



The poster features the text "San Diego" in large, multi-colored letters. A blue banner across the letters reads "Changing the Pharmacy Payment Model". Below this, it says "NCPA 2019 ANNUAL CONVENTION". The NCPA logo and "NATIONAL COMMUNITY PHARMACISTS ASSOCIATION" are in the top right. Dates "OCTOBER 26 - 29" and the website "ncpanet.org/convention" are also present. Several circular images show people at the convention, including a woman clapping, a man speaking, and people looking at a device.

San Diego

Changing the Pharmacy Payment Model

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OCTOBER 26 - 29  
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1



The slide has a blue background with a faint map of the United States. The main title is "The Pharmacy of the Future, Today" in white. Below it is "LTC Business Focus" in yellow. The speaker's name and title are "Paul Shelton, President, PharmaComplete Consulting". The hashtag "#NCPA2019" and website "www.ncpanet.org/convention" are in the bottom left. The NCPA logo is in the bottom right.

The Pharmacy of the Future,  
Today

LTC Business Focus

Paul Shelton  
President, PharmaComplete Consulting

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2

## Disclosure

There are no relevant financial relationships with ACCME-defined commercial interests for anyone who was in control of the content of the activity.

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3

## Pharmacist and Pharmacy Technician Learning Objectives:

- Review key metrics for operating a long-term care pharmacy.
- Discuss long-term care technology advancements that improve patient care.
- Discuss strategies for addressing facility pain points to grow your business, and retain your current customers.

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4

# Agenda

- Why is Change so Hard?
- Self-reflection in Business
- Innovation Summits
- Lean Six Sigma Process Improvement
- Automation – Its not just for filling anymore
- Integration and data
- Business intelligence
- Don't be afraid to reach outside your organization!

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5

# Change – Why is this so difficult?

Humans are hard wired to seek stability and consistency

Area	Role	Focus	Threatened by and Rewarded by
Neocortex	<b>Prediction</b>	Conscious Thought Reasoning	Threat: Uncertainty Reward: Learning, flow, and Higher <b>Purpose</b>
Limbic System	<b>Social Participation</b>	Emotions Learning Emotional Memory	Threat: Social and emotional Danger Reward: Feeling Trust, Social Activities, Higher Status, and <b>Pleasure</b>
Reptilian Brain/Brain Stem	<b>Personal Protection</b>	Danger	Threat: Physical Danger Reward: Feeling Safe and Secure

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Dixon & Fitzgerald, Understand Your Brain, Page 66



6

## Change – Why is this so difficult?

- The 5 P's of threat and reward drive our behavior
  - Protection: Feeling safe and secure (survive)
  - Participation: to join in and feel welcomed
  - Prediction: the ability to foresee outcomes
  - Purpose: Able to have a sense of higher meaning
  - Pleasure: Ability to enjoy ourselves

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7

## Change – Why is this so difficult?

- How can we overcome our natural disposition to avoid change?
  - Create Purpose and Participation to offset a need for Prediction
  - Make the space for change inclusive for your team
  - Encourage Innovation by **celebrating successes, and failures**
  - What is the cost of not changing?

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8

## Self-reflection in Business

- What are these three business famous for?
- What did these three organizations fail to do?

“The way we’ve always done it”



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9

## Self-reflection in Business

- Successful self reflection can be industry changing
- Steve Jobs killed the Newton in 1998 due to huge losses and a missed market



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10

## Self-reflection in Business

- Great – so now I know THAT I need to do it, but I don't know HOW!
- Start with your team:
  - With executive buy-in, start the process at the bottom
  - Get immediate engagement from your first line team members
  - Identify team members that can think in new and innovative ways and reward that behavior
  - Find new ways to challenge existing work ways and thought processes
- Establish a culture of innovation over 3 months and continue to drive the habit

