Integrated Delivery Networks (IDN)

Specialty Pharmacy’s Role in the Delivery and Documentation of Improved Patient Outcomes

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Introductions

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• Evolution of Specialty Pharmacy Services
• Health System Specialty Pharmacy Landscape
• Patient Centric Therapy Management (The role of the Health System Pharmacist)
• Unique Data Opportunities with IDN Specialty Pharmacy
The Trusted Source for Specialty Solutions

Technology Suite
Therigy has built a proprietary suite of technology products for specialty pharmacies to deliver best-in-class patient support.

therigySTM
SMARTeHub
therigyKnowledgeNetwork

therigyConsulting™
Therigy’s experts provide hands-on consulting services to assist clients in planning and executing operational, clinical and technology initiatives.

therigyInsights™
Therigy’s data analytics solutions support the complex data capture and unique reporting requirement in the specialty space.
Manufacturers

- Channel Strategy & Service Models
- Pharmacy Network Design/Modification
- Pharmacy Network Contracting
- Therapy Management Services
- Specialty Data & Analytics Strategy
- Network Data Collection and Reporting
- Specialty Network Audits
- Reimbursement Support

Specialty Pharmacies

- Strategic Planning
- Operational Build-out
- Policy & Procedure Implementation
- System Implementation
- Specialty Therapy Management
- Quality Program Development
- Accreditation
- Staff Training
- Reimbursement Support
therigySTM™

#1 in Specialty Therapy Management

The Name You Can Trust for Exceptional Care

therigySTM™ is the leading clinical management software utilized by URAC accredited specialty pharmacies

More than 120,000 specialty patients experience best-in-class clinical care through their pharmacy’s use of therigySTM

1 in 5 URAC Accredited Specialty Pharmacies use therigySTM

60% URAC Accredited Health System Specialty Pharmacies use therigySTM

= 1,000 patients
Therigy’s market leading solution for specialty therapy management, was designed for leading specialty pharmacies to provide disease and therapy-specific clinical support, maximize adherence, and improve patient outcomes.

TherigySTM content includes:

- Complete care plans & patient education
- 19 therapeutic categories
- Over 275 specialty medications
- Operationally efficient assessments
- Training resources
- Customizable report templates
- Report library
- An intuitive, easy-to-use cloud-based solution

Seamless interface with dispensing systems

Pre-configured care plans

Advanced data reporting
Evolution of Health System Specialty Pharmacy and Industry Trends
For the past 20 years, the traditional specialty pharmacy segment evolved largely without the participation of Health Systems and Integrated Delivery Networks (with a few notable exceptions)

In the past few years, Health Systems and Integrated Delivery Networks have rapidly implemented specialty pharmacy strategies and programs with a number of strategic goals including:

- Capture of new revenue
- MD Practice Ownership
- 340B program
- Transition of care opportunities / Star Ratings
- ACO and Risk based contracting strategies
- Management of the total cost of care and patient outcomes (EMR Connectivity)
Throughout the evolution of the specialty pharmacy landscape, the ownership of specialty pharmacies has expanded to include various healthcare ownership verticals.
Vertical Integration

Payor

Aetna
Cigna
Humana
RightSourceRx
OptumRx
WellCare

PBM

Accredo
CuraScript
CVS Caremark
icore
Prime Therapeutics

Provider

Florida Cancer Specialists
Fairview
Mayo Clinic
PREM1ER
Tennessee Oncology

Wholesaler

AmerisourceBergen
US Bioservices
Premier
Cardinal Health
McKesson

Retailer

Kerr Drug
Publix

Independent

Acaria Health
Axium
Biologics
BioPlus
Centric Health Resources
CoramRx

Diplomat Specialty Pharmacy
Onco360
Onco360 Specialty Pharmacy Solutions
Walmart Pharmacy
Walgrens Specialty Pharmacy
Vertical Integration today

- Payor
- PBM
- Provider
- Wholesaler
- Retailer
- Independent
<table>
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<tr>
<th>DESCRIPTION</th>
<th>Specialty Pharmacy services provided as an extension of services within the IDN</th>
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| **CORE SERVICES**                 | Benefit Verification  
Refill Reminders  
Patient Counseling  
Patient Assistance Financial Counseling  
24/7 Service |
| **CLINICAL PROGRAMS**             | Physician and patient focused  
Collaboration with HCP  
Face to face with patient  
HCP Holistic view across multiple therapies  
Personalized Patient Care Management of all (Specialty and non-specialty) medications  
Real-time patient monitoring |
| **MANAGED CARE CONTRACTING / SOURCE OF PATIENTS** | Limited payer contracts, volume is driven by in-patient, out-patient departments and clinics within the health system  
(Hospital employees, University employees, Students, IDN-owned Health Plan) |
| **SYSTEM CAPABILITIES**           | Enhanced clinical management  
Access to HCP EMR system, diagnostics and lab values |
| **KEY ISSUES**                    | Data content is more centered to health systems and is not fully developed to the same level of detail as traditional SP data. |
Over 884 Health Systems Nationally - Source, American Hospital Association

AMA recognized Health Systems – by state
Definitions: Rating the IDN SP

(1) No SP capabilities—possibly outsourced to another company?

(2) Neophyte SP with limited capabilities—pharmacy services just started, 1-2 disease states, in service <1 year

(3) Immature SP but growing capabilities—3-5 disease states, in service at least 1 year, servicing at least their own employees, some data and reporting capabilities

(4) Near standard SP services—6-8 disease states, centralized SP, in service >2 year, good reporting capabilities, 1-2 payer contracts, 1-2 LDD

(5) Mature fully functioning SP—all disease states, centralized SP—likely off-site, all systems in place, multiple payer contracts, multiple LDD (highly unlikely to find one at this level)
Nationwide Health System Specialty Pharmacies have a range of capabilities.

