Objectives

- Strategic planning is the cornerstone to effectively leading any organization, especially in times of rapid change. This workshop will provide the opportunity to learn about effective strategic planning and implementation including:
  - Critical steps to effective strategic planning and resources.
  - Key trends that affect the imperative and prospects for practice model change.
  - Value and opportunities for incorporating the Pharmacy Forecast into the pharmacy department’s strategic planning efforts.

Learning Objectives

- Recommend critical steps to effective strategic planning and resources, including succession planning.
- Evaluate key trends that affect the imperative and prospects for practice model change.
- Develop a plan to incorporate the Pharmacy Forecast into your pharmacy department’s strategic planning efforts.
- Apply strategic planning strategies in your institution in order to keep pace with environment changes.

Agenda

- Intro/housekeeping – 10 minutes
- Megatrends presentation – 20 minutes
- Video / Assign groups – 10 minutes
- Breakout #1 – generating hot topics/issues – 30 minutes
- Report out #1 – 15 minutes
- Break – 15 minutes
- Strategic planning overview – 20 minutes
- Breakout #2 – generating specific strategies – 30 minutes
- Report out #2 – 15 minutes
- Engaging staff presentation – 15 minutes
- Report out #3 – attendees share ideas on engaging staff – 15 minutes
- Next steps and take home items/deliverables – 15 minutes

Overview

- Societal and Economic Trends
- Alliances, Mergers, and Acquisitions
- Work Force Trends
- Quality and Outcomes
- Provider Status
- Strategic Direction – Our Call to Action
Top 7 Healthcare Trends and Challenges for 2015

1. Physicians start to feel the financial pinch from CMS’s regulations
2. Technological advancements are transforming the entire healthcare industry
3. Financial viability continues to be a significant concern for healthcare CEOs
4. There is a new need to tolerate risk in a value-based purchasing world
5. Interest in population health management will grow
6. Outcomes will continue to improve
7. Collaboration will increase


10 Challenges and Opportunities for Hospitals in 2015

1. Population health
2. Shifting from volume to value based reimbursement
3. Regulatory demands
4. Infection control - especially in light of Ebola
5. Demonstrating the value for M&A to customers
6. Truly integrating systems
7. Overspecialization of the physician workforce and questions over the physician shortage
8. Hospital closures
9. Reimbursement rate differences
10. Data, data everywhere


Societal and Economic Trends

NIHCM Foundation. Used with permission.
20th Annual ASHP Conference for Pharmacy Leaders
Excellence Doesn’t Just Happen: Using the Pharmacy Forecast and Strategic Planning to Chart Your Future

Societal and Economic Trends

Alliances, Mergers, and Acquisitions

Alliances, Mergers, and Acquisitions

- 5,686 US Hospitals
- 4,974 Community Hospitals in the US:
  - 3,003 (60%) are rural and 1,971 (40%) are urban
  - 3,144 (63%) are in a system
  - 1,582 (32%) are part of a network
  - 248 (5%) are independent

Alliances, Mergers, and Acquisitions

- System is defined by AHA as either a multihospital or a diversified single hospital system. A multihospital system is two or more hospitals owned, leased, sponsored, or contract managed by a central organization. Single, freestanding hospitals may be categorized as a system by bringing into membership three or more, and at least 25 percent of their owned or leased non-hospital pre-acute or post-acute health care organizations. System affiliation does not preclude network participation.
- Network is a group of hospitals, physicians, other providers, insurers and/or community agencies that work together to coordinate and deliver a broad spectrum of services to their community. Network participation does not preclude system affiliation.

Alliances, Mergers, and Acquisitions

- 198 hospitals Community Health Systems (Brentwood, TN)
- 168 hospitals HCA (Nashville, TN)
- 131 hospitals Ascension Health (St. Louis, MO)
- 105 hospitals Catholic Healthcare Initiatives (Denver, CO)
- 86 hospitals Trinity Health (Livonia, MI)
- 81 hospitals Tenet (Dallas, TX)
- 46 hospitals Baylor Scott & White Hospitals (Dallas, TX)

This represents 815 (16%) of 4,974 community hospitals!
A. Multi-hospital community setting  
B. Multi-hospital academic setting  
C. Stand alone community hospital in a metro area  
D. Stand alone rural or critical access hospital  
E. Other

Work Force Trends

- National Pharmacists Workforce Study
- 2009 (N=249,381 licensed pharmacists)
  - 53.8% of pharmacists work in retail settings
  - 26.8% of pharmacists work in hospitals
  - 19.4% of pharmacists work in “other” settings
- 2014 (N=250,652 licensed pharmacists)
  - 44.1% of pharmacists work in retail settings (↓)
  - 29.4% of pharmacists work in hospitals (↑)
  - 26.5% of pharmacists work in “other” settings (↑)

http://www.aacp.org/resources/research/pharmacyworkforcecenter/Pages/default.aspx

ASHP Pharmacy Staffing Survey Results

Work Force Trends – Board Certification
Quality and Outcomes

“Almost one-fourth of Medicare beneficiaries discharged from the hospital to a skilled nursing facility were readmitted to the hospital within thirty days; this cost Medicare $4.34 billion in 2006.”

