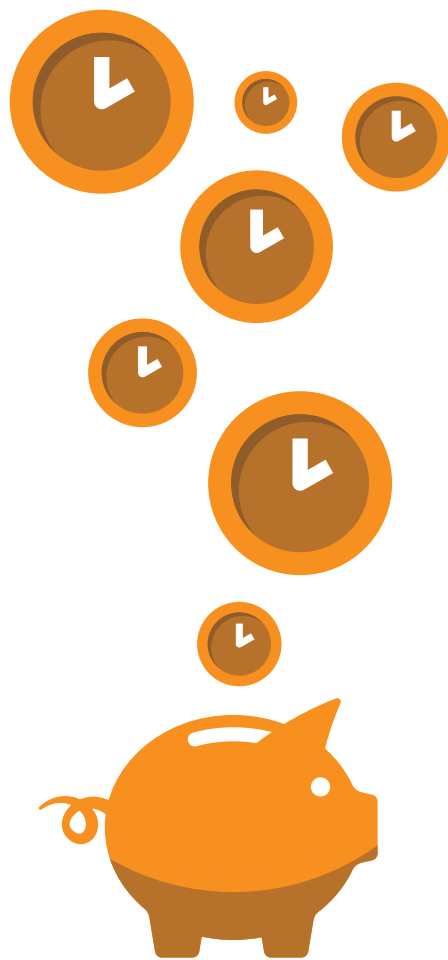


Health Systems

Case Study



McKesson Drug Spend Intelligence™
Gain the insight you need to reduce your spend

Web-based analytics puts data at your fingertips

Situation

Sentara Healthcare, a nonprofit health system serving patients in Virginia and North Carolina, wanted to reduce its annual \$160 million drug spend by 3 to 4 percent — while continuing to provide quality care. In addition, it needed to replace its time-consuming manual drug spend management process with a comprehensive solution that allowed pharmacy leaders to easily collect data and evaluate pharmacy purchases across all facilities.

Customer Profile

- Serving Virginia and North Carolina
- 12 hospitals
- 12 long-term care facilities
- 10 retail pharmacies
- Proprium (specialty) Pharmacy

Results Achieved

- Reduced manual work, saving 520 labor hours per year
- Confirmed formulary change from IV Ofirmev to oral equivalent, reducing spend from \$2 million to \$1,053
- Tracked the clinical initiative of converting Integrilin to Aggrastat, resulting in a savings of \$324,000
- Helped Accounting department easily research financial variances

1 formulary change resulted in reducing spend from **\$2 million** to **\$1,053**

Solution

To solve these challenges, Sentara turned to McKesson Drug Spend Intelligence™ — a powerful web-based solution featuring rich analytics, a smart dashboard and the ability to create custom reports. In order to meet the health system’s unique needs, McKesson’s Pharmacy Optimization® experts worked closely with Sentara’s pharmacy leaders to add financial metrics including patient days, admissions and service units by month to Drug Spend Intelligence.

Results

After transitioning to McKesson Drug Spend Intelligence, Sentara now has a clear view into its past 24 months of volume-adjusted purchasing data. This easy-to-use solution has also minimized manual work for Sentara’s pharmacy staff, making it easier and faster to analyze drug spend trends and variances while determining drivers of costs. For example, the insight gleaned from Drug Spend Intelligence has helped Sentara’s Pharmacy & Therapeutics Committee explore new strategies for containing formulary costs. Tracking a therapeutic drug interchange can easily show comparative upward and downward spend trends and help verify expected outcomes.

In addition, Drug Spend Intelligence has equipped Sentara with the information needed to effectively implement, track and measure clinical initiatives like its government-mandated antibiotic stewardship program (called “AMS”). The AMS program includes a program pharmacist, analyst and part-time physician who will continue to collaborate in driving down costs without compromising care.

“Before Drug Spend Intelligence, we had a limited view into what we were spending. **Now we have the power to look at spend across the hospital system to quickly evaluate expense rate and volume variances.** This lets us forecast budget and proactively contain costs.”

EDDIE GUTSHALL, PHARM.D.,
Pharmacy Business Manager, Sentara Healthcare

Need help managing your drug spend? Contact your McKesson representative today.

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This case study is for informational purposes only. The results of this case study depend on a variety of factors that are unique to Sentara Healthcare. There is no guarantee that your results will be similar to this case study. Each party’s results will depend on the factors of its business. The success in this case study cannot be used as an indication of future success with these programs. ©2017 McKesson Corporation. All rights reserved. MHS-89006-02-17