

CPS Solution Team Helps Hospital Save More Than \$6 Million

Improved quality, safety and discovered additional cost reductions.

CHALLENGE:

To maintain its financial viability and longstanding commitment to serving the community and its most vulnerable members, a southern state, not-for-profit acute care community hospital was looking for opportunities to reduce operating costs.

The hospital was already enrolled in the federal 340B program and taking full advantage of the medication savings it allowed. Yet it continued to look for additional means to improve productivity and optimize resources.

In addition to operating its 300+ bed acute care facility, the hospital co-operated an infusion center that, while affiliated with the hospital, functioned as a separate entity and was ineligible to participate in the 340B program.

THE SOLUTION:

CPS assumed pharmacy management services for the inpatient hospital pharmacy from another vendor, and once on-site, the CPS team conducted a full assessment of the hospital's pharmacy operations. An area of focus was the development of a strategic plan, which took an over-all view of the hospital's entire pharmacy operation and identified areas of opportunity for enhanced patient safety, improved practice standards and cost reductions.

CPS identified an on-campus for-profit infusion center as a significant unrealized area of opportunity. By transitioning the status and operations of the infusion center to the not-for-profit hospital, qualifying drugs could be purchased under the 340B portfolio, and the savings applied back to support the care the hospital was providing to the community.

In collaboration with the hospital team, CPS developed a strategic recommendation and implementation plan, which projected a first year expense reduction of \$2.8 million.

IMPLEMENTATION:

The transfer of the infusion center to the hospital required an upgrade of its pharmacy to meet the hospital's higher practice standards. The hospital team took the lead on all steps needed for 340B compliance, and CPS assumed responsibility for integrating the infusion center into the hospital pharmacy, including:

- Installing policies, procedures and protocols that ensure the infusion center pharmacy met practice standards for quality and safety;
- Providing staff with additional competency and education needs;

Improving hospital
patient care and
safety, while
REDUCING
drug expense by
\$6 MILLION



We serve hospital health systems of all sizes and types, individual hospitals, behavioral health, and specialty health care facilities.

CPS Solutions
teams used
Rx-Clinical Analytics
to identify and
implement
opportunities
that were previously
unknown or too resource
intensive to obtain.

- Introducing risk mitigation products to ensure patient safety;
- Evolving the infusion center's pharmacy to the hospital pharmacy platform, to ensure accurate medication reconciliation;
- Upgrade the pharmacy to meet USP797 standards.

RESULTS:

The transfer of the infusion center to the hospital, while a simplistic solution, produced significant, sustainable savings for the hospital. In the first two years, the hospital realized more than \$6 million in cost savings. 100% of the expense reduction inured to the hospital's benefit, allowing it to broaden its community healthcare safety net.

- \$3.6 million reduction in costs in the first year, \$800,000 more than initially projected;
- \$3.2 million reduction in costs in the second year;
- A total of more than \$6 million over a two year period;

The initiative also improved patient safety and quality of care through the enhanced practice standards that were implemented when the hospital assumed full operational responsibility for the pharmacy.

ABOUT COMPREHENSIVE PHARMACY SERVICES:

Employing over 1,900 pharmacy professionals, CPS is the nation's largest provider of pharmacy services to 450+ hospitals and healthcare facilities in facilities in 47 States, Puerto Rico and U.S.V.I. Since its founding in 1971, the company has firmly established itself as the leader in pharmacy management, helping its clients realize sustainable improved quality and reduced cost. CPS services are tailored to the needs of each client, and include pharmacy consulting, inpatient and outpatient pharmacy management, telepharmacy and transition of care services.

Call us to find out how CPS can help you: 800.968.6962 | cpsinfo@cpspharm.com | cpspharm.com