

# case study:

## UK HealthCare



### UK HealthCare's 7-Year Ambulatory Pharmacy Performance (2011-2018)

- Increased Annual Operating Margins by 1,150%
- Bifurcated monthly pharmacy financial reports from overall hospital financial reporting to provide the Board visibility into ambulatory pharmacy performance
- Created a statewide network for contract pharmacy models
- Automated third-party management and A/R reconciliation
- Developed In-House PBA services
- Pursued provider status for credentialed pharmacists
- URAC and ACHC accredited specialty pharmacy operations
- Implemented Pharmacy managed solutions for non-oncology infusion services
- Developed robust Meds to Beds program integrated into the patient discharge process
- Serve as a Specialty Contract Pharmacy partner for area health systems

UK HealthCare, which includes Albert B. Chandler Hospital, UK Good Samaritan Hospital, and others, now ranks 12<sup>th</sup> in the nation in overall quality of patient care out of 118 U.S. academic medical centers.



ACCREDITED  
SPECIALTY PHARMACY

### This multi-facility health system partners with ScriptPro and other technology providers to implement strategic ambulatory pharmacy programs that increased operating margins by 1,150%.

UK HealthCare, Lexington, KY, adopted a vision for pharmacy that is unusual among academic medical centers. In addition to suppressing Inpatient drug costs, the pharmacy embarked upon an aggressive strategy to optimize ambulatory pharmacy services. These services expanded patient access to prescriptions, which improved patient outcomes, while generating ever greater margins as market share continued to expand. Ambulatory pharmacy services now generate >80% of all UK HealthCare net income.

According to Gary Johnson, PharmD, MHA, Chief Pharmacy Officer at UK HealthCare, "We reviewed every aspect of our ambulatory pharmacy operations and created growth strategies for each cohort. There was clearly underutilization of these services. We started a Meds to Beds program, initiated contract pharmacy services, began opening retail pharmacies, and initiated an accredited specialty pharmacy."

Johnson made many other changes, such as extending pharmacy service hours, closely monitoring PBM contracts and reimbursement, and contracting with pharmacies outside the UK system to provide medications and services for UK patients. This positioned UK to maximize benefits for patients as well as increase pharmacy's contribution to the health system's operating budget. One key step was to fully utilize government programs such as 340B and pharmaceutical industry assistance programs. UK also expanded its ambulatory pharmacy points of service to keep prescriptions in-house and obtained URAC and ACHC specialty pharmacy accreditation. Johnson adds, "We staff a pharmacist and technician at each of our sub-specialty clinics. Overall, we've had to add 300 FTEs to the Pharmacy Department during the last seven years. That's a lot of people, but it has allowed us to dramatically increase our prescription capture rates and our Inpatient/Outpatient Transition of Care models."

Johnson stresses that critical partners who share UK HealthCare's vision have been key to its success. "We couldn't have accomplished this without Cardinal, Verity, and ScriptPro. These are long-term partnerships that we value highly."

"We invested in ScriptPro robotics and its Pharmacy Management System, which represents end-to-end systems integration at its best. We use the ScriptPro Enterprise Platform to centrally manage pharmacy operations and consolidate patient and drug information across all retail operations. ScriptPro was more expensive, but we have seen incredible returns on those tactical investments. When you are trying to make major changes and expand the role of pharmacy in an academic setting, it's imperative to have a durable, highly functional infrastructure to support all operations."

Johnson encourages other health systems to examine the scope of their ambulatory pharmacy operations. "The opportunities we are leveraging at UK HealthCare are not unique. A strategic growth plan is there for the taking at any teaching hospital or healthcare setting. It's a win for the patients and the financial viability of the organization."

