A SHORT TAKE ON SUCCESS

The Challenge:
• Large health system requires strategic plan for cost-savings, purchasing alignment and standardization of generic injectables.
• Volatile market and new regulations complicating procurement efforts.

The Solution:
• Intalere Choice generic injectables provide outstanding savings opportunities – as well as single-source quality, efficiency and convenience.

The Outcome:
• Savings of $825,000 achieved after switching to Intalere Choice.
• Compliance improved from 10 to more than 97 percent nearly system-wide.

THE CHALLENGE

Today’s volatile generic injectable drug market has pharmacy purchasing managers nationwide working overtime to secure high-quality, affordable products in an industry flooded with competitors and drug shortages. New legislation and federal regulations are generating dynamic changes in pricing and availability, forcing many healthcare facilities to adopt a “revolving door” approach to injectables procurement.

The pharmacy sourcing manager for Intermountain Healthcare in Salt Lake City, Utah, was no exception. Encompassing 22 hospitals and a broad range of clinics and centers, Intermountain’s more than 800 physicians utilize generic injectables by the thousands every month: products such as sterile antibiotics, life-saving cancer treatments and common anesthetic agents like propofol. While demand within this multi-dimensional organization’s pharmacies was virtually universal, alignment in purchasing procedures for these critical drugs was minimal.

The facility’s tracking reports revealed the harsh facts that the facility was lacking a clear strategy for managing their generic injectable spend. In addition to ballooning costs and non-compliance, the reality of day-to-day communications, negotiations and transactions with a myriad of global pharmaceutical manufacturers, wholesalers and distributors decreased operational efficiency. More importantly, as one of only seven national healthcare systems chosen by the Centers for Medicare and Medicaid Services to serve in a leadership role, developing state-of-the-art best practices in safety, injectable standardization would contribute to organizational goals to improve quality and the process of care.

THE SOLUTION

As a long-term Intalere member and partner, Intermountain did not hesitate to contact Mike Merrigan, pharmacy specialist director, to help find a viable alternative. Based on Intermountain’s relationship and experience with Intalere in other areas, they were confident Merrigan and the pharmacy team would work closely with them to conceive and implement a new generic injectable spend solution.

Merrigan immediately suggested Intalere Choice: Intalere’s own brand and preferred portfolio subsidiary offering a comprehensive selection of generics with guaranteed savings. By utilizing Intalere as a sole source, Intermountain also receives value-added pharmacy services such as individualized consultative assistance in identifying realistic, actionable opportunities for spend-reduction, benchmarking operations, compliance strategies and source standardization.
Intermountain’s pharmacy sourcing manager, pharmacy directors and Intalere’s Merrigan, as well as Intalere vice president of pharmacy contracting, Gary Freeman, met to examine Intermountain’s Pharmacy Purchasing Reports and the Intalere Choice generic injectable products currently in use. Based on Intermountain’s committed volume for certain drugs, it was determined that working collaboratively, they could expand and strengthen the Intalere Choice portfolio. Freeman described the process: “In addition to vigorously supporting Intalere’s contracted suppliers, our pharmacy directors of contracting solutions work diligently to continuously advance the portfolio with new products utilizing feedback we receive from our membership.”

"After our analysis showed more than $400,000 in savings could be achieved in the first year alone by substituting the top 20 injectables with product from the Intalere Choice portfolio, Intermountain set a system-wide goal of 90 percent compliance to the portfolio. With full agreement from Intermountain’s pharmacy directors, the portfolio was broadened and an automatic substitution system was quickly put in place.”

**THE OUTCOME**

The numbers spoke for themselves. Intermountain Healthcare saved $825,000 that year on injectable generic pharmaceuticals by switching to Intalere Choice. In addition, only five participants failed to reach compliance goals – an important statistic to recognize when considering the cumulative effect of smaller or rural centers lacking significant dollar volume.

“Intermountain met and exceeded their goal of 90 percent,” said Merrigan. “In fact, the remaining 19 facilities ordered on-contract at an overall average over 97 percent.”

The project truly was the definition of a win-win situation. Intermountain was able to build and implement a unique program using their preferences, parameters and procedures, but only because of their partnership with Intalere. Intalere’s willingness to collaborate with Intermountain’s physicians, pharmacy and purchasing teams, as well as suppliers and manufacturers, was crucial for success. Intalere created a one-of-a-kind solution that uniquely fit Intermountain’s needs.

“Not only is it gratifying to know we have gained our members’ confidence – we’ve helped them with their mission to provide affordable, high-quality healthcare to their patients and community. Also, collaborating with a great partner like Intermountain on this project helps Intalere grow as an organization. The knowledge gained throughout the process can now be employed company-wide to benefit our entire membership.”

**About Intalere**

Intalere’s mission focuses on elevating the operational health of America’s healthcare providers by designing tailored, smart solutions that deliver optimal cost, quality and clinical outcomes. We strive to be the essential partner for operational excellence in healthcare through customized solutions that address customers’ individual needs. We assist our customers in managing their entire non-labor spend, providing innovative technologies, products and services, and leveraging the best practices of a provider-led model.