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11

## Self-reflection in Business

- Get key drivers from your customers:
  - Talk to your customers and learn what they want, need, and how they view your pharmacy and organization.
    - Have a customer forum – invite DONs, Admins, and floor nurses
  - Learn their pain points not just from Pharmacy but from the rest of their world
  - Determine how you can impact their businesses beyond the basics
- Use this information to create key drivers and focus points in your own business

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12

## Innovation Summits

- 1 – Identify team members or customers that are candid and open
- 2 – Get them into one space for roughly 3 hours
- 3 – After a “priming conversation” allow everyone to articulate three ideas that they write down on a post it note
- 4 – Have the participants group up into 5-6 groups and select one idea to flesh out
- 5 – Read these and have the entire group vote on the concepts (1,2,3)
- 6 – Select top three vote receivers to work on in the next quarter/month

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13

## Innovation Tournament

- An innovation tournament is an organizational mechanism by which opportunities are generated, identified, evaluated and selected until only the exceptional few remain.
- The concept is to rapidly review a large number of interesting ideas for change, consolidate similar ideas and develop them quickly into actionable SMART goals
  - Specific, Measurable, Achievable, Relevant, Timely

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14

## Innovation Tournament – Basic How-to

- 1 – Identify team members or customers that are candid and open
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15

## Lean Six Sigma Process Improvement

Lean techniques eliminate wasteful activities

Six Sigma is a disciplined method for meeting customers expectations

DMAIC – common Six Sigma technique

- Define – determine what the problem you are trying to solve is.
- Measure – Establish current baseline
- Analyze – identify, validate and select root cause
- Improve – Modify the root cause by creating a simpler solution
- Control – Assess the stability of the solution and repeatability

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16

## Lean Six Sigma Process Improvement

Belts are used to identify practitioner's expertise levels within the system

- Lean Six Sigma Yellow Belt
- Lean Six Sigma Green Belt
- Lean Six Sigma Black Belt
- Lean Six Sigma Master Black Belt

Lean Six Sigma training is available from many sources, but the Institute of Industrial and Systems engineers is recognized as one of the leading providers, and they have an online LSS Green Belt, Healthcare certification

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17

## Automation – Its not just for filling anymore

- Artificial Intelligence in the pre label process is the next dimension of automation
- Optical Character Recognition (OCR) is basic AI
  - OCR reads the document and classifies it
  - Action is then taken by Logic Processor
  - Preset activities can be programmed based on data type
- More advanced AI Software can be built and is used by Pre/post edit software, Logical process software, and Pharmacy information Systems to reduce Human engagement

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18

## Automation – Its not just for filling anymore

### Example

- 2000 Rx per day pharmacy providing on demand service to 5 states serving 5000 patients uses 3.5 data entry techs instead of industry standard 6.5 (one per 800 patients)
- 70% of their total Rx's per day are never touched by a human
- They use no Pre/Post edit software, so significant additional potential savings exist in this environment

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19

## Automation – Its not just for filling anymore

Fulfilment automation has existed for over 30 years, yet 54% of all LTC Pharmacies aren't automated\*.

- Any pharmacy working with more than 1000 beds should explore some form of filling automation
- Current options exist that fill unit and multi dose cards, unit dose strips, multidose strips and multimed single packs
- Several solutions can pack in multiple modalities, making the pharmacy more flexible to customer needs

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\*Source: IntelliQ Health



20

## Automation – Its not just for filling anymore

Example: Pharmacy servicing 3000 patients and 36000 rx per month

- Multidose strip packaging uses 4 techs and 2 pharmacists to fill, along with an inspection aid, with an error rate under .5%
- The same fulfilment would take 9 techs and 2.5 pharmacists manually with an error rate as high as 1.7%
- This results in a savings of over \$200k in payroll annually, and a significant reduction in waste at each site served

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\*Source: IntelliQ Health



21

## Integration and data

- Connectivity is the key to the pharmacy of the future
  - Each portion of the pharmacy should be able to at a glance know what other portions of the pharmacy are doing and experiencing
- Data should flow from the wholesaler, through the pharmacy, seamlessly through the courier and into the point of care – Think Pharmacy Information Ecosystem
- Track and trace (DSCSA) is a great example of mandated integration and data efficacy
  - A recalled prescription can be traced from origin to patient with proper integration

