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5 steps to better data insights

Hospital pharmacists need to check intuition with data

Data is everywhere. Data drives the news and entertainment content we see; it guides product development and marketing — and increasingly, data is being used to improve healthcare quality and safety.

As hospitals and health systems face performance-based reimbursement, diminishing resources and rising prescription drug costs, pharmacy departments (directors, clinical managers, buyers and analysts) are leveraging data and analytics to develop and implement action plans designed to reduce costs, help maintain a healthy bottom line and support quality patient care. View our [blog](#) for more information on leveraging data for your hospital pharmacy.



Validating instinct

In the past, experienced pharmacy staff have relied on institutional knowledge and instinct to meet the demands of patient care. As patient care becomes more complex, instinct alone is not enough. Biosimilar drugs, specialty drugs and customized treatment options offer the potential of better patient outcomes, but also come with an increased cost. Data-driven decisions are helping pharmacists to decide among the many complex treatment choices available today while being fiscally responsible.

Today, hospital pharmacists have multiple data sources to track inventory, monitor utilization trends and evaluate **drug spend** to reflect the health system's strategic priorities. However, not all health systems have the analytics resources to sift through the data to get a clear picture. We encourage pharmacists to work with their **pharmaceutical distributor** to leverage reporting and analysis capabilities to validate their valuable experience and instinct with facts and meaningful drug spend and utilization insights. For example, pharmacy staff can use **spend** and **utilization analytics** to:

1. Look at an analysis of biosimilar products in the outpatient setting to understand cost versus reimbursement (margin) for each. This enables hospitals to make determinations on formulary.
2. Compare cost among several hospital locations within a system to determine variations in care. This enables systems to promote standards of care based on cost and length of stay.
3. Analyze the use of a particular medication in a diagnosis or treatment and understand how that affects other medication use for the diagnosis, as well as cost and length of stay.
4. Review wastage data to evaluate medications that are not being used before they pass their expiration date. This data can help pharmacists conclude whether the item is not being used due to a different medication that has better results, whether it has been replaced with a combination medication, if there is more inventory than needed to treat patients, as well as a variety of other causes. An analysis of wastage data may also indicate the need for a change in policies and procedures in order to avoid waste.
5. Evaluate pharmacy automation data to determine the locations in the hospital where a specific drug is used the most often, spikes in usage patterns, stock-outs, and any unanticipated decreases in usage.



Actionable intelligence

Leveraging drug spend and utilization data, hospital pharmacists can discover trends and variances in utilization or spend that help maintain appropriate usage. For example, when drugs with price increases are identified, this may show justification for assessing alternative treatments or restricting usage for certain diagnosis or disease states. As a result, clinical pharmacists may want to work with buyers to look for alternatives to be able to provide the same level of care but at a lower cost. In other cases, the most expensive drug may provide the best outcomes or lower length of stay, justifying its ongoing use.

It is not enough simply to gather data without insight. Providing robust data and sophisticated analytics, **McKesson experts** help health systems lower drug spend and improve efficiency so the team has more time to focus on medication safety and patient care.

For more information on McKesson's Utilization Analytics tool, view our **lookbook** or visit our **website**.

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