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Pharmacy Enterprise

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PHARMACY ADVANTAGE

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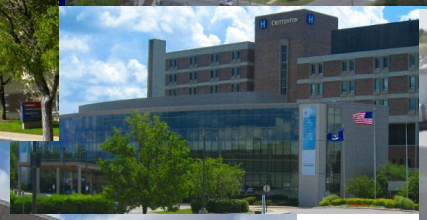

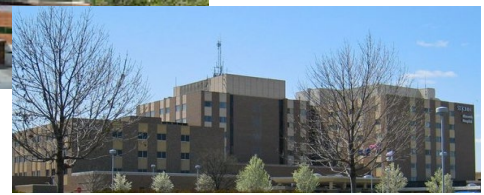

MEDICAL GROUP
INVENIO COMMITTO
1915

HENRY FORD HEALTH + MICHIGAN STATE UNIVERSITY
Health Sciences

Pharmaceuticals in Value-Based Care: Lessons from Integrated Health Systems

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Driving Outcomes through Strategic Pharmacy Leadership & Transformation

Why Now? Our Rx Current Realities

- Continued expansion of health system footprint with disparate operations
- Unsustainable healthcare costs
- Rising burden of chronic disease
- Uneven outcomes despite rising spending
- Value-based care models and alternate reimbursement strategies are accelerating
- Continued expensive and increasingly complex drug pipeline
- Volatile landscape impacting pharmacy supply chain
- Continued legislation intended to reduce drug prices and patient out of pocket expense for medications
- Challenges within the pharmacy workforce
- Rising PBM, payer and drug manufacturer strategies that challenge pharmacy services
- Continued rise in regulatory & compliance requirements for federal, state, and accrediting bodies
- Rising drug shortages

= ↑ operational expenses

= ↑ care gaps & safety risks

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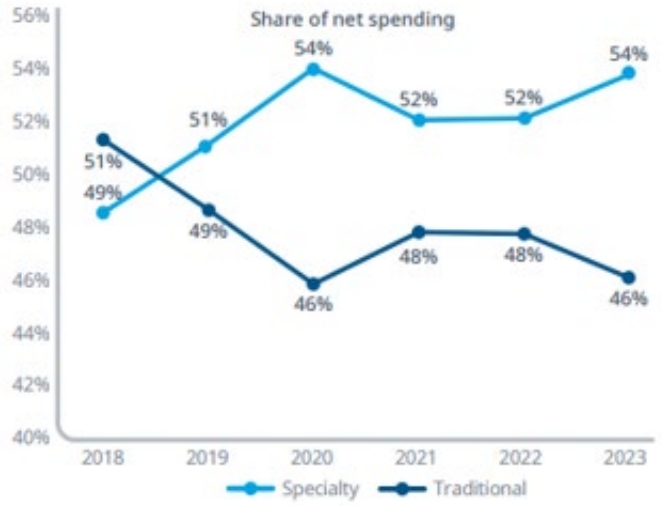
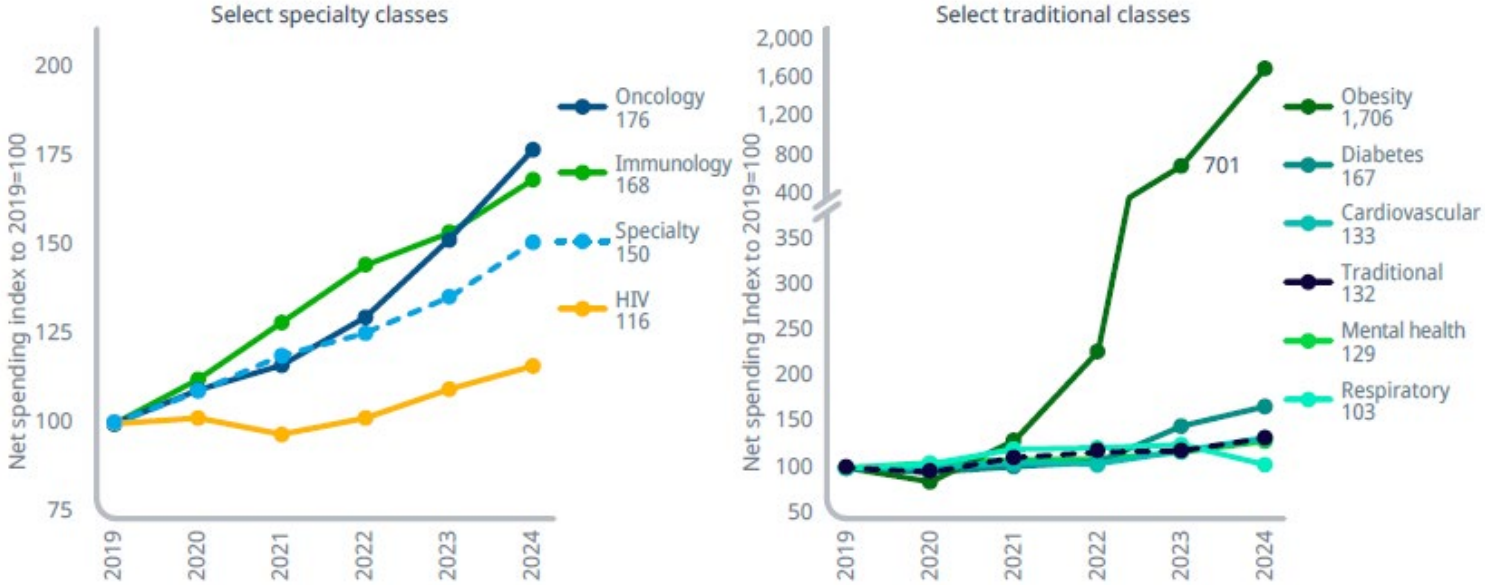