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22

## Integration and data

- Demand more of your suppliers and partners
  - Your wholesaler should be able to provide you a real time update of inventory in the local DC
  - Your Pharmacy management system should be able to provide you a customizable dashboard that identifies choke points in the pharmacy
  - Your automation should be able to self optimize for a group of prescriptions and maximize output per hour
  - Your courier operation should be able to integrate with your pharmacy management system and provide you real time tracking of your delivery contractors or drivers

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23

## Business Intelligence

- Business Intelligence is using the Data from partner integration and turning it into actionable guidance
- This is achieved by removing the “noise” from the data and providing to decision makers in ways that are:
  - Accurate – bad data is worse than no data in many cases
  - Salient – it must be relevant, usable and important
  - Actionable – details information that can be used to effect real change in the environment by articulating opportunities for improvement

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24

# Business intelligence – Example

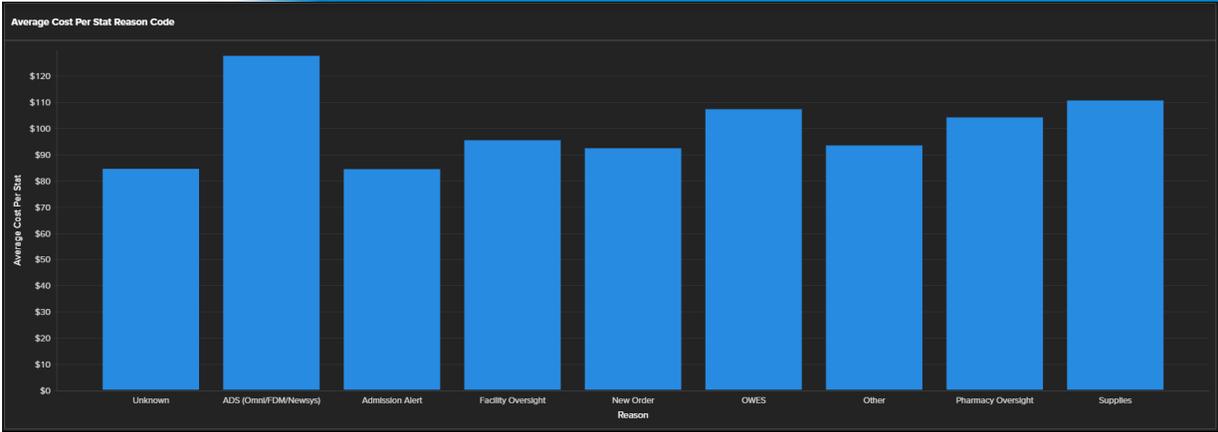
Customer- Summarized Billing (Route & On-Demand)	
Average Per Unit Totals	Customer Billing Information
Total # of Completed Routes <b>3,222</b>	Total Billing By Scheduled Route <b>\$234,675.00</b>
Average Cost Per Scheduled Route <b>\$22.26</b>	
Total # of On Demand Orders <b>1,279</b>	Total Billing On Demand <b>\$71,733.69</b>
Average Cost per On Demand <b>\$56.09</b>	

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25

# Business intelligence – Example



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26

## Don't be afraid to reach outside your org!

- Admit the things that you don't have expertise on
  - Find a subject matter expert from a partner organization
    - GPO
    - Industry advocate
    - Other suppliers
    - Other Pharmacies
  - Outsource solutions exist in most hard to complete tasks
    - IT, billing, Pre/Post edit, Pharmacy on call, Stats with back up pharmacy
- Ask questions frequently, listen to the answers, even if they are uncomfortable

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27

## The Long-Term Care Pharmacy of the Future, Today - Handout

- Humans are hard-wired to seek stability and consistency ; encourage innovation by celebrating successes and failures .
- Engage your customers to learn from them and their *actual* concerns, and use such information to help target areas for improvement/change.
- It is important to understand what an average pharmacy performance matrix looks like and what statistics would be most important to strive to improve; process improvement and waste reduction are two key ways to help achieve such improvement.

