
Using technology to mitigate consolidation risks

Pharmacy operations and cybersecurity experts offer four reasons why integrating multiple systems into a single platform is the right thing to do for your business and your patients.



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INTRODUCTION

It's no secret that one of the dominant trends in healthcare today is consolidation. This year, hospital and health system partnership transactions in the U.S. have already outpaced 2017 by more than 11%.¹

These mergers and acquisitions often leave health system administrators with a lot of tools and systems that don't speak to each other, resulting in countless inefficiencies, higher costs and dramatically increased cybersecurity risks.

By leveraging best practices and powerful technology, your hospital pharmacy can transform these challenges into your competitive advantage.

Four reasons why a single, holistic health IT system is the best solution to address your pharmacy's most critical clinical, financial, security and competitive needs

Pharmacy operations and cybersecurity experts offer the following reasons why integrating multiple systems into a single platform is the right thing to do for your business and your patients.

1 Make better clinical decisions for patients

Patient care is everything. A health IT system that connects data analytics offers powerful clinical benefits to your patients.

Health IT systems that should connect to your drug spend analytics solution include:



Connecting these systems would give you a view of the entire life cycle of a medication. You'll know what you spent on a drug. You'll know if you dispensed the drug to a patient. And you'll know what a health plan reimbursed you for the drug for outpatient stays.

When you can see that full picture of medication use, you can begin making better clinical decisions for your patients. Is the medication appropriate for the diagnosis? Is there a more cost-effective alternative? Is the length of drug therapy appropriate for the patient?

A hospital pharmacy's analytics will only be as effective as its source data. That's why it's important that IT platforms throughout the health system have electronic data exchange (EDI) functionality. Data should be tied to patient records in a meaningful way, while protecting patient privacy.

- 1 Make better clinical decisions for patients
- 2 Reduce costs
- 3 Prepare for regulatory complexity
- 4 Protect against cyberattacks

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2 Reduce costs

An integrated system will improve your ability to use analytics to quickly spot spending trends and cost drivers that can create financial benefits for your hospital pharmacy.

Containing your drug spend is at the top of the list. When you can flag an issue in real time, you can address it at once rather than waiting for the issue to impact your drug budget. For example, analytics may alert your pharmacy to drug price increases, problems with drug ordering that fall outside of an agreement with a distributor or manufacturer, or flag an increase in usage of a drug so your pharmacists can assure appropriate use of the medication.

By replacing task redundancy at a facility level with a single task performed at a system level, pharmacies can reduce inventory expenses and save time.

The most critical aspect of driving cost savings through analytics is the procurement process. Having a robust procurement process involves developing quality standards, financing purchases, negotiating prices and disposing of waste products. When supply chain leaders gain visibility into procurement at individual facilities, they can appropriately source products and customize inventory according to quality, volume and price.

3 Prepare for regulatory complexity

A holistic approach to technology is key to regulatory compliance.

Healthcare is one of our most highly regulated industries. Health systems must deliver medical products and services to patients in a complex environment driven by mounting regulatory scrutiny, fluid alliances and partnerships, active mergers and acquisitions, privacy rules and cybersecurity risks, escalating pricing pressures, and eroding profit margins.

To address these challenges and remain prepared, health systems are looking to their suppliers and medical product manufacturers for expertise and guidance on regulatory changes.

4 Protect against cyberattacks

An integrated health IT system is critical for ensuring necessary controls are in place to protect your pharmacy from cyber threats.

Every technology component must be evaluated for security risks and locked down as much as possible. According to Barbara Giacomelli, vice president of strategy at McKesson Corporation, “Cybersecurity is a critical issue for everyone. To stay ahead of potential cyberattacks requires commitment, continuous effort and resources.”

According to *Healthcare IT News*, the healthcare industry continued to be a lucrative target for hackers in 2017 with weaponized ransomware, misconfigured cloud storage buckets and phishing emails dominating the year. In 2018, these threats will continue and cybercriminals will likely get more creative despite better awareness among healthcare organizations at the executive level for the funding needed to protect themselves.



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Incorporate single sign-on (SSO) solutions to help ensure customer data is protected. This reduces the need to remember multiple complex passwords and ensures that the right people have the right access to data by relying on the partner's authentication mechanism — reducing the need to transmit the actual password across the network.



Adopt Electronic Data Interchange (EDI), which enables fast, accurate and reliable exchange of data between organizations. EDI creates a more robust standards-based format for automating business transactions and reducing costs and errors, and increases processing speed over other manual formats. The use of secure communication protocols also reduces the risk of data interception and tampering.



Use encryption software to protect your employees' emails. One of the most common forms of communication is email, so it's important to discourage employees from transmitting sensitive data via this medium. Whenever it is required, always use encryption software. To make sensitive email transactions easier, adopt an Opportunistic TLS, a system that communicates with the receiving partners' email server to negotiate encryption protocols.

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CONCLUSION

We're experiencing an era of unprecedented change in healthcare. New technology, new services and new ideas will be needed to deliver improved outcomes for businesses and patients.

Health systems today need accurate and in-depth views into their businesses to find meaningful ways to remain competitive and profitable while providing greater access and security for patient data. This is especially the case when health systems acquire non-acute facilities. It takes flexibility, a willingness to change course, and trusted expertise to take processes designed for acute-care hospitals and adjust them to the unique needs of ambulatory care or ancillary facilities.

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Sources:

¹Cision PR Newswire, "2018 Hospital Merger and Acquisition Activity Continues Rapid Pace with 30 Announced Transactions in the First Quarter," April 2018.

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