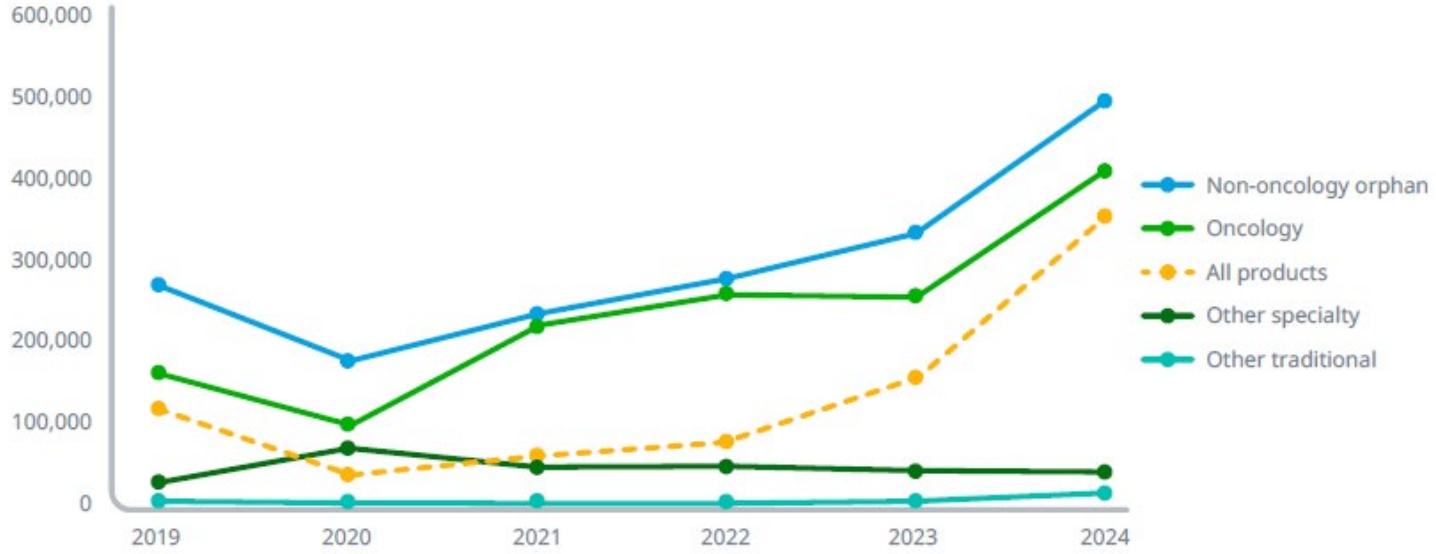
Source: IQVIA Institute, Mar 2024.



Specialty Drug Pipeline

Increased Drug Expenses

Median annual cost at list prices of treatment at launch for brands, 2019–2024, US$



Source: IQVIA National Sales Perspectives, Dec 2024; IQVIA Institute, Mar 2025.

