
SPECIALTY PHARMACY NEWS

News and Strategies for Managing High-Cost Specialty Products

Health Systems Are Looking for Ways To Get Bigger Share of Specialty Market

As specialty pharmaceuticals continue to grow in importance, various industries are looking to get a piece of the pie. Some segments, such as supermarkets (SPN 3/14, p. 1), are a little more outside the pharma universe than others, such as systems of hospitals and academic medical centers. These latter groups are the latest entry into the clinically demanding but financially rewarding specialty drug arena.

UHC is an alliance of 120 academic medical centers that formed in 1984. Last fall it unveiled a plan to launch a specialty pharmacy program “to provide patients with access to the specialty medications they need at the hospitals where they are treated,” said the group in a press release (SPN 9/13, p. 11). It did not respond to a request for comment on the program.

“The UHC specialty pharmacy program will help member hospitals and health systems succeed in an accountable care organization [i.e., ACO] environment in which continuity of care must be available,” said Jake Groenewold, UHC’s senior vice president, supply chain. “A patient’s health care team must coordinate care and services among inpatient settings, outpatient settings, infusion clinics, and pharmacies.”

A UHC-controlled data repository will allow the alliance to “track patient outcomes using its access to medical record data to provide clinical evidence for promoting the best therapeutic regimens.” UHC also will have the ability to identify people who have failed on a therapy and could benefit from newly approved treatments.

“This program provides the foundation for UHC to become the industry leader in reducing the time to initiate therapy, ensuring patient safety, and improving adherence,” Groenewold said. “Patients still get their access to top specialists but will now receive more convenient access to the specialty medications they need.”

Another approach is illustrated by ExceleraRx Corp., which was created last year by Minneapolis-based Fairview Health Services, a health system. Excelera is a network of specialty pharmacies among its members, which are integrated delivery networks and academic medical centers.

Fairview’s experience in the specialty space goes back to the 1990s. “We created Fairview Specialty Pharmacy in 1998 in response to the unmet needs of transplant patients from the University of Minnesota program,” explains Kari Amundson, director of specialty pharmacy services at Fairview Pharmacy Services LLC. The goal for the specialty pharmacy “was to manage drug therapy in an effort to improve outcomes and patient care. This was accomplished by learning about the needs of these complex patients, designing a program to meet these needs and, as part of implementing that program, becoming part of the transplant team.”

The program was successful, Amundson says, so Fairview expanded it to other therapeutic conditions, applying what it had learned with transplant patients and thus helping it grow into the “comprehensive specialty pharmacy program” it is today. However, she says, although “patients, payers and manufacturers recognize the value we provide,...some manufacturers tell us for targeted therapies, niche products and, more recently, therapies that treat broader populations, it is too resource intense to have specialty pharmacies our size in a limited distribution network.”

“We believe our model is the right one to best meet the needs of complex patients, so rather than trying to become large enough to get access to these products, we set out to create a network of integrated delivery network and academic health center-owned specialty pharmacies [that] would set standards for membership, collect and aggregate member data, and provide an efficient single point of contact for manufacturers to access the quality services these specialty pharmacies provide.”

Goal Is to Provide Comprehensive Care

Fairview found “other like-minded systems that had created specialty pharmacy programs and also embraced this model,” she explains. Excelera received initial funding in December, and today, in addition to Fairview, the members/owners consist of Catholic Health Initiatives, Intermountain Healthcare, Henry Ford Health System, Marshfield Clinic, Avera Health and Regional Health. And Amundson says the network is “in active discussions with several large academic health centers and integrated delivery network owned specialty pharmacies regarding membership.

Plans are to grow to a size that is relevant to manufacturers to gain access to limited-distribution products and exchange information within the members to continually raise the bar on quality the network provides. “Care is fragmented when we don’t have access to limited-distribution products and we see the suboptimal results,” says Amundson. “Providers do not know if orders that are written for specialty products are actually filled or if patients stay on therapy. In some cases, academic health centers participate in the research and development of a new product, yet at launch the academic health center is not able to continue to monitor the patient’s therapy because product access is restricted.”

Excelera, Kus tells SPN, “will provide a national footprint that will possibly allow its members — including Pharmacy Advantage — the ability to gain access to a larger limited-distribution drug network, especially new therapies in the FDA pipeline, that we otherwise would not have the opportunity” to distribute.

According to Amundson, Excelera is “currently finalizing our first contract for two limited-distribution specialty products, one of which currently has three specialty pharmacies in network. We are also in discussion with manufacturers for network access for other limited distribution products, as well as providing access for Excelera members when current open-distribution drugs become limited.”

So should other specialty pharmacies be concerned about competition with these entities? “Absolutely they should be concerned,” says Bill Sullivan, Founder & Principal Consultant with Specialty Pharmacy Solutions LLC. “Any time a new competitor enters your market is cause for concern.” Competition, though, says Amundson, “is always good — it improves quality and decreases costs.”

According to Sullivan, compared with supermarkets taking a piece of the specialty pie, “in the case of hospital systems, the competitive threat is significantly greater since the system controls the physicians who decide where to send prescriptions. The ACOs being formed by these larger systems could quickly change the current market balance. Specialty pharmacies need to form alliances with ACOs to ensure that they can remain in the game for those patients. Not all ACOs will have the time/energy to develop specialty pharmacies on their own and are likely to form joint ventures as a next best option.”

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