

# Drug Spend Analytics

From Principle's RxExpend™

Principle's RxExpend helps you understand your current drug spend, identify new revenue streams and manage your allocated pharmacy dollars effectively.

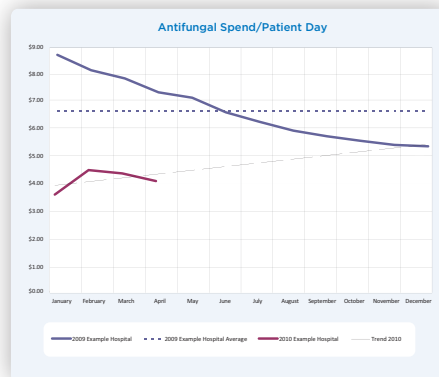
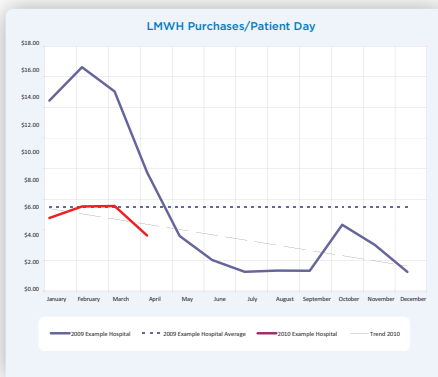
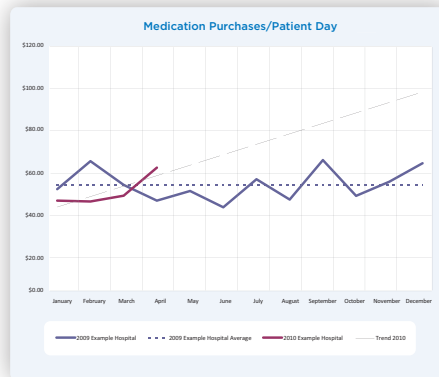
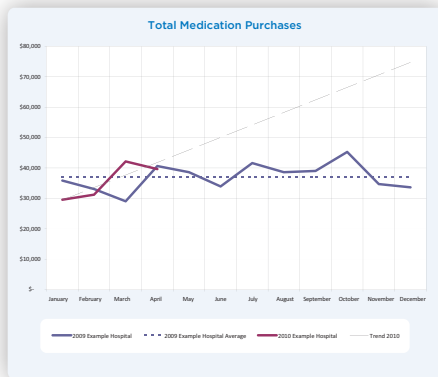
- Manage Documents
- Powerful Reporting
- Better Decisions
- Monthly Subscription

Successfully managing a hospital's medication expenditures requires real-time analysis of purchase history reports and spending trends. Many hospital pharmacy directors have access to wholesaler-generated 80/20 and other reports, but these reports lack the depth and clinical analysis to identify trends and eventually change prescribing habits. RxExpend provides detailed information about pharmacy spend to successfully manage drug purchasing.

## Evaluate Clinical Impact and Develop Strategies to Reduce Spending

To find and explain variations and opportunities for lowering drug spend, Principle developed RxExpend and a unique approach to Purchase History Reports. Features of this service include:

- 24 months or more of purchasing data
- Customized dashboard
- Reporting available system-wide
- Flexible time periods (M/Q/Y)
- Easily incorporate direct purchases
- Reported by category and generic name
- Graphing capabilities



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Pharmacy is our business.  
Improving healthcare is our passion.



## RxExpend™ Drives Savings:

In a multiple hospital system, RxExpend provided baseline information on pharmacy spending habits and inventory levels. A system-wide approach to inventory management, medication purchasing and formulary assessment resulted in reductions in inventory medication spend.

Total cost per patient day was reduced by almost \$10 generating more than \$500,000 in total savings in less than one year. RxExpend continues to monitor this total cost reduction and provides analysis for further cost reductions.

With over \$30 million annual drug purchases under management, we use an organization's purchase order history, GPO and wholesaler data to identify actionable opportunities around inventory and buying group compliance. Our online tool highlights specific savings opportunities using high-level dashboards with drill-down capabilities to improve supply chain management, maximizing 340B programs, and enhancing formulary/GPO compliance. We are able to give our clients an independent, unbiased service to monitor and improve their pharmacy purchasing program.

**We would welcome the opportunity to discuss your savings opportunities. For more information, call us toll-free at 877-778-4300 or email us at [letsbegin@principlepharmacy.com](mailto:letsbegin@principlepharmacy.com).**

# Drug Spend Analytics Examples

RxExpend provides increasing detail as users drill down to analyze drug spend for a hospital or system. From Category Reports to Top 25 reports to specific medication purchases, all detail is available for users with the click of a mouse.

