospital collaborates with other community health partners to

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*"It's fun to be part of a team that is passionate and committed to each other's success. I have been able to align the goals for Pharmacy Systems, Inc. with what's important to Magruder Hospital, which has led to a great synergistic relationship."*

—Kristy Malacos, *Pharmacy Administrator and Purchasing Director,* Magruder Hospital

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measure and address the health status of the communities they serve. Based on the information gathered through this rigorous process, Magruder helps identify and address gaps by expanding services to meet the changing needs of the community.

## THE CHALLENGE

Like many critical access hospitals, expanding services and access to care, while controlling costs in the current environment of diminishing reimbursement and declining inpatient volumes presents a challenge. Magruder is continually looking for new revenue generation and cost containment which allows for investment into improved quality of care for Ottawa County. The ongoing challenge is implementing innovative programs with limited resources.

## THE SOLUTION

By partnering with Pharmacy Systems, Inc. and PSI Supply Chain Solutions experts, Magruder Hospital has been able to implement innovative clinical and supply chain initiatives. This has allowed for substantial reinvestment into the community to keep care local through new services like a retail pharmacy and specialty provider clinics, including urology, dermatology and wound care.

Consulting services provided by Pharmacy Systems, Inc. have provided beneficial cost saving pro-grams to support Magruder Hospital in both reimbursement and 340B. An analysis examining high cost outpatient drugs with the goal of maximizing reimbursement revealed significant deficits in insurance reimbursement that could be addressed through pharmacy assistance. In addition, the 340B program has provided cost savings to the hospital and lessened the burden of rising drug expense.

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By effectively reducing expenses and enhancing revenue through these initiatives, Magruder Hospital has been able to reinvest in healthcare offerings for the community. These saving have been directly reinvested into providing a world-class healthcare experience in new radiology equipment, including: CT/MRI and X-ray machines as well as a recent multimillion-dollar surgery department expansion. Advanced clinical programs, such as opening a retail pharmacy, as well as an anticoagulation clinic and medication therapy management (MTM) services, have expanded the outpatient services provided. The hospital hired a clinical pharmacist to round with the physicians and nurses, optimizing patient care and safety.

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Through collaboration with supply chain and pharmacy services, the impact of supply and drug shortages was lessened, cost savings on fluids was realized, and the purchasing power of the hospital was leveraged more effectively. In addition to managing shortages, wholesaler, distributor and group purchasing organizations (GPO) were reviewed to determine the most cost-effective manner to order various supplies when items were available through both channel partners. Supply chain services reduced off-contract purchases to create a more standardized, cost-effective and safe approach in purchasing supplies and drugs.

## RESULTS

With the help of Pharmacy Systems' advanced pharmacy and supply chain services, Magruder Hospital generated more than \$1.5 MM annually through revenue generation and cost savings. Through a progressive partnership, Magruder has been able to utilize cost savings to invest in services for Ottawa County. These programs allow for a continuum of care in one local institution close to home.

### About Pharmacy Systems, Inc.

Pharmacy Systems, Inc. and PSI Supply Chain Solutions are wholly owned subsidiaries of Comprehensive Pharmacy Services that provide management of hospital pharmacies and supply chain departments nationally. Hospitals are supported by Pharmacy and Supply Chain Management Services which help maintain compliance, improve the overall quality of patient care, optimize operational efficiencies, increase revenue capture and reduce supply costs. By leveraging our 700+ client relationships, we are able to help optimize our partners continuum of care and the speed of delivery to provide those services, etc.

