# CASE STUDY

# Decatur County Memorial Hospital: Partnering for Rural Healthcare Excellence



Memorial Hospital

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Rex McKinney, FACHE President and Chief **Executive Officer** ~ Decatur County Memorial Hospital

### Kristol Hadler, RN **Director of Outpatient Services**

Josh Pike, PharmD Director of Pharmacy

### MAINTAINING A CENTURY OF INDEPENDENCE AND QUALITY CARE

Located in Greensburg, Indiana, Decatur County Memorial Hospital (DCMH) opened its doors in 1922. More than 100 years later, the hospital's core values remain unchanged: community, compassion, integrity, and quality.

Today, DCMH serves a region of over 50,000, offering traditional services such as emergency care, primary care, and rehabilitation therapy. It also provides a range of specialties, including cancer care and infusion services, advanced wound care, neurology, pulmonology, rheumatology, cardiology, urology, and more. The hospital, its providers, and patients are supported by both their inpatient pharmacy and a hospital-owned retail pharmacy.

"We're a small, independent critical access hospital in a rural setting," says Rex McKinney, FACHE, president and CEO of DCMH. "Our intent is to maintain that independence while continuing to deliver high-quality, sustainable care."

Kristol Hadler, RN, director of outpatient services and a 20-year veteran of DCMH, says this mission is essential for the people who live and work in the county. "We strive to keep high-quality care close to home, giving our community access to the same advanced services they'd find in a big city, without leaving their own community."

That's what DCMH has done since the beginning. The challenge, according to McKinney, is that resources can be limited in their rural environment.

## CHALLENGE: NAVIGATING RESOURCE CONSTRAINTS AND RISING DRUG COSTS

McKinney came to DCMH with more than 30 years of experience working for large healthcare systems, both in administration and as a respiratory therapist. "Larger organizations have a lot of resources to support both the clinical and business sides of healthcare," he explains. "Our team has very strong clinical pharmacy capabilities, but there were resource gaps in managing the business and regulatory aspects of the pharmacy."

This led to several challenges.



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President and Chief Executive Officer

~ Decatur County Memorial Hospital Drug costs were escalating by 15 percent or more annually, making them unsustainable for both the pharmacy and its patients. The escalating drug expenses added risks to the organization. While the federal 340B Drug Pricing Program provides eligible hospitals, such as DCMH, with access to outpatient medications at reduced prices, managing this program has become increasingly complex. "Navigating pharmacy regulations and 340B compliance requires specialized knowledge," McKinney says. Additionally, recent program changes have reduced the hospital's financial benefit by half. "It's critical to manage the entire pharmacy program effectively and implement strategies for compliance to get the most value out of the program as we can."

"We didn't have access to the kind of comprehensive healthcare skill set we needed to overcome these challenges in our rural community," says McKinney. That's when he began looking for a partner who could provide the scale of resources available to larger health systems.

DCMH ultimately chose CPS Solutions, LLC (CPS), one of the country's largest providers of pharmacy and hospital solutions.

# SOLUTION: BRIDGING THE GAP WITH ONSITE EXPERTISE AND NATIONWIDE RESOURCES

What really set CPS apart for McKinney was their strong reputation among his peers and their degree of expertise. "We really liked the company's team-based approach and the way they tailored their solutions specifically to DCMH's objectives." This strategy includes a local care model, which brings personnel and experience on site.

CPS hired a seasoned pharmacy leader, Josh Pike, PharmD, from the area to serve as the hospital's director of pharmacy. With his expertise, Pike aimed to help manage the business side of DCMH's pharmacy on a day-to-day basis.

"While Josh is technically a CPS employee, we think of him as one of us. He has enabled our pharmacy team and providers to enhance care and add value to the organization," says McKinney. Hadler agrees. "Josh is not just part of our leadership team at the hospital. He lives in our community, so he's emotionally connected to our town and committed to the people."

With Pike on staff, CPS' subject matter experts initiated a series of in-depth assessments to benchmark performance and regulatory compliance through the CPS Optimizer® pharmacy management platform. These initial assessments helped identify strategies and initiatives for continuous improvement, and staff now conduct regular reviews to monitor their progress against pharmacy objectives. "With the data from these assessments all on CPS Optimizer, I can monitor financial trends and track the status of active improvement initiatives," says Pike. This real-time insight allows the pharmacy leadership team to make well-informed decisions about adjusting programs or implementing new strategies as needed.

"The hospital pharmacy expertise Josh brings to the role is backed by an incredible support structure at CPS," McKinney says. "Together, they help us manage analytics around all the clinical, business, financial, and regulatory aspects. It keeps us on track and helps us know we are delivering great quality care while also responsibly managing costs."

Pike adds, "For me, pharmacy management is about more than operational improvements; it's about ensuring those improvements benefit and support the community we serve."



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# RESULT: DELIVERING MEASURABLE RESULTS FOR THE COMMUNITY

"The outcomes have been significant," says McKinney.

By partnering with CPS, DCMH reduced their double-digit annual drug cost increases by nearly 50 percent, placing their overall drug spend well below the national average. This is due in part to implementing a system to manage the 340B program more efficiently, which helped improve regulatory compliance and expand the hospital's reach to give the community more affordable medication options. "It's one of the programs that helps us remain sustainable while continuing to provide high-quality care for our community for years to come," says Pike. McKinney notes that having a dedicated CPS staff member on site collaborating with the outstanding clinical pharmacy team is incredibly beneficial, especially knowing more changes are coming.

Overall, the pharmacy's 340B initiatives have boosted the program's financial impact by over 35 percent in just one year. One example includes switching to lower-cost biosimilars for infusion therapy without compromising outcomes. "Every decision is made with both clinical quality and patient affordability in mind," says Hadler.

In another case, Pike worked with a DCMH clinical pharmacist to establish a wound care collaborative. "Our outstanding clinical pharmacist recommends therapies for patients and then monitors labs, antibiotics used, and results," he explains. "We then explore formulary best practices with wound care doctors to develop protocols that provide the best patient care while also keeping costs low."

These initiatives have also helped DCMH increase its regulatory and safety assessment scores by more than 50 percent, substantially lowering its risk profile. As a fast-moving industry, the pharmacy also relies on CPS expertise to stay ahead. "Whenever changes are on the horizon," says Pike, "CPS specialists do all the research and share about it in real time, so I always have resources to look into for more information and guidance."

McKinney's primary goal in choosing a partner was to add efficiency to the business side of pharmacy services, and he says CPS brings a lot to the table from a clinical perspective as well. This includes a number of educational modules that help deepen the pharmacy staff's knowledge further.

In addition to cost savings, DCMH's providers are very satisfied with the pharmacy's role in helping them deliver outstanding care to every patient. "My collaboration with Josh has been great," says Hadler. "He does an excellent job of staying up to date and helping us stay informed, which is one of the keys to being successful."

Looking ahead, DCMH and CPS have identified future savings opportunities, including working with the revenue cycle team to simplify billing processes for greater accuracy and improved medication revenue cycle management.

"So many hospitals like ours around the country are at risk today. We're thankful that DCMH is not," McKinney added. "We've worked hard to retain our independence and deliver the high-quality care our community deserves, and CPS has been a great partner in helping us be able to continue doing that."

### **RESULTS AT-A-GLANCE**

- Minimized annual increase in drug costs to less than 10 percent.
- Expanded 340B program reach and access to affordable medication.
- Increased the 340B program's financial impact by over 35 percent in just one year.
- Improved regulatory and safety assessment scores by over 50 percent.





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