- Low Capabilities: 60%
- Low-Mid: 20%
- Mid: 15%
- Mid-High: 4%
- Complex Capabilities: 1%
Nationwide Health System Specialty Pharmacies have a range of capabilities

* 28 rates based on information gathered

- Low Capabilities: 11%
- Low-Mid: 36%
- Mid: 32%
- Mid-High: 14%
- Complex Capabilities: 4%
Four Approaches to IDN SP Implementation

- **Complete Outsource**
  - (“WGN pharmacy on campus, Diplomat, etc.)

- **Partner**
  - “Front-end/Back End” Partnership (e.g., Diplomat model)

- **Internally Developed**
  - “Start small” and grow (e.g., Wisconsin)

- **Internally Developed**
  - “Big Bang” approach (e.g., Cleveland Clinic)
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<th>Health System SP x</th>
<th>Health System SP y</th>
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<td>• Not accredited yet (application submitted)</td>
<td>• 10+ years in specialty</td>
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<td>• Very small facility—working out of a retail pharmacy</td>
<td>• 100,000 sq. ft. building with all pharmacy services (SP, Inf., LTC, etc.)</td>
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<td>• “Embryonic” in their reporting capabilities</td>
<td>• IT department dedicated to pharmacy</td>
</tr>
<tr>
<td>• Few providers (clinics) in the entire state</td>
<td>• Developed clinical programs 8 years ago</td>
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<td>• Limited medical benefit capabilities</td>
<td>• Comprehensive reimbursement capabilities across medical and pharmacy for all therapeutic categories</td>
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<td>• Deep relationships with nearly all KOL’s</td>
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<td>• Extensive contracting with both pharma and payers</td>
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Patient Centric Therapy Management:
The Role of the IDN Specialty Pharmacist
Specialty Pharmacy Process

- 10+ years in specialty
- 100,000 sq. ft. building with all pharmacy services (SP, Inf., LTC, etc.)
- IT department dedicated to pharmacy
- Developed clinical programs 8 years ago
- Comprehensive reimbursement capabilities across medical and pharmacy for all therapeutic categories
- Deep relationships with nearly all KOL's
- Extensive contracting with both pharma and payers

Referral and Rx Submission → Rx Processing → Pharmacist Check 1

Specialty Therapy Management Application
- Clinical Initial Assessment
- Prior to Therapy Assessment
- Follow-up Assessment
- Recurring Reassessment

Referral Management Application
- Track new referrals from intake, through benefits investigation, prior authorization, patient assistance, and scheduling processes
- Document subordinate processes
- Capture necessary data regarding specialty referral status

PCC

RPh or RN

Rx Filling → Pharmacist Check 2 → Order Shipment
The Pharmacist Role in Specialty Pharmacy

• Legal, regulatory compliance

• Quality assurance and quality management, accreditation

• PV1, PV2

• Interventions with patients, caregivers

• Interventions with HCP

• Development of customized programs for payers, pharma
Role of the Specialty Pharmacist in the IDN

Pharmacist participation in health care team
- Pharmacist may be responsible for/participate in formulary decisions of the P&T Committee
- Collaboration with other disciplines
- May have prescribing privileges under Medical Staff Bylaws
- Transitions of care
- Access to EMR

Relationship with KOL
- Ability to off-load managed care work to pharmacy
- Revenue contribution to MD service line
- Faster TAT on referrals
- Visibility to referral processing, dispensing, patient adherence
- Support clinical research

For IDN
Specialty Pharmacy Value Proposition for MCOs

Ability to off load managed care work from the Managed Care Organization

• Collaborate on Benefits Investigation, Prior Authorizations

• Sub-delegated PA authority

• Eliminate PA in ACO environment
340B IDN Specialty Pharmacy Implications

• ACA expanded the number of 340B eligible institutions

• SP development accelerated in many 340B eligible IDNs

• Wide variability in 340B institutions SP capabilities

• IDN acquisition of physician practices funded by 340B margins

• Manufacturers pressured to allow 340B-based access to LDN products

• Variability in 340B institutions’ willingness to work with manufacturers vis-a-vis SP programs and compliance

• 340B Contracted Pharmacy Use vs. Insourced Solution or Both ?
**Definition:** In the United States, a Group Purchasing Organization (GPO) is an entity that is created to leverage the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of the GPO members.

**Traditional Hospital GPOs**
Vizient (Merger of Novation, University Health System Consortium, VHA, MedAssets)
APEXUS 340B Prime Vendor (Acenturas Specialty Pharmacy Program)
Premier – Hospital-focused GPO acquired CommCare and ACRO Specialty Pharmacies

**IDN affiliated Specialty Pharmacy Cooperatives**
Excelera (SP focused hospital owned cooperative – formed by Fairview, Henry Ford, Marshfield Clinic, Regional Health, Avera Health, Intermountain, CHS, Banner...)

**Infusion and Specialty Pharmacy focused GPOs**
Asembia – Infusion and Specialty Pharmacy programs but no significant presence in IDN space
Managed Healthcare Associates - primarily infusion contracts, no significant presence in IDN space
Health System Specialty Pharmacy Reporting Capabilities

**Specialty Pharmacy Data Sources**
- Dispensing System
- Clinical Management System
- EMR
- Other

**SP Data Warehouse**
- Aggregation Mapping Transformation Reporting

**Reporting Stakeholders**
- Payers
- Manufacturers
- HUB Providers
- Data Aggregators
- Internal Stakeholders
- Dashboards
Questions?

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