

# How to evaluate a third-party pharmacy vendor

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Medication expenses from the pharmacy often represent one of the most expensive line items for a post-acute facility, so they should be evaluated regularly. In fact, significant ongoing cost savings represent just one of a wide range of benefits that may come from regular evaluations of pharmacy vendors. Additional gains could come to quality of care, staff training, operational efficiency and patient communications. Not to be overlooked is disaster response planning, which should always include a review of the pharmacy partner's role.

Ultimately, pharmacies are evaluated on whether they are delivering the right medications, on time, to the right place. A closer look at how each pharmacy does so can help to guide any review.

### **Quality of care**

When evaluating a pharmacy vendor, it's important to ask whether the vendor has the capacity, expertise and technology to have a positive impact on residents' quality of care, reduce the hospital readmission rate and reduce the potential for error.

Medication errors are some of the most frequent pharmacy-related mistakes in medical care. One study reviewing medication errors at community pharmacies found error rates of one per 10,000 prescriptions due to dispensing errors, with dispensing near misses at a rate of two per 10,000. Most errors found in the study, and those that had the greatest potential for harm, came from the transcription stage of the dispensing process.

Clearly the goal is an error rate of zero. So one area of focus should be whether the vendor pharmacy's staffing model promotes accuracy and efficiency. The network of pharmacies at Omnicare<sup>®</sup>, a CVS Health<sup>®</sup> company, utilizes division of labor to ensure orders and medications are checked rigorously. Whether receiving incoming orders, verifying those orders or fulfilling them, each Omnicare pharmacy has a team of pharmacists and technicians that focus on specific tasks and avoid any mistakes that would come from multitasking.

Having the right packaging automation also reduces the opportunity for human error. Automation translates to a high level of accuracy, even while preparing thousands of doses per hour.

Fewer errors limit potential state survey deficiencies. With the right dose of the right medication at the right time for residents, they are also less likely to encounter unnecessary health difficulties or hospital readmission. More time in the appropriate facility is better for the resident's health and better for the facility's business.

### **Disaster response**

Because lives are at stake, pharmacy vendors must have the logistical sophistication and capability to deliver even when natural disasters strike.

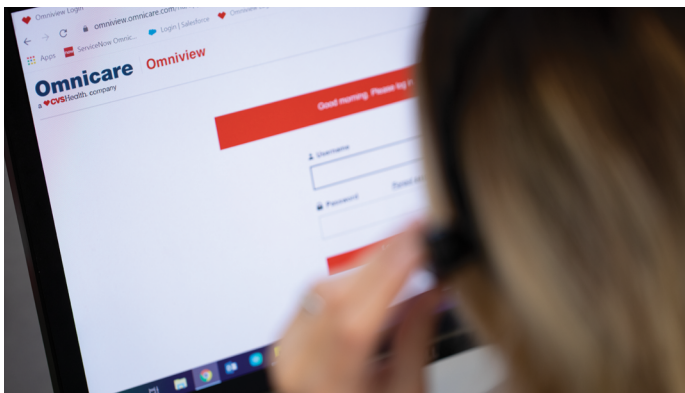
Pharmacies can benefit from a large support system that includes back-up locations to provide support during emergencies. The benefit of a large support system played out in the aftermath of one recent Gulf

Coast hurricane. Unlike a stand-alone pharmacy, Omnicare not only had access to medications from locations in its network that were unaffected by the storm, but also leveraged its robust logistical network of ground transport and even aircraft to deliver medications to post-acute facilities and senior living communities affected by the disaster.

Omnicare has a network of more than 150 pharmacies strategically located across the country. Additionally, Omnicare has access to more than 9,600 CVS<sup>®</sup> retail stores in the United States making it the most expansive long-term care network of pharmacies domestically.

## Education and training

Any evaluation of a pharmacy vendor should consider the level of education and training it provides. Specifically, is this vendor helping with awareness of regulations and instructing on the best ways to work with the pharmacy?



The Omnicare<sup>®</sup> online platform provides training tools on demand

With federal regulations continually evolving, and state regulations varying across the country, pharmacy vendors should be able to help customers and their staff understand and comply with those regulations. And because turnover is high, with a median rate of 50 percent among direct care staff and registered nurses in post-acute facilities, the availability of regular training opportunities on medication reorders, policies and procedures is critical for new nurses.