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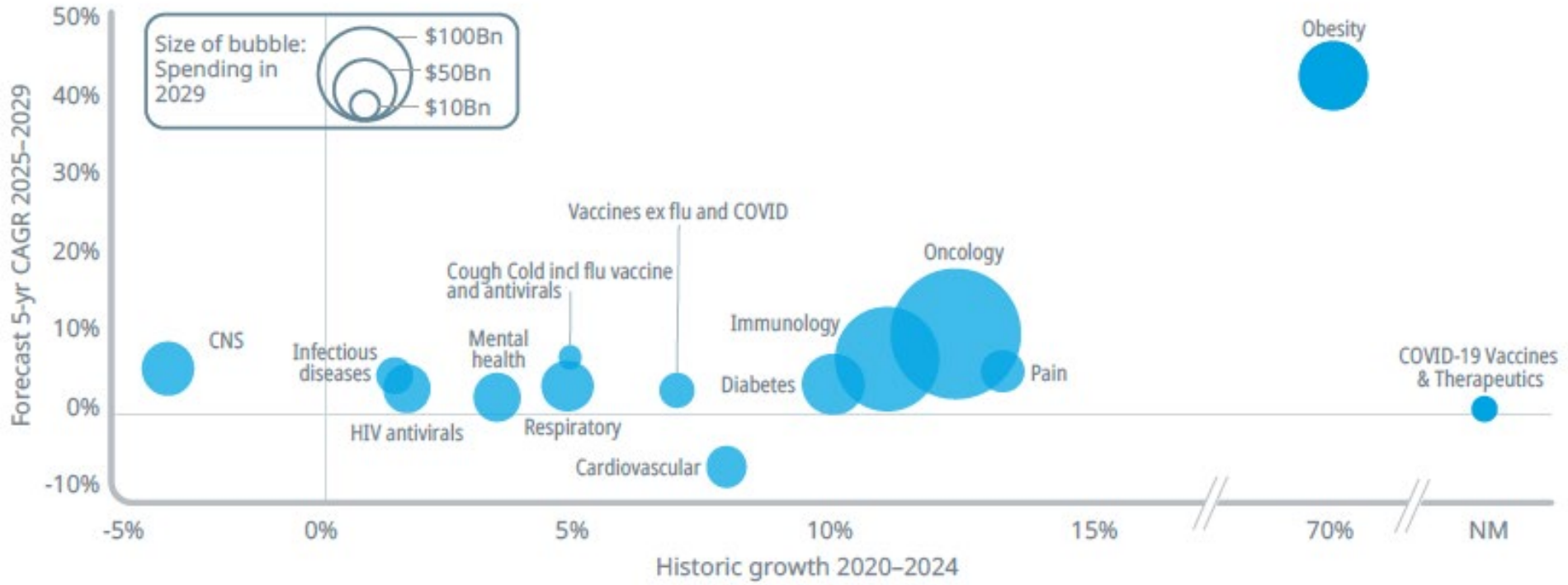
Continued Exponential Growth……



Source: IQVIA Institute, Apr 2025.

Further demands need of integrating pharmacy into VBC!

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Why Not? Our Current Barriers

- Organizational structure
- Misaligned financial incentives across health system portfolio
- Lack of data transparency & analytics infrastructure
- Lack of transparency into VBC agreements & measures
- Operational silos (clinical, financial, pharmacy)
- Readiness of providers and systems
- Competing internal and external interests
- Limited productive engagement with manufacturers and PBMs
- Initial vs. Future models for funding clinical pharmacists
- Technology inoperability challenges
- Lack of resources

Pharmacy within Health-Systems

As the widest-ranging asset in the health-system portfolio, Pharmacy is uniquely positioned to be an **unmatched value generator** for our mission and communities.

Invest in Pharmacy!

First

Cost

- Part of a hospital
- Cost-minimization

Next

Revenue

- Part of a hospital
- Revenue: Outpatient, Mail-Order, & Specialty

Now

Value

- Comprehensive, holistic care
- Outcomes-based profession

Future

Industry

- Zero errors
- High reliability
- Top-of-license practices across care continuum

