ScriptCenter®

CASE STUDY: Hackensack Meridian *Health*

Hackensack Meridian *Health* Jersey Shore University Medical Center.

Study Results

Hackensack Meridian *Health* has saved more than $3.3 Million by implementing the ScriptCenter prescription pickup program for their team members. With these savings, most of their ScriptCenter kiosks have paid for themselves in less than a year.

Eliminating unfavorable spreads, in addition to the internal drug cost savings available for health systems that dispense their own employees' prescriptions, can amount to millions of dollars of savings available to help control the prescription drug benefit costs for the employer.

Maximizing PBM Savings

Health systems have been utilizing their in-house outpatient pharmacy resources and lower drug costs attainable as acute care facilities to help manage prescription benefit costs for their employees for years. A key to reducing costs while improving employee satisfaction is understanding the value of keeping employee prescriptions in-house and offering 24/7 prescription pickup services. Many health systems are self-insured and have invested in building their own outpatient pharmacies to dispense employee prescriptions using drugs they acquire at a reduced cost. Due to ever-increasing ingredient drug costs, health systems often incentivize employees to use their in-house pharmacies to try and maintain as much control over costs as possible. Some systems require all employees use their in-house pharmacy, but most have developed "hybrid" plan designs. These plans permit some use of external retail pharmacies for acute medication needs and may require use of their PBM contracted mail order and specialty pharmacies.

More and more hospitals are uncovering the costs associated with their employees using 'outside' retail pharmacies. There are also challenges around getting prescriptions in the hands of their employees, especially those who work second and third shift. To solve this problem, Hackensack Meridian *Health*, a hospital and health care system in New Jersey, implemented the ScriptCenter kiosk for 24/7 prescription and OTC pickup.

Hackensack Meridian *Health* - Ocean Medical Center ScriptCenter kiosk

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Study Method

Hackensack Meridian *Health* examined a total of 16,195 claims for team member prescriptions during a one month period. The time period was identified to try and mitigate any drug cost increases over time when comparing claims across sites. These claims represented 2001 unique drugs filled at 279 pharmacies including three owned by Hackensack Meridian Health. The hospital pharmacies dispensed 12,385 prescriptions (76%) of the sample, leaving 3810 claims to be examined for exact match. The billed ingredient cost was identified as the key factor to allow comparison across all pharmacies. The billed cost represents the actual amount billed to the hospital by the PBM in a pass-through type plan design contract. The plan design allows one fill of maintenance medications at a retail pharmacy and requires subsequent refills from the internal ambulatory pharmacy or mail-order. Consequently, many of the drugs compared against retail claims were for acute need medications although some were maintenance medications. A total of 165 identical claims were examined. Of these 165 identical prescription claims, 31 were mail-order claims and 134 claims were retail. Each claim was also compared separately.

Uncovering the Truth

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Hackensack Meridian *Health* quickly realized the potential savings of bringing in prescriptions that were filled externally to the lower costs associated with the in-house, or employer owned pharmacy. This has allowed them to make informed decisions about implementing various strategies that encourage team members to use their in-house pharmacy.

One such decision was to implement ScriptCenter for 24/7 express prescription and OTC pickup. ScriptCenter allows team members to access their prescriptions when the pharmacy is closed and avoid lines during peak hours.

By implementing ScriptCenter at numerous locations, Hackensack Meridian *Health* has kept thousands of prescriptions in-house.

DO YOU KNOW WHAT YOUR PBM SPREADS ARE?

Several published articles have documented costs saved by health systems that carve out their own drug costs from their PBM contract. This provides some insulation from potential price manipulation by the PBM in the form of "secret spreads" or the difference between what the hospital is charged by the PBM versus what the PBM pays to the pharmacy (internal, external, mail order, or specialty). Eliminating unfavorable spreads, in addition to the internal drug cost savings available to health systems that dispense their own employees' prescriptions, can amount to millions of dollars of savings available to help control the prescription drug benefit costs for the hospital.

Average Billed Cost Per Rx* (134 retail claims examined)	
External	$152.98
Internal	$106.36
Savings Per Rx	$46.62

Average Billed Cost Per Rx* (31 retail claims examined)	
External Mail Order	$177.93
Internal	$77.32
Savings Per Rx	$100.61

*Billed Cost Per Rx adjusted to equalize days supply to account for 90-day mail order supply vs. 30-day pharmacy supply.