Readmissions varies by payor type:
- Medicare – heart failure, septicemia, pneumonia
- Medicaid – mood disorders, schizophrenia, diabetes
- Private – maintenance chemotherapy, mood disorders

Quality and Outcomes

CMS has led the way – others following
- Linking payment to quality, not quantity
- CMS adjusts payments for two programs:
  - Hospital Value Based Purchasing Program
  - Hospital Readmissions Reduction Program
- Complicated programs – lead/lag issues

Quality and Outcomes

CMS Value Based Purchasing Program
- Medicare withholds percentage of all DRG payments – now part of a >$1B pot for bonuses
  - FY2015 = 1.5% (discharges 10/1/15 - 9/30/16)
  - FY2016 = 1.75% (discharges 10/1/16 - 9/30/17)
  - FY2017 = 2% (discharges 10/1/17 - 9/30/18)
- Bonus money redistributed based on TPS
- Excluded – critical access hospitals, certain cancer centers, hospitals with too few cases, etc.

Quality and Outcomes

Hospital VBP Program pays back based on performance within four quality domains
- Performance = improvement or achievement

<table>
<thead>
<tr>
<th>Domain</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Process of Care</td>
<td>45%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Patient Experience of Care</td>
<td>30%</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>Outcome</td>
<td>25%</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>Efficiency</td>
<td>0%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Total Performance Score</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Provider Status

- Two bills: HR 592, S. 314 (essentially same as last year’s HR 4190)
  - Would allow pharmacists to serve Medicare beneficiaries in medically underserved areas (MUAs)
  - Services performed would be limited to those authorized by state scope of practice
- Bills are bipartisan
  - HR 592 chief sponsors: Reps Brett Guthrie (R-KY), Todd Young (R-IN), G.K. Butterfield (D-NC), Ron Kind (D-WI)
  - S. 314 lead sponsors are: Senators Chuck Grassley (R-IA), Mark Kirk (R-IL), Sherrod Brown (D-OH), Bob Casey (D-PA)
- Recognizes the challenges in underserved areas
- Draws upon the expertise of pharmacists
- Reverts to state scope of practice

**Why legislation?**

- The bills focus on medically underserved areas, fulfilling an unmet medical need
  - Primary care shortage is increasing
  - Pharmacists are typically the most accessible health practitioner, have training in medication use
- Bills would amend the Part B section of Medicare to enable pharmacists to serve patients
- More Americans getting health care coverage with the Affordable Care Act
- The bills are addressing unmet needs in underserved patients and communities

**Source:** AAMC Center for Workforce Studies, June 2010 Analysis

Strategic Direction – Our Call to Action

- PPMI Summit Recommendations.
  www.ashpmedia.org/ppmi/overview.html
Strategic Planning
Redesigning Your Practice Model

- How would you define the ideal pharmacy practice model?
- How will pharmacists in your re-designed pharmacy practice model provide care to patients and ensure safe and effective medication therapy?
- What services have you determined to be essential to support your pharmacy practice model?
- What technologies will you implement within your practice site to facilitate your practice model?
- What are some key considerations to gain employee acceptance and buy-in to implement a new practice model?
- How will you gain support of administrators, physicians, and nursing to implement your new practice model?

http://www.ashpmedia.org/ppmi/practice-spotlights.html

Key Takeaways

- Healthcare delivery is a rapidly changing landscape
- Payment will be driven by quality and outcomes, not patient volumes
- Hospitals and health-systems will continue to pursue strategic partnerships in order to become in order to remain profitable
- Our workforce is continuing to develop skills needed to offset primary care provider shortages

Video

Breakout session #1
Handout

- Based upon the “Trends” presentation and your own experiences, identify “hot topics” that you will need to address in the next 1-3 years.
- Align each “hot topic” with the Triple Aim, as well as the aims of “Innovation”, “Employee Engagement”, and “Education”, if those additional aims align with your company initiatives.