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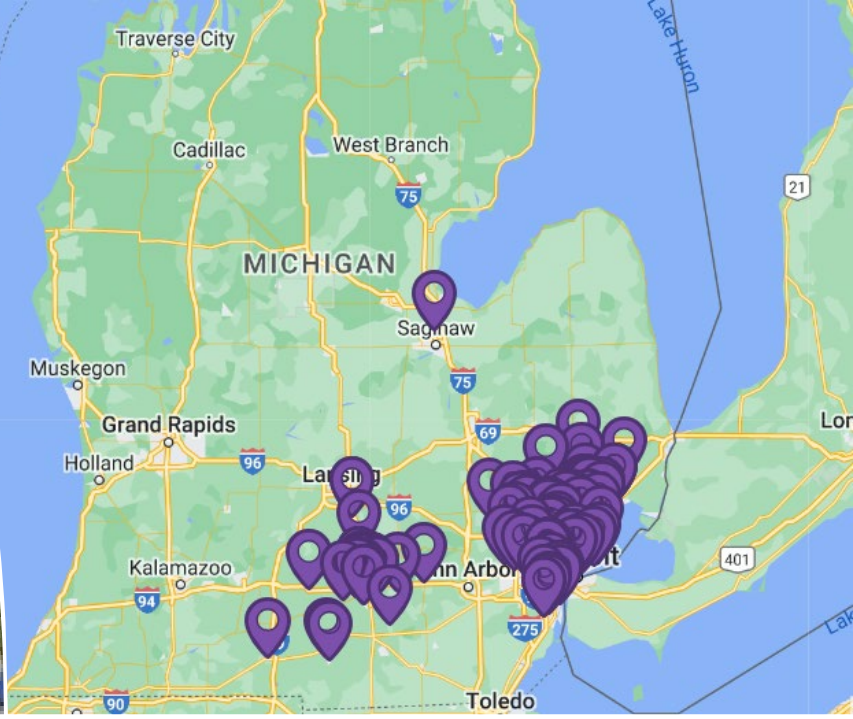
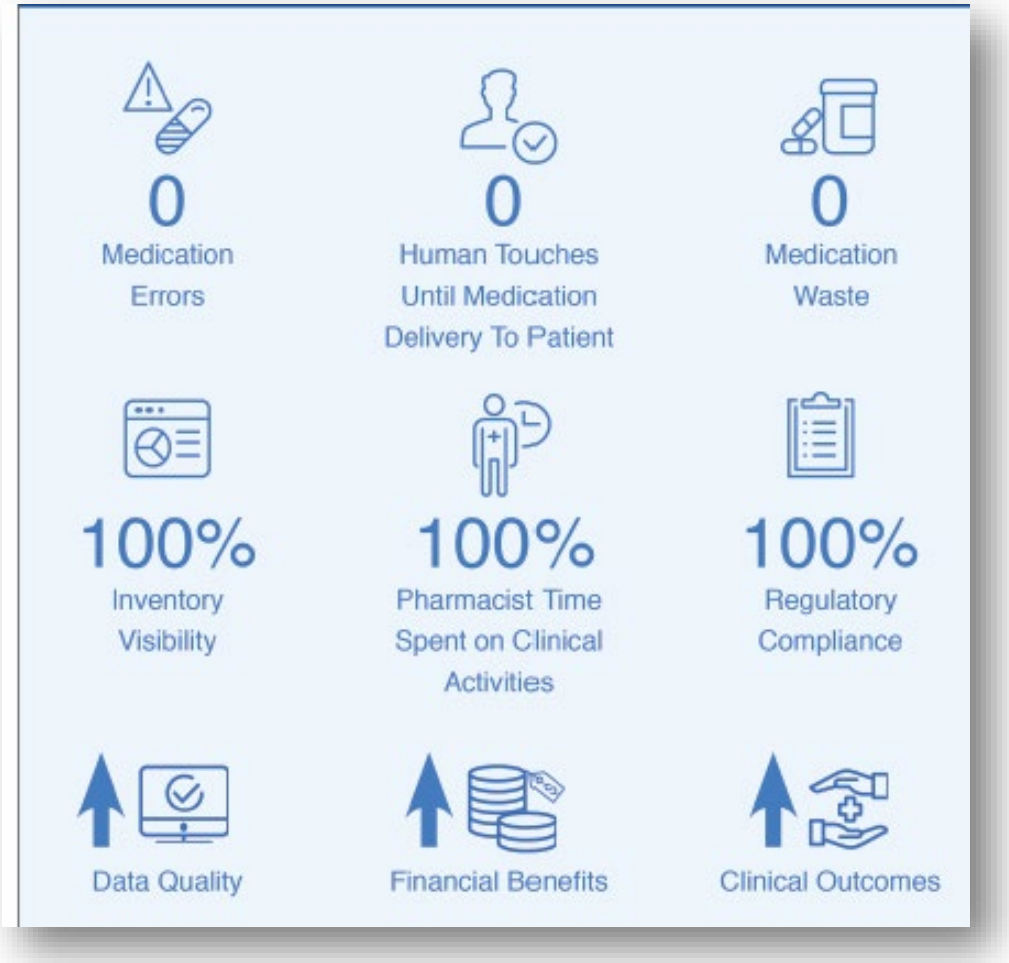
- Located in Southeast & Central Michigan
- 550+ Sites across region
- 13 Acute Care Hospitals
- 3 Behavioral Health Facilities
- 1 Adult Hemophilia Treatment Center
- 80+ Ambulatory Medical Centers
- 43 Outpatient Pharmacies
- 1 Specialty & Mail Order Pharmacy (Pharmacy Advantage)
- 19 Ambulatory Infusion Centers
- 1 Centralized Pharmacy Services Center (CPSC)
- Health Alliance Plan
- 21 OptimEyes Optical Centers
- 15 Greenfield Health Dialysis Centers
- Home Health, Infusion, & Hospice
- Over 6,000 physicians practicing in >50 Specialties (Additional 3,000 residents/fellows)
- 50,000+ team members