The delivery methods for this education and training are just as important as simply making them available. Omnicare account managers regularly visit customers for hands-on, in-person trainings. Training tools are also available on demand from its Omniview online platform for customers to use at their own pace.

## Cost control

When a post-acute facility is in first discussions with a hospital about accepting a new resident, there may be uncertainty about the future resident's cost of medications, which can have a significant impact on the facility's business. A pharmacy vendor with the resources and technology to quickly answer those questions can be a valued partner. Among its many capabilities, Omniview can perform an admission screening to examine the list of medications an incoming resident is prescribed, so the facility will have access to this critical piece of information before welcoming the new resident. This will allow the facility to anticipate costs commensurate with their acuity. Omniview's admissions dashboard also indicates from where these medications will originate — an Omnicare pharmacy, a CVS location or the emergency supply kit prepositioned in the building — and when they will arrive, relieving potential problems for clinical staff managing the admission.

Any pharmacy vendor should also be able to offer formulary compliance expertise to save money both for the resident and the facility or community. Omnicare Clinical Intervention Centers (CICs) provide additional reporting on formulary compliance rates, plus detailed cost analysis broken down by prescriber, by medication and other variables, so that cost leaders can be isolated and addressed. The Omniview platform allows customers to pull such information themselves on an *ad hoc* basis.

## Operational efficiency

A pharmacy vendor should ultimately make the post-acute facility or senior living community more efficient in its clinical and business operations. One area in which clinical staff often lose time is in navigating clinical rejections from payers for non-covered medications. Omnicare's CICs work through non-

coverage situations and identify prior authorizations, freeing your staff to focus on clinical care. Where necessary, the Omnicare CIC can manage therapeutic interchanges with the prescriber to identify a medication that will be covered.

Accurate and fast information from the pharmacy on refill orders is also important for staff because of the amount of time nurses use for this task. Omniview gives immediate feedback to indicate when orders have been transmitted successfully, whether the payer approves the refill, and when to expect delivery. Omnicare also offers tie-ins with Electronic Medical Record (EMR) software and a smartphone app to deliver accurate and fast information on refill orders, so nurses do not lose time following up with the pharmacy.

Vendors should offer packaging and delivery options, including traditional punch-cards, multi-dose systems, recurring cycle fills and infusion therapy, to meet the individual needs of each customer.

And because questions may arise outside of normal working hours, vendors should provide 24/7 phone support. Pharmacies that turn their phones off or route calls to after-hours pharmacists at home are not providing the best service to their customers, and, ultimately, residents and their loved ones may become frustrated by a lack of immediate information. Omnicare, with its large network as described above, has the resources to ensure round-the-clock service for both customers and residents.

## Patient communications

For residents and families, it may be difficult to understand the bill from their pharmacy or to access medication information. Their first point of contact may be a nurse or administrator, even though the question is really one for the pharmacy.

Pharmacy vendors should be able to minimize this burden from their customers, through a combination of clear communication and technology. Omnicare offers MyOmniview, a fully secure and confidential online platform with which residents and families can view their medication records, receive electronic invoices and pay their bills online. Its “Ask a Pharmacist” functionality lets residents submit questions about drug interactions, medication side effects, billing or anything else related to their pharmacy needs. Answers come within 24 hours.

Residents and their loved ones who can find this information immediately do not have to wait for a staff member at the facility to become available.

## Summary

Long-term care pharmacies have significant differences, and customers should seek vendors that go beyond simple medication delivery and can truly improve their operation. Reviews of current and potential pharmacy vendors should consider:

- Impact on quality of care
- Cost control benefits
- Education and training
- Disaster response
- Operational efficiency and
- Patient communications

Using these categories to structure the evaluation will help to ensure selection of a pharmacy vendor that, instead of just a provider of goods, can instead become a strategic partner that brings more value to the business over the long term.

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## Sources

- 1 Institute of Medicine, Committee on Identifying and Preventing Medication Errors, Preventing Medication Errors. National Academies Press; 2007:124-25
- 2 Knudsen, Herborg, Mortensen, et al., Preventing medication errors in community pharmacy: frequency and seriousness of medication errors. National Institutes of Health; 2007.
- 3 American Health Care Association 2012 Staffing Report, p2