Report Out Session #1
Break – 15 minutes

Strategic Planning Overview

Pamela Phelps, Pharm.D., FASHP
System Director of Clinical Pharmacy Services
Fairview Health Services
Minneapolis, MN

University of Minnesota
- University of Minnesota Physicians (UMP)
- UMP Specialty Clinics

Fairview Health Services
- Primary Care Clinics
- 5 community hospitals in the Twin Cities metro area and Outreach Minnesota
- Fairview Physician Associates
- University of Minnesota Medical Center

Fairview Pharmacy Services, LLC
- Retail Pharmacies
- Specialty Pharmacy
- Mail Order
- Home Infusion
- MTM Clinic Services
- Compounding Pharmacy
- Long Term Care
- McKesson programs

Why do Strategic Planning
- Greatness is not a function of circumstance, greatness is largely a matter of conscious choice and discipline.”
  - Jim Collins, Good to Great

Does your pharmacy department have an up-to-date strategic plan?

A. Yes! We talk about it all the time!
B. We have one, but I’m not sure what it says.
C. I don’t know. Nobody has told me about it.
D. We definitely do not have a department strategic plan.
Federal Register, May 16, 2012

“We have broadened the concept of medical staff and have allowed hospitals the flexibility to include other practitioners as eligible candidates for the medical staff...this will clearly permit hospitals to allow other practitioners (e.g., APRNs, PA’s, pharmacists) to perform all functions within their scope of practice”

“These changes leave room for a hospital...to appoint non-physicians practitioners to the medical staff and to grant them privileges”
"Where we want to be"
- Use strategic recommendations from the Pharmacy Forecast
- Link to your organization's strategic initiatives
- Link to our particular expertise in Pharmacy
- Link to our economic success
- Link to our passion for patient care

"A hedgehog concept is not a goal to be the best; it is an understanding of what you can be best at."
--Jim Collins

Bottom Line for Pharmacy....
- We are seeing an increase in demand for pharmacy services in hospitals and all of healthcare, driven by:
  - The complexity of care
  - A shortage of primary care providers
  - The use of complex and difficult to manage medications
  - Spiraling cost of medications
  - A growing recognition of pharmacists as experts in medication management

Our challenge....
- How can we use our technology and resources to gain efficiencies,
- Seize upon regulatory changes,
- So that we can address appropriateness of medication therapy and
- Connect with patients to provide them with information about medication use and
- Create seamless transitions
- Thereby, bring more value to patients?

Brainstorm strategies
- Use the Pharmacy Forecast
- Come up with those that meet the needs of your department
- Link them back to the strategic priorities of the organization
- Group in like categories
- Vote
What does it look like?

Challenges going forward

Keep it alive!

Key Takeaways

- Use your organizational strategic plan as a starting point
- Use external resources such as the Pharmacy Forecast and ASHP priorities for your environmental scan
- Make sure your strategic plan is written down with timelines and accountabilities
- Always link the department strategic initiatives back to the organizational priorities
- Keep it alive!
Breakout session #2
Handout

- Each person at your table is to offer one “hot topic” that is important to them.
- For each “hot topic”, the group should identify at least one or two strategies that can address that topic.
- Make sure the strategies are specific and measurable; talk about who might have accountability for the strategy and what timeline would be appropriate to the strategy.
- See Fairview example.

Report Out Session #2

Engaging Staff in Strategic Planning

John Pastor III, Pharm.D., FASHP
Director of Pharmacy
University of Minnesota Health
Minneapolis, MN

Overview

- Assess the Landscape
- Create a Burning Platform
- Establish Guiding Principles
- Engage Staff – Case Study

Assess the Landscape
Assess the Landscape
- The current healthcare climate
  - Costs increasing, reimbursement flat/decreasing
  - Patient access to quality and performance data
  - Payer (and patient) expectations for quality and performance is higher than ever
  - Must do more with the same (or fewer) resources
- How can pharmacy be opportunistic?
- How can pharmacy grow in this environment?
- Are staff engaged and ready for change?

Assess the Landscape
Engaging your employees is the answer to strategic planning – inform, inspire, engage
- Clearly define what winning looks like
- Measure what matters and what staff can relate to
- Set staff up for success
- Provide plenty of recognition and feedback
- Build an atmosphere of trust

Create a Burning Platform
- Can you use one to your advantage?
- Do you have an urgent business need for change?
  - JC or CMS survey
  - ASHP residency program survey
  - Pay for performance measures
  - Provider shortage (pain)
- Expansion of patient care services
- Pharmacist development (preceptor qualifications)

Establish Guiding Principles
Ground rules:
1. **Listen** first, speak second. Only one person should speak at a time.
2. No idea is a bad idea.
3. All participants will keep an open mind and positive attitude. Do not be constrained by operational challenges. Everything is possible.
4. Today we will focus on **what** we will do, not **who** will do it.
5. The leadership team must retain final authority for changes.
Establish Guiding Principles

1. We will provide exceptional patient care 24/7/365.
2. All changes must be resource neutral.
3. We are responsible for the medication use system across the organization. We will work as a team to identify, prioritize, and resolve all issues.
4. We will be fiscally responsible, being mindful of the total cost of care.
5. We will leverage technology to improve efficiency.
6. We will be proactive (not reactive) in all aspects of drug therapy management.
7. All staff will work at the top of their license and skill set.
8. We will take care of the patient’s entire pharmacy needs across the continuum of care (inpatient and ambulatory).
9. We will be transparent throughout the entire process.

