

AHA Drug Pricing Study: State Hospital Association Opportunity

The American Hospital Association (AHA) is pleased to offer state hospital associations the opportunity to receive state-specific reports on trends in drug spending by hospitals. These reports will be available as part of a new national study on drug pricing and spending commissioned by the AHA, the Federation of American Hospitals (FAH) and the American Society of Health-System Pharmacists (ASHP). This study updates the 2016 AHA/FAH study on inpatient drug spending, and will explore additional issues, including looking at drug spending and prices in the outpatient setting, as well as the impact that drug shortages have had on drug prices and spending. NORC at the University of Chicago (NORC) will conduct the analysis. Results are expected in late summer to early fall 2018.

Overview of the National Study and State-level Reports: NORC will evaluate the following questions using data collected from an AHA survey of hospitals and health systems, in-depth interviews with hospital/health system leadership, and data provided by two group purchasing organizations (GPO):

1. How did inpatient and outpatient drug spending change in total between FY2015 and FY2017, and how does this compare to the FY2013-FY2015 period? We will also look at changes in spending using standardized measures (e.g., on a per-admission basis) as appropriate for both inpatient and outpatient spending.
2. To what extent did changes in drug prices contribute to changes in drug spending in inpatient and outpatient settings?
3. What were the experiences of hospitals with prices and spending for drugs that either faced new competition or experienced shortages?
4. To what extent have changes in drug pricing impacted hospitals' ability to manage costs, including any ancillary costs associated with the delivery of drug therapies?
5. To what extent did hospitals experience drug shortages during FY 2013-FY 2017? Did prices for drugs subject to a shortage change during the shortage and/or after the shortage was resolved?
6. What costs are associated with managing drug price increases or shortages that would not be captured in an evaluation of changes in spending on the actual drug, such as increased staff time to compound alternatives?
7. What impact did new competition have on drug prices and what was the net price impact between FY2013-FY2017?
8. What measures and management strategies have hospitals used to control drug spending and compensate for insufficient reimbursements?

A copy of the survey instrument is attached.

NORC will generate state-level briefs using aggregate survey responses from hospitals and health systems in that state. Individual responses from member institutions will not be available.

State Hospital Association Opportunity: State hospital associations may obtain state-specific reports directly from NORC. The AHA has negotiated a rate of \$2,574 for these reports.

We encourage state hospital associations that are interested in obtaining their state's report to:

- Contact Aaron Wesolowski at awesolowski@aha.org for more information, including to obtain contact information for the NORC.
- Actively encourage your members to complete the AHA supplemental survey on drug pricing.



PRESCRIPTION DRUG PRICING SURVEY

1. Please indicate whether you are responding on behalf of an individual hospital or a multi-hospital health system:

- Hospital
- Health system

2. How much did your hospital or health system-based pharmacy spend overall (net of all discounts) on prescription drugs (injectable, non-injectable, and biological products) during the following time periods? *[Please exclude spending on retail pharmacy and spending for radiopharmaceuticals, such as those purchased from a nuclear pharmacy.]*

Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
\$	\$	\$

3. For the spending reported in Question 2, please indicate what percentage of pharmacy spending is attributable to the inpatient versus the outpatient setting. *[Please estimate if exact figures are not available.]*

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Inpatient	%	%	%
Outpatient	%	%	%

4. What were total hospital or health system expenditures for the following time periods?

Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
\$	\$	\$

5. To what extent did drug shortages contribute to increased spending on drugs during FYs 2015 – 2017?¹

- Not at All
- To a Small Extent
- To a Moderate Extent
- To a Large Extent
- Not Applicable
- Don't Know

¹ [Note: The FDA identifies the following as reasons for a shortage: (A) Requirements related to complying with good manufacturing practices; (B) Regulatory delay; (C) Shortage of an active ingredient; (D) Shortage of an inactive ingredient component; (E) Discontinuation of the manufacture of the drug; (F) Delay in shipping of the drug; or (G) Demand increase for the drug.]



6. To what extent did the entry of new brand competitors, biosimilars or generics during FYs 2015 – 2017 result in more competitively priced drugs?

- Not at All
- To a Small Extent
- To a Moderate Extent
- To a Large Extent
- Not Applicable
- Don't Know

[Show if response to Q6 = moderate or large extent] Please identify several examples of drug(s) that are now subject to new competition that have resulted in significant savings for your hospital or health system:

7. To what extent did changing costs for drugs impact your hospital or health system's ability to manage its budget during FYs 2015 – 2017?