HFH High Value Pharmacy Enterprise (HVPE)

- Achieve pharmacy systemness potential related to:
  - Economies of scale/synergy
  - Efficiency (elimination of redundancy)
  - Clarity in roles and accountabilities
  - Shared vision and goals
- Relentless pursuit of value to our patients and our organization
  - Grow revenue in outpatient areas
  - Optimize and reduce expenses
  - Innovate and pursue new business opportunities
  - Eliminate waste and redundancy
  - Maximize "top of license" capabilities
  - Adopt and innovate national best practices



HFH Value & Impact

Our Reach

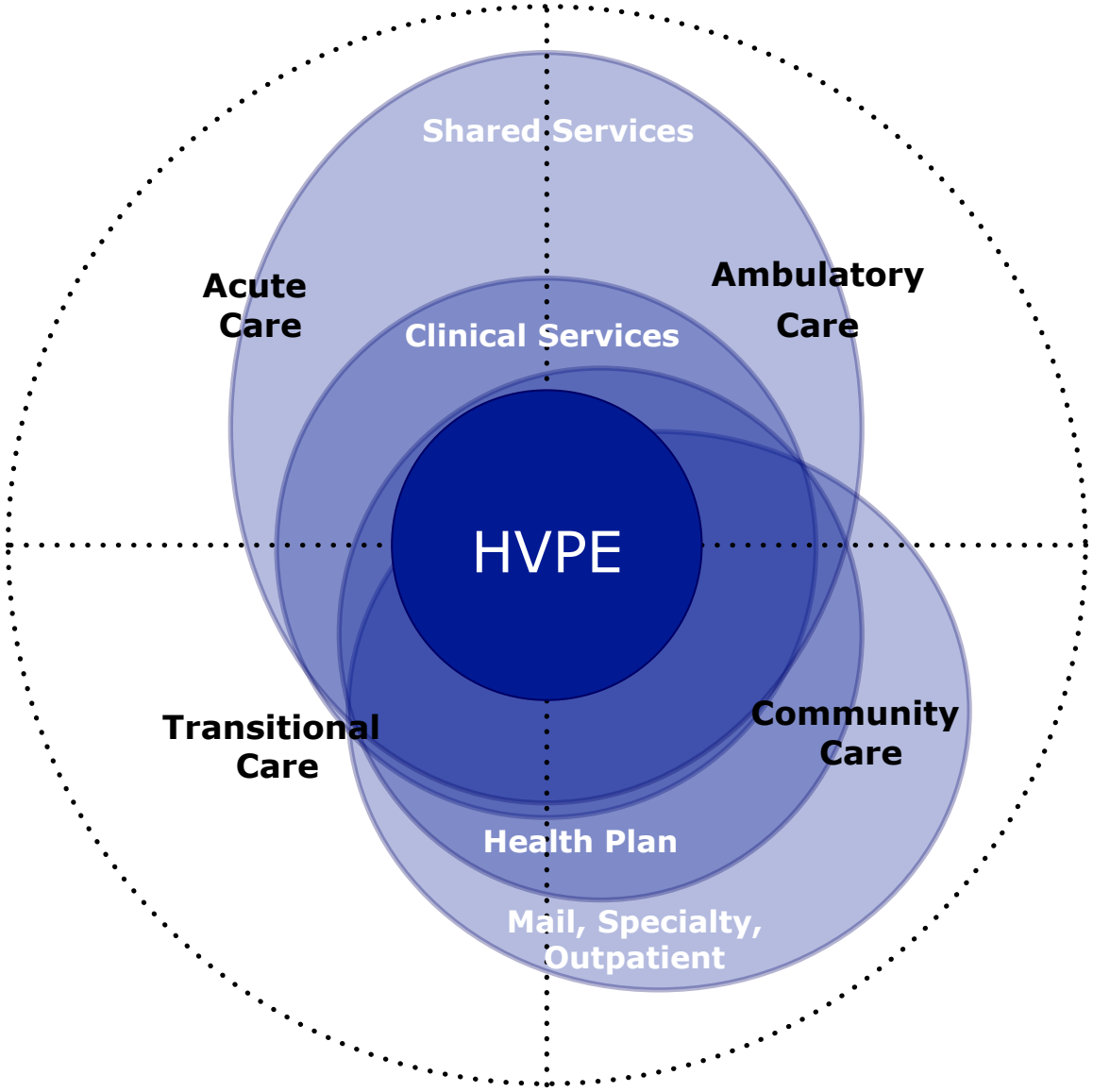
HVPE has the most points of connection across all sites of care, including acute care hospitals, transitional care, clinics, and the community, making us the most wide-ranging asset in HFH's portfolio.