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28

**Questions?**

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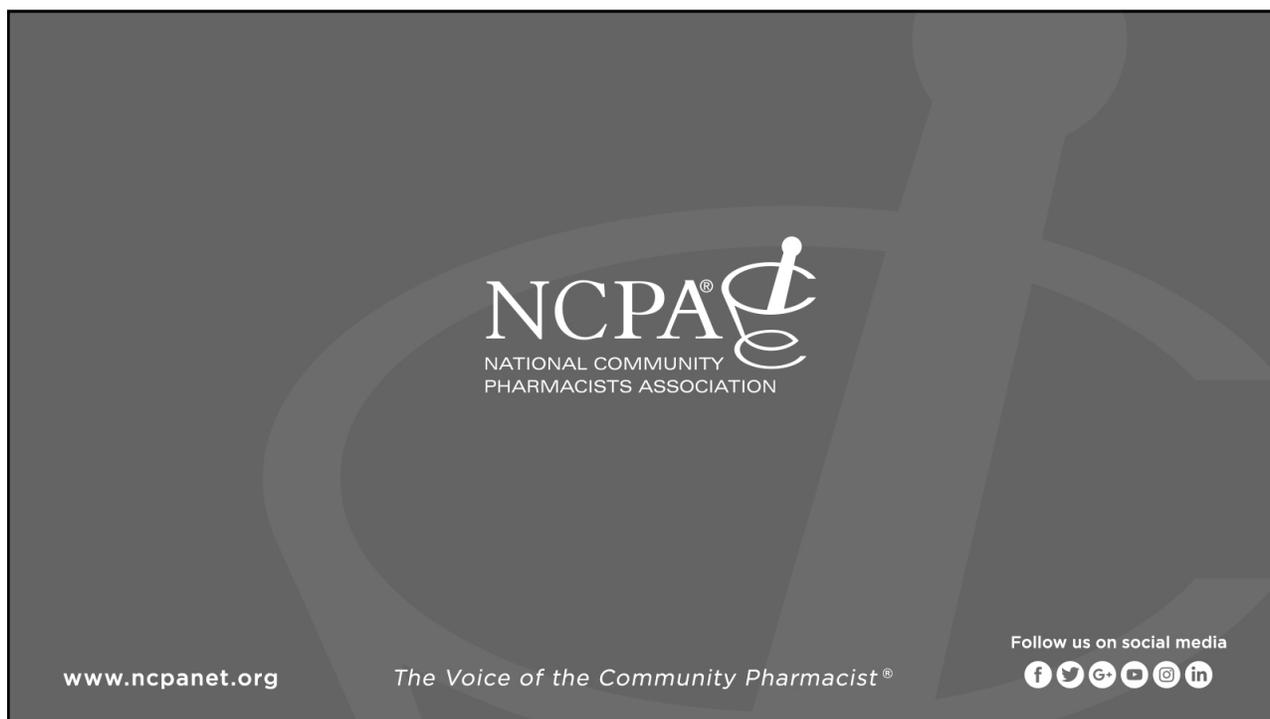
29

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30



The image is a dark gray rectangular banner with a faint background graphic of a person's silhouette. In the center, the NCPA logo is displayed in white, featuring the text "NCPA" in a serif font, followed by a registered trademark symbol and a stylized caduceus symbol. Below this, the text "NATIONAL COMMUNITY PHARMACISTS ASSOCIATION" is written in a smaller, sans-serif font. In the bottom left corner, the website address "www.ncpanet.org" is shown. In the bottom center, the tagline "The Voice of the Community Pharmacist" is written in an italicized serif font. In the bottom right corner, the text "Follow us on social media" is positioned above a row of six social media icons: Facebook, Twitter, Google+, YouTube, Instagram, and LinkedIn.

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