

# CASE STUDY

## THE HIGH-PERFORMING PHARMACY

Brought To You By Visante

*“UCSF thinks about Pharmacy from an advantage perspective, which is why we decided to invest now with a long-term strategy approach. The business of pharmacy is a value buy and a great investment for us.”*

**Sheila Antrum**

Chief Operating Officer;  
Senior Vice President  
~ UCSF Health

### \$80 MILLION IMPACT TO BOTTOM LINE

The University of California at San Francisco (UCSF) reviewed all aspects of pharmacy operations to uncover long-term value drivers. This hospital, ranked among the best hospitals by U.S. News, didn't hesitate to transform when needed. Transformation required change, and change meant confronting challenges to provide the best outcomes for patients, specifically involving their pharmaceutical needs.

Leaders at UCSF believed that evolving the practice of pharmacy through management, optimization, business principles, and a radical redesign would result in a best-in-class pharmacy, giving them an unparalleled competitive advantage among health systems.

Achieving the gold standard in pharmacy involved generating new revenue streams, eliminating inefficiencies, and contributing to excellence in patient experience. Moving forward, leaders specifically referred to the word radical to remind them to implement change in an unconventional and sweeping manner to elevate its pharmacy enterprise.

### CHALLENGE

UCSF wasn't immune to the cost and efficiency challenges found in many pharmacy operations. A one-size-fits-all solution would not work at an institution with more than 20 locations throughout San Francisco and beyond. UCSF is an industry of its own, contributing to the intellectual rigor and economic vitality of San Francisco.

The extensive offerings of UCSF's therapeutics — medications, medical devices, and diagnostic tests reside across multiple specialty areas. Organizationally, the pharmacy structure needed to support and compliment the overall care delivery and complex patient populations served by UCSF.

UCSF leaders knew they had to question old processes and assumptions and exhaustively examine pharmacy positions and operations. At the time, job vacancies and standardizations needed focus to keep pace with UCSF's new acquisitions and innovations. Drug pricing strategies and overall cost management needed assessment. And ambulatory staff required increased pharmacy support.

The pharmacy enterprise had devolved into an undervalued and underutilized asset. This status was not the norm for the over-achieving UCSF global enterprise.

### DECISION & APPROACH

UCSF's response was to lead and provide solutions. As a result, they initiated an intensive planning effort to transform pharmacy operations to add value to care delivery and to improve financial contribution to the organization. The pharmacy value improvement initiative involved assessing organizational structure, operations, financial stability, compliance, and safety across all points in the organization.

The first move involved UCSF establishing a multidisciplinary steering committee to provide project oversight. The team members represented hospital senior leadership, finance, nursing, informatics, legal, compliance, and value improvement.

The committee decided that this wasn't a minor redesign in one P&L center. This organizational change required big thinking and an outside perspective. The committee selected Visante to support UCSF in

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*“The statements of work focused on righting the ship. There was also a financial component to this project. Our target was to produce, at a minimum, a 10:1 return on investment.”*

**James Jorgenson**

Chief Operating Officer

~ Visante, Inc.

## UCSF Pharmacy Improvement Initiatives

- 1 Interim Leadership
- 2 Leadership Recruitment
- 3 Owens Central Service Center
- 4 Prior Authorization/Refill Center
- 5 Regulatory Compliance
- 6 340B Program Optimization
- 7 Specialty Pharmacy
- 8 Business Operations
- 9 Pharmacy Informatics
- 10 Patient Medication Assistance
- 11 Infusion & Sterile Compounding
- 12 Contingency Programs

this initiative. This consulting company in addition to a national profile and deep pharmacy expertise had a history of several successful pharmacy projects with UCSF. The committee engaged Visante because they had demonstrated their capabilities time and again by moving to quickly identify and solve issues. Trust and results were the deciding factors in turning to Visante to help transform UCSF healthcare through pharmacy.

“Visante is known to accelerate the business of pharmacy and provide a sustainable proposition. This is a partnership like no other, and is an integral part of UCSF in many ways,” said Sheila Antrum, Chief Operating Officer; Senior Vice President, UCSF Health.

Visante delivered 12 statements of work that detailed the rationale and approach to achieve UCSF’s strategic imperatives on pharmacy. Before developing these improvement initiatives, Visante conducted a comprehensive program assessment and gap analysis. Following the assessment, Visante defined a budget and created scorecards to track outcomes and financial performance, which the steering committee monitored monthly.

The decision on the statements of work reinforced the following four themes with clear deliverables:

### FORTIFYING THE ORGANIZATIONAL STRUCTURE

Visante immediately put interim leadership in place to move on urgent projects quickly, while assessing staffing requirements and developing processes. The team at Visante worked alongside UCSF executives to help recruit, coach, and develop staff in pharmacy leadership and operations.

“People are the biggest assets and we will invest in our team,” said Sheila Antrum, Chief Operating Officer; Senior Vice President, UCSF Health.

Having a detailed understanding of the culture at UCSF and the specific skills necessary for success, Visante tapped into its vast network of hospital and health system pharmacy contacts to hire a new UCSF pharmacy leadership team. The investment in personnel covered every level of the new organizational chart. The new structure emphasized culture, patient care, efficient performance, and financial accountability.