Our Approach

We leverage innovative practice models and technology to increase the quality of care for all patients—both by creating capacity, while focusing on a path to zero errors, and providing more personalized care.

The Result

Henry Ford Health redefined the future of pharmacy by setting new standards for integrated, high-quality, and patient-centered care across the entire continuum.



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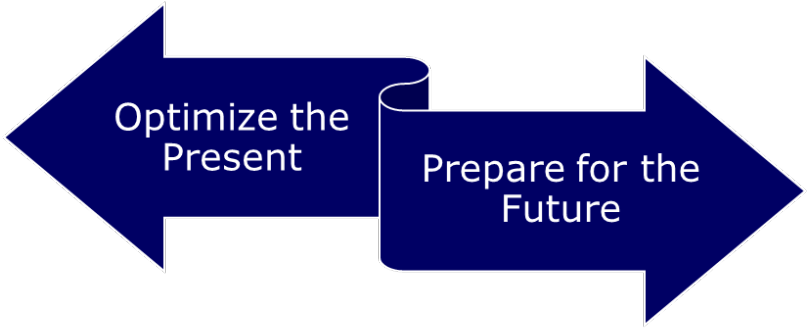
How?



- Established Shared Services within single Pharmacy Enterprise matrix structure.
- Shared Services, allows us to actively integrate, standardize, and centralize pharmacy services across the health system through *high reliability* models.
- The design capitalizes on: efficiency, accountability, transparency, synergy, resource stewardship, and future growth.
- Governance of full medication management across health-system portfolio
- Implemented solutions via our Centralized Pharmacy Services Center (CPSC), *a 1st in industry*, that address all dimensions of pharmaceutical utilization and expense.
- Enables fully integrated *End-to-End Medication Management* – **One ecosystem across care continuum**
- Positions pharmacy as a strategic asset, care partner, and lever within the health system to drive optimal patient outcomes!
  - Hardwires "Value Center" concept
- Facilitates "Pharmacy Front Door" Transformation

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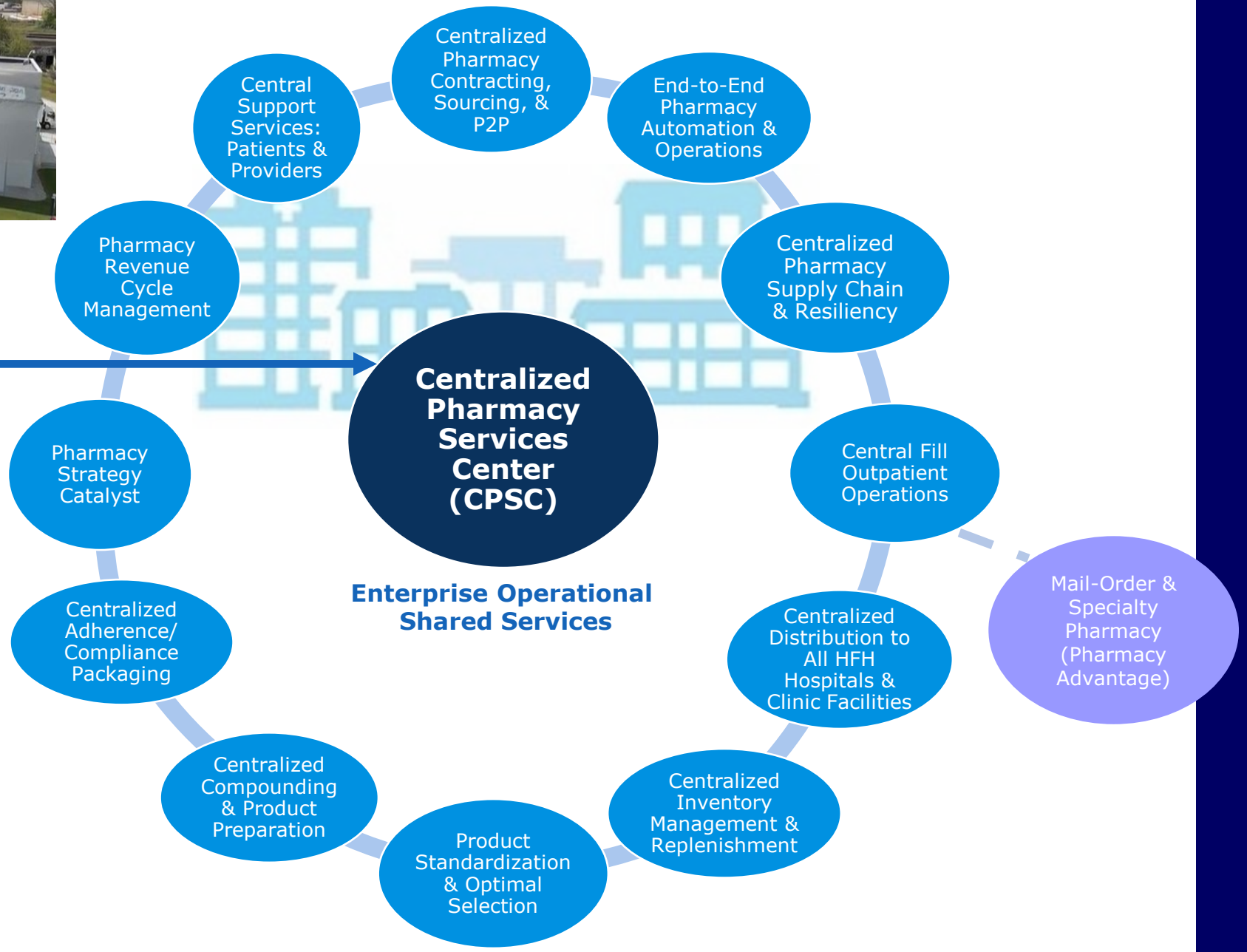
Enterprise Clinical Shared Services