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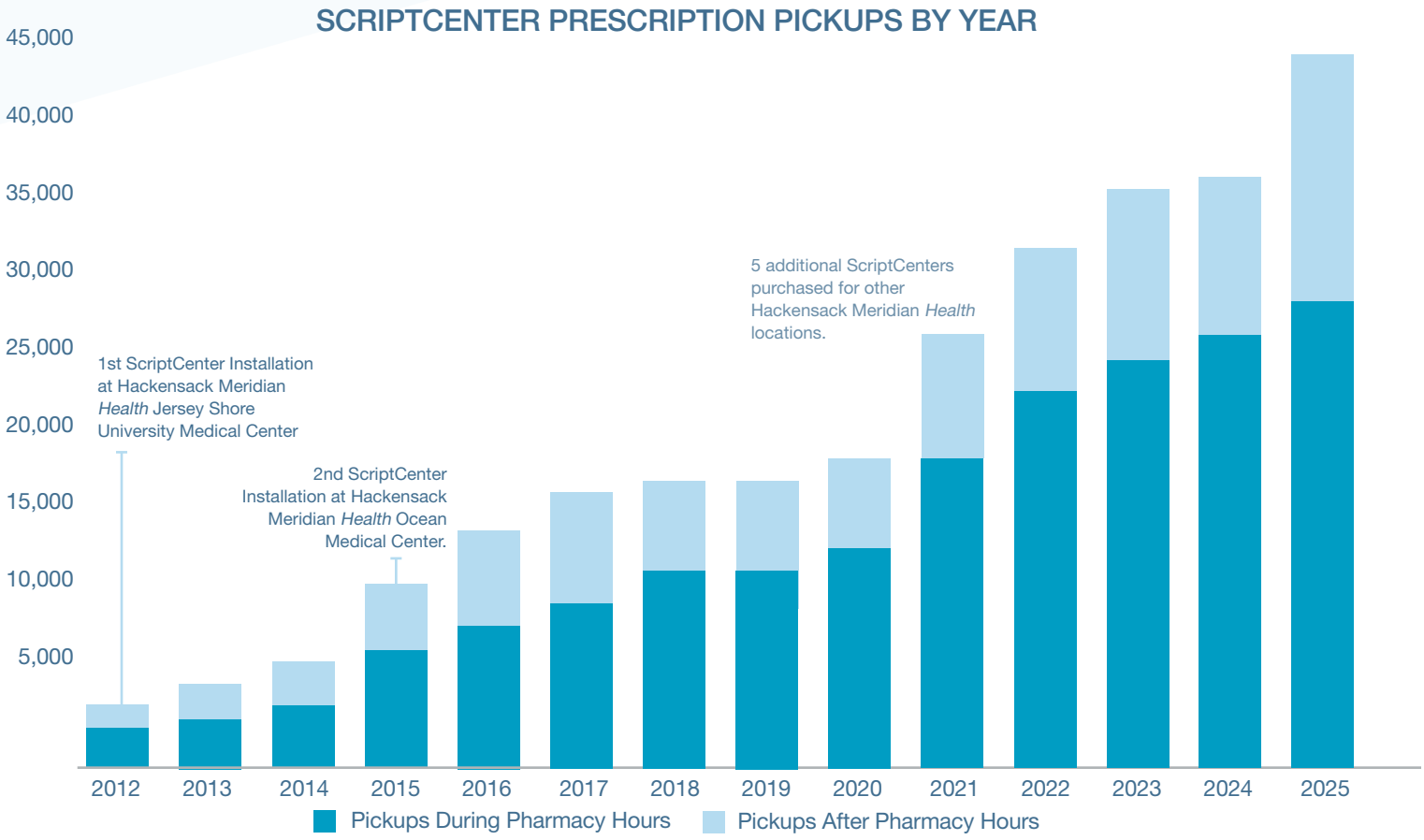
Capturing New Pharmacy Customers

More than 70,000 employee prescriptions, or 36%, have been picked up after the pharmacy has closed. Without ScriptCenter, these team members would not have had convenient access to their prescriptions.



72% said ScriptCenter is a key reason to use a particular pharmacy.

97% said they would recommend ScriptCenter to a friend or colleague.

94% said the convenience of after-hours prescription pickup is an important reason to use a pharmacy.

What This All Means

With more than 70,000 after-hours prescriptions captured, even with a conservative calculation of assuming none of them would have been processed through mail order, Hackensack Meridian *Health* has saved more than $3.3 Million by implementing ScriptCenter for their team members. With these savings, most of their ScriptCenter kiosks have paid for themselves in less than a year. Not to mention team member satisfaction has improved, most notably by employees who no longer have to wait in long pharmacy lines. Hackensack Meridian *Health* is pleased by the multiple savings they've been able to recognize by implementing ScriptCenter.

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About Meridian

Hackensack Meridian Health is a leading not-for-profit health care organization that is the most comprehensive and truly integrated health care network in New Jersey, offering a complete range of medical services, innovative research and life-enhancing care. Hackensack Meridian Health comprises 18 hospitals, including three academic medical centers, two children's hospitals and 8 community hospitals, two rehabilitation hospitals, one behavioral health hospital, nearly 500 patient care sites and physician offices.

For more information visit:
www.HackensackMeridianHealth.org

About Asteres

Asteres develops ScriptCenter® kiosks and lockers to allow for the secure and safe pickup of prescriptions and healthcare products 24/7. ScriptCenter lets pharmacy staff maintain control of filling and checking prescriptions, while ScriptCenter takes care of securely tracking pickup and payment of pharmacist filled prescriptions. With the experience that comes from providing customer convenient access to millions of prescriptions worldwide, opening regulatory access for automated prescription pickup solutions, and developing extensive integration capabilities with leading pharmacy management and point-of-sale system providers, Asteres' ScirptCenter is the automated prescription pickup solution with more systems placed than any other player in the market.

For more information visit: www.asteres.com