### CONCENTRATING ON COMPLIANCE

Visante experts assessed, addressed, and prioritized medication-related compliance activities. From clinic licensure to controlled substance diversion assessment, the Visante approach complemented UCSF’s well-developed system compliance team to tighten compliance around medication use even tighter.

Visante also provided program management and analyst support for the UCSF 340B program which delivered insight on evolving regulations and guidance on implementing needed processes, ensuring transparency, compliance and optimization of program financial performance.

For infusion and sterile compounding, the Visante team prepared UCSF for compliance with USP Chapters 795, 797, 800, and 825. Visante assisted the staff with preparing for inspections by the CMS, CA Board of Pharmacy, DEA, and Joint Commission.

The Visante team also support the physical and operational upgrade of the UCSF Pharmacy Central Service Center (CPSC) to achieve licensure by the CA State Board of Pharmacy as a central hospital packaging operation allowing the center to operate as a true CPSC for the system.

### APPLYING BUSINESS RIGOR TO PHARMACY OPERATIONS

Pharmacy informatics played a crucial role for Visante to strengthen existing practices and expand growth areas that could produce higher returns on investments. Visante provided a team of Epic certified programmers to address multiple informatics projects that were behind schedule.

Specialty pharmacy represented a very significant business opportunity and Visante worked with UCSF to improved discharge Rx capture rates and expand the specialty program service as well as attain URAC accreditation.

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*“Our new structure involves a compliance oversight committee a multidisciplinary group, which is co-chaired by our medication safety officer and chief compliance officer.”*

**Desi Kotis**

Chief Pharmacy Executive,  
UCSF Health; Associate Dean,  
UCSF School of Pharmacy

*“At the end of 12 months, I’m happy to report that all of the CPSC initiatives have been successfully completed. It is now a fully functioning central hospital pharmacy packaging operation licensed appropriately. Shortly thereafter, UCSF had a surprised inspection by the State Board of Pharmacy and UCSF passed with flying colors.”*

**James Jorgenson**

Chief Operating Officer  
~ Visante, Inc.

Visante oversaw a new drug pricing scheme, reviewed drug utilization and purchasing strategies and revenue cycle strategies, and optimized dispensing cabinet inventory. These multiple initiatives resulted in a net margin enhancement of \$38 million.

With sterile compounding, business decisions included acquiring community-based oncology infusion practices to create a network of sites around the Bay area. To support these new operations Visante worked to establish a contract with a local 503A pharmacy operation that could centrally fill and transport the drugs to the community sites.

“Working with Visante was a true partnership. We experienced big growth in our specialty pharmacy. Uncovered inventory and supply chain opportunities. We overcame hurdles in 340B to where the performance is now extremely strong. Throughout this initiative, the focus was always on our patients and our staff,” said Desi Kotis, Chief Pharmacy Executive, UCSF Health; Associate Dean UCSF School of Pharmacy.

## PUTTING PATIENTS FIRST

One of the most patient-oriented needs that pharmacy can address is eliminating wait times for authorizations and refills. Visante dove deeper into timing concerns by interviewing each clinic to understand their unique needs. The team then created a plan to centralize functions by using pharmacy technicians and pharmacists working under a set protocol for refill management.

“Physicians were spending too much time with the management of refilling prescriptions, detracting from seeing patients. It was a big dissatisfier and an inefficient process for patients. Our plan involved transitioning that process from physicians to pharmacy, emphasizing the philosophy that medical professionals should be practicing at the top of their license,” said James Jorgenson, CEO Visante, Inc.

UCSF is steadfast in the philosophy that no patient should go without needed medications regardless of their financial condition. To ensure this promise, a new program with a dedicated full-time medication assistance specialist was implemented and integrated with the UCSF Community Benefit Program.

## RESULTS

This multi-year plan sets a trajectory to drive transformation while managing costs and increasing revenue. The initiatives involved intentional disruption in rethinking where and how UCSF operated all its pharmacy areas. The bottom line, the collaboration between UCSF and Visante built a more vital pharmacy platform by redesigning the organizational structure and instilling strong quality and value initiatives to guide the new team.

The enhanced interdisciplinary pharmacy support and interactions established financial performance exceeding targets with a 30:1 return on investment with Visante’s engagement and approach.

Specifically, at the conclusion of the initial 12-month engagement, the improvements to the University Medical Center’s net operating margin from pharmacy operations exceeded \$80 million and the organization improved service delivery, safety and compliance around medication use.

## CONCLUSION

The multidisciplinary steering committee accepted responsibility for the economic risk of innovation and improved operations. The pragmatic risk-taking approach demonstrated that transformation happens with a patient-centered mindset and a business within a business philosophy.

Throughout the entire implementation process, the team never lost sight that the business of pharmacy must extend across the entire continuum of care. Visante remained nimble to remove any roadblocks to implement the twelve statements of work. They proved that it is possible to overhaul a critical health system service area completely while providing seamless patient care.



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- Drug Compounding Excellence

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