- Analytics & Quality
- Contract Performance Management
- Drug Database & Technology Management
- Drug Use Analysis & Evaluation
- Drug Use Policy Management
- Emerging Therapies Pipeline Management
- Formulary Management – *Single Formulary*
- Health Plan Pharmacy
- Informatics & EHR Optimization
- Investigational Drug Services (IDS)
- Medication Management Committee (i.e. *System P&T*) & Subcommittees
- Medication Safety Program
- Medication Stewardship Programs
- Outcomes Research
- Regulatory Compliance Program
- Residency Program Support – PGY1/PGY2



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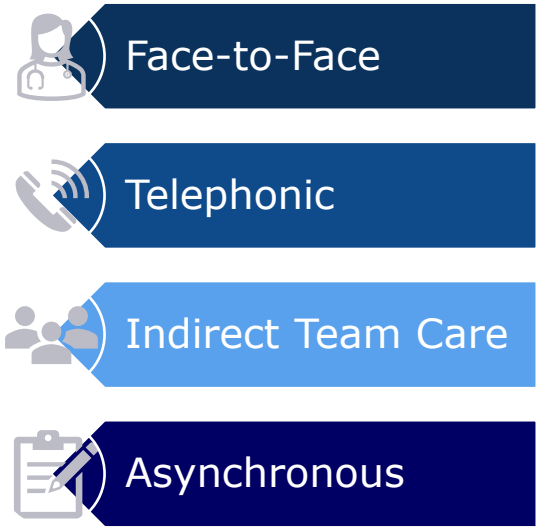
Resource Intensity Matched to Portfolio of Pharmacy Services

- Chronic Disease State Management and Education
- Medication Adherence Outreach
- Medication Affordability and Access
- Medication Management
- Anticoagulation Service
- PGx