- Not at All
- To a Small Extent
- To a Moderate Extent
- To a Large Extent
- Don't Know

8. *[Skip if Q7 = "Not at all"]* Please indicate whether these budget pressures resulting from changing drug costs during FYs 2015 – 2017 required your organization to take any of the following steps *[Check all that apply]*:

- Delay investments in or replacement of equipment
- Reduce staff
- Reduce services offered
- Do more in-hospital compounding
- Identify alternative therapies
- Other: _____
- Not applicable
- Don't know



9. Please indicate up to five (5) drugs purchased by your hospital that experienced significant price increases that impacted your ability to manage drug costs during FYs 2015 – 2017.

- 1) _____ Primary setting of use: Inpatient Outpatient Both
- 2) _____ Primary setting of use: Inpatient Outpatient Both
- 3) _____ Primary setting of use: Inpatient Outpatient Both
- 4) _____ Primary setting of use: Inpatient Outpatient Both
- 5) _____ Primary setting of use: Inpatient Outpatient Both

10. Please indicate up to five (5) drugs purchased by your hospital that entered the market with a high launch price during FYs 2015 – 2017 that impacted your ability to manage drug costs.

- 1) _____ Primary setting of use: Inpatient Outpatient Both
- 2) _____ Primary setting of use: Inpatient Outpatient Both
- 3) _____ Primary setting of use: Inpatient Outpatient Both
- 4) _____ Primary setting of use: Inpatient Outpatient Both
- 5) _____ Primary setting of use: Inpatient Outpatient Both

11. How challenging was it for your hospital or health system to obtain drugs that experienced drug shortages during 2015, 2016 or 2017?²

- Extremely challenging
- Somewhat challenging
- Not very challenging
- Not at all challenging
- Don't know

12. [Skip if Q11 = "Not at all challenging" or "Not very challenging"] Please indicate those drugs for which shortages during 2015, 2016 or 2017 were extremely or somewhat challenging [Check all that apply]

- Saline
- Dextrose
- Opioid injectable
- Sodium bicarbonate
- Sterile water
- Anesthetic agents
- Chemotherapy
- Parenteral nutrition therapy
- Epinephrine
- [OTHER]

² [Note: The FDA identifies the following as reasons for a shortage: (A) Requirements related to complying with good manufacturing practices; (B) Regulatory delay; (C) Shortage of an active ingredient; (D) Shortage of an inactive ingredient component; (E) Discontinuation of the manufacture of the drug; (F) Delay in shipping of the drug; or (G) Demand increase for the drug.]



13. Please identify any actions your organization had to take during 2015, 2016 or 2017 to continue caring for patients in light of drug shortages? [Check all that apply]

- Additional staff to compound alternatives
- Substitute a more expensive drug or therapy
- Repackage larger package sizes into smaller formats
- Adjust EHR documentation and management
- Change patient care patterns or delay therapy
- Reschedule non-urgent/emergent procedures
- Diversion of staff to manage drugs in shortage and/or drug inventory
- Additional communications to ensure patient safety due to drug or packaging changes
- Unable to implement other upgrades to improve patient safety or reduce drug spending
- Other; please specify _____
- Don't know
- Not applicable

14. What additional acquisition efforts, in light of drug shortages, has your hospital or health system had to take during 2015, 2016 or 2017 to continue to provide care for your patients? [Check all that apply]

- 503A compounders (compounding pharmacy)
- 503B compounders (outsourcing facility)
 - i. Have 503B compounders been unable to fill gaps due to demands related to shortages? Y/N
- Using secondary contracts (i.e., non-GPO)
- Using secondary wholesalers
- Off-contract purchases
- Direct negotiation with manufacturers
- Other (please specify) _____
- Don't know
- Not applicable

15. Do any drug therapies introduced during 2015, 2016 or 2017 have significant additional associated costs (hospitalization, etc.) to manage therapy protocols and/or anticipated significant side effects that are not included in the cost of the drug?

- Yes
- No
- Don't know

If yes, please provide examples of such therapies and the ancillary services and costs associated with the treatment.

- Drug name Ancillary services Associated costs for additional services
- Drug name Ancillary services Associated costs for additional services



Please indicate if you are willing to be contacted for further discussion about the information you have shared.

- Yes/No

If yes, please provide contact information for case study point of contact:

Name: _____

Phone: _____

Email: _____