Engaging Staff in Process

Engaging Staff – Case Study

- Appointed steering committee of leaders
- Identified key staff members to join steering committee
- Initial charge:
  - Review vision
  - Background reading (PPMI, Pharmacy Forecast, others)
  - Evaluate current work using following criteria:
    - Is this work needed for regulatory reasons?
    - What is the value to the patient?
    - What is the value to the organization and our customers?
    - What is the risk if we do not do this work?

Each of our patients will have their healthcare experience improved by our pharmacy team. All members of our pharmacy enterprise will collaborate to keep the patient as the center of everything we do.

Engaging Staff – Case Study

- Work continues
  - Set core priorities based on evaluation of current work, identified gaps, and our changing healthcare climate
  - Focus on transformational change, not incremental
  - Develop key messages for staff
  - Begin identifying what can we “stop doing”
  - Hold town hall meetings (staff lead)
  - Complete transparency with staff during entire process

Each of our patients will have their healthcare experience improved by our pharmacy team. All members of our pharmacy enterprise will collaborate to keep the patient as the center of everything we do.

M Health Pharmacy Services Graphic

Each of our patients will have their healthcare experience improved by our pharmacy team. All members of our pharmacy enterprise will collaborate to keep the patient as the center of everything we do.

Engaging Staff – Case Study

- Current work
  - 4 core priorities, 8 teams developed to continue work
  - Appointed team leaders (Chair, vice-chair, administrative support)
- 8 teams
  - Admission transition
  - Learner model
  - Clinical services
  - Patient education
  - Discharge transition
  - Epic efficiency
  - Drug distribution
  - Communication

Each of our patients will have their healthcare experience improved by our pharmacy team. All members of our pharmacy enterprise will collaborate to keep the patient as the center of everything we do.
Engaging Staff – Case Study

- Lessons learned
  1. Be intentional about your engagement strategy. Probably nothing is more important than creating the picture of what winning looks like.
  2. Identify your most engaged staff and have them lead parts of the work, including communicating with staff.
  3. Don’t rush the process (unless you have to). Create realistic timelines – almost everything takes more time than first thought.

Each of our patients will have their healthcare experience improved by our pharmacy team. All members of our pharmacy enterprise will collaborate to keep the patient as the center of everything we do.

Key Takeaways

- Start with the future in sight – “winning”
- Identify challenges that are potential opportunities in disguise
- Staff involvement and transparency is critical to success

Report Out Session #3
Group Discussion

Planning Starts with a Vision

- Joint Commission of Pharmacy Practitioners (2014)
- Patients achieve optimal health and medication outcomes with pharmacists as essential and accountable providers within patient-centered, team-based healthcare.

Next Steps

Pamela Phelps, Pharm.D., FASHP
System Director of Clinical Pharmacy Services
Fairview Health Services
Minneapolis, MN
What’s at stake?
- Patient and population health
- Relevance of the pharmacy department to institutional imperatives
- Integrity of the profession
- Sustainability of the profession

The Oath of a Pharmacist
At this time, I vow to devote my professional life to the service of all humankind through the profession of pharmacy.
I will consider the welfare of humanity and relief of human suffering my primary concerns.

\[ i\ will\ apply\ my\ knowledge,\ experience\ and\ skills\ to\ the\ best\ of\ my\ ability\ to\ assure\ optimal\ drug\ therapy\ outcomes\ for\ the\ patients\ I\ serve. \]
I will keep abreast of developments and maintain professional competency in my profession of pharmacy.
I will maintain the highest principles of moral, ethical and legal conduct.

\[ i\ will\ embrace\ and\ advocate\ change\ in\ the\ profession\ of\ pharmacy\ that\ improves\ patient\ care. \]

Operational vs. futuristic issues
- **Operational Issues**: Issues that deal primarily with routine or ongoing departmental activities (e.g., upgrading sterile compounding operations, implementing new information systems or technology, expanding clinical services, improving medication safety).
- **Futuristic Issues**: Issues that are not necessarily demanding attention at the moment but might become more pressing within the next several years (e.g., shift of institutional focus to ambulatory care, population health, expansion of personalized medicine, marketing of biosimilars).

Do you think you have the basic framework and skills necessary to go back to your institution and start the process of strategic planning?
- A. Yes
- B. No
- C. Not sure