43 Outpatient Pharmacies, Mail Order & Specialty Pharmacy, ACPS: significant synergy and support of Pharmacy Pop Health

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PGx: Pharmacogenomics

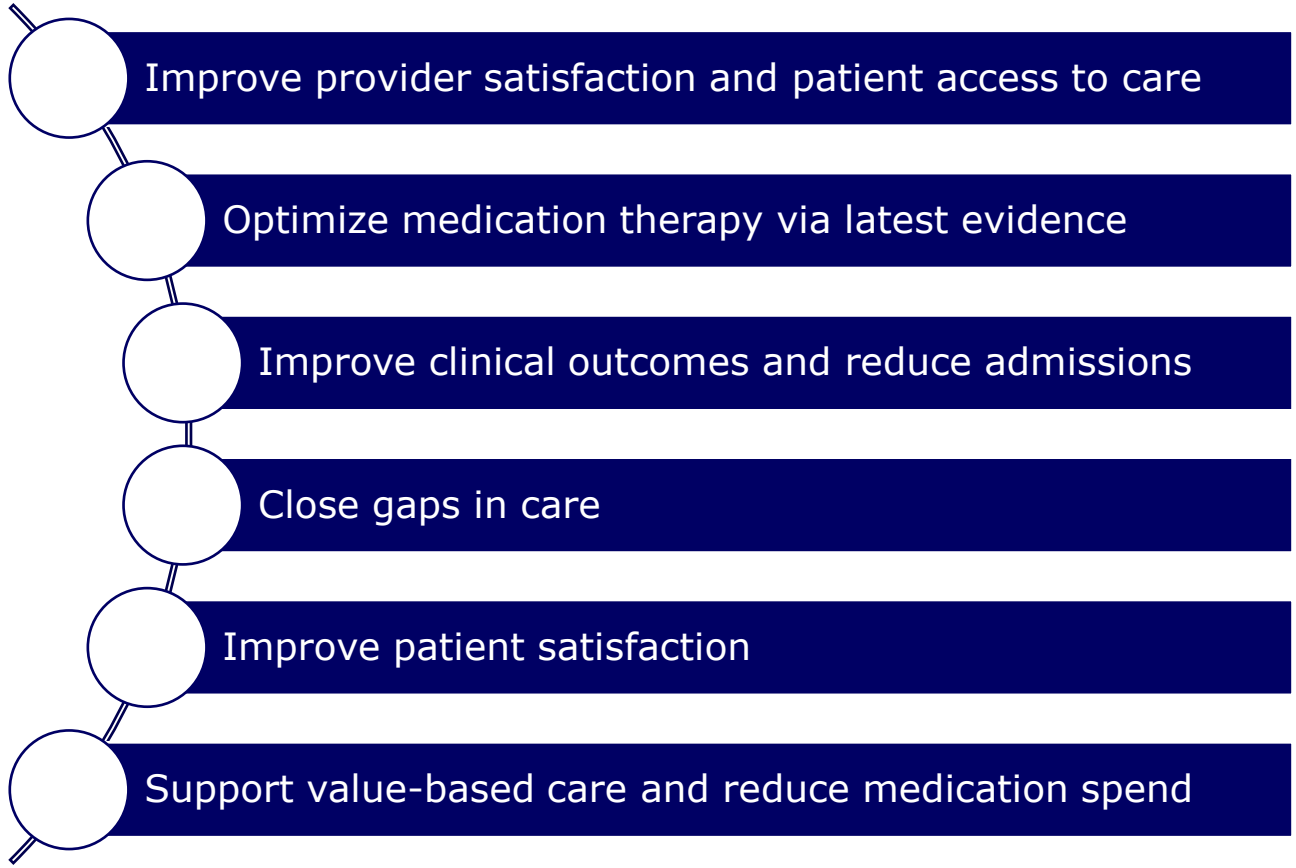
Top of License Practices:
Advanced Pharmacy Practice Providers (APPPs)

Collaborative Practice Agreement + Credentialing and Privileging

Proactive outreach and management of moderate/rising risk and high-risk polychronic patients using data-driven approach

Chronic disease states include
- Diabetes, hypertension, dyslipidemia, COPD, asthma, CHF, CAD, CKD, and obesity

Scope of practice
- Initiate, modify, discontinue medications
- Assess vital signs, perform limited physical and disease risk assessments, screen patients with standardized tools, perform POC testing
- Order and assess labs, place referrals



- Improve % of patients at goal and time to goal
- Increase access to visits by more than 3-fold
- >60% Rx capture
- 20,000 encounters annually
- 36,000 non-med orders placed annually

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2024 High Value Pharmacy Enterprise

A YEAR IN REVIEW

Thirteen
Acute Care Pharmacies

One
Specialty & Mail-Order Pharmacy

Forty-Two
Outpatient Pharmacies

Nineteen
Infusion Centers

Twenty-One
Pharmacist-Embedded Ambulatory Care Clinics

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>450,000
Covered Lives

>3.5 Million
Prescription Claims

CPSC

>300,000
Requisitions

>550
Sites Supported

>95%
Inventory Managed Remotely

2.9%
Decreased Total Drug Spend

$1.4 Billion
Managed in Drug Expenses

100%
Clinically Integrated Pharmacy Supply Chain

2,200
Pharmacy Team Members

>2 Million
Patients partnered with in their journey to wellbeing

14.2 Million
Inpatient Doses Dispensed

3.3 Million
Outpatient Prescriptions Dispensed

Questions?