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## TOTAL PURCHASES BY CATEGORY

Category	Example Hospital
SURGICAL THERAPY	\$18,809.60
ANTIBIOTICS	\$9,107.51
LMWH	\$6,322.34
SCHEDULE 2	\$4,419.40
RESPIRATORY THERAPY	\$2,708.72
ALBUMIN	\$2,040.00
IV FLUID	\$1,057.43
INSULIN	\$1,026.70
SCHEDULE 3-5	\$856.09
SALINE FLUSH	\$469.56
ANTIBIOTICS, TOPICAL	\$226.98
TPN THERAPY	\$156.84
PPI	\$114.48
PHARMACY SUPPLIES	\$67.04
WOUND CARE	\$21.11
OTHERS>\$500	\$11,622.31
OTHERS	\$8,014.14
<b>Total Purchases</b>	<b>\$67,040.25</b>
Patient Days	879
<b>Total Purchases/PD</b>	<b>\$76.27</b>

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## TOP 25 PURCHASES

Rank	Description	Example Hospital	Grand Total
1	THROMBIN-JMI 5MU PWVL 1 EA	\$12,487.20	\$12,487.20
2	FRAGMIN 5MU/0.2ML SYRN 10X 2ML	\$4,889.16	\$4,889.16
3	CEFZOLIN/DEXTROSE 1GM PGBK 24X1EA	\$3,681.30	\$3,681.30
4	GLUCAGEN 1MG PWVL 10X1EA		
5	GLUCAGEN 1MG PWVL 1 EA		
6	ALBUMINAR-25 SPD 0.25 SDV 100 ML		
7	LIDOCAINE HCL 20MG/ML LSSY 10X5ML		
8	SELDOPAM 50MG 6 EA		
9	FRESNIUS PROPOVEN DSHF 10MG/ML SDV 10X50ML		
10	HYDROMORPHONE HCL 2MG/ML CARP 10X1ML		
11	TOBRAMYCIN 1.2GM PWVL 6X1EA		
12	OXYCODONE/ACETAMINOPHEN 10-325MG TABS 10X10E		
13	ZOSYN 4-0.5GM PWVL 10X1EA		
14	ADV AIR DISKUS INST 250-50MCG ARIN 14 EA		
15	NAROPIN 5MG/ML SDPF 30 ML		
16	FRAGMIN 2.5MU/0.2ML SYRN 10X 2ML		
17	SOJOURN LIOD 250 ML		
18	HESPAN 6-0.9% IVSL 12X500ML		
19	ASMANEX TWISTHALER 14INH. INP 220MCG ARIN .24 G		
20	FRAGMIN 18MU/0.72ML SYRN 10X.72ML		
21	LEXAPRO 20MG TABS 10X10EA UD		
22	ULTRIA 1MG PWVL 10X1EA		
23	TYGACIL 50MG PWVL 10X1EA		
24	ROCURONIUM BROMIDE 10MG/ML MDV 10X5ML	\$559.62	\$559.62
25	MORPHINE SULFATE 10MG/ML SDV 25X1ML	\$504.32	\$504.32
<b>Total Purchases</b>		<b>\$48,448.59</b>	<b>\$48,448.59</b>
<b>Patient Days</b>		<b>879</b>	<b>879</b>
<b>Total Purchases/PD</b>		<b>\$55.12</b>	<b>\$55.12</b>
<b>Top 25 Purchases as a % of total purchases</b>		<b>72%</b>	<b>72%</b>
<b>Total Purchases</b>		<b>\$67,040.25</b>	<b>\$67,040.25</b>
<b>Total Purchases/PD</b>		<b>\$76.27</b>	<b>\$76.27</b>
<b>Total Purchases as a % of total purchases</b>		<b>100%</b>	<b>100%</b>

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## TOTAL PURCHASES BY CATEGORY

Item	Description	Example Hospital	Current Rank	Prior Month Spend	Prior Month Rank
62856050010	FRAGMIN 5MU/0.2ML SYRN 10X 2ML	\$4,889.16	1	\$2,897.28	1
62856025010	FRAGMIN 2.5MU/0.2ML SYRN 10X 2ML	\$781.34	2	\$1,116.20	2
62856018010	FRAGMIN 18MU/0.72ML SYRN 10X.72ML	\$651.84	3	\$0.00	3
<b>Total LMWH Purchases</b>		<b>\$6,322.34</b>		<b>\$4,013.48</b>	
<b>Patient Days</b>		<b>879</b>		<b>815</b>	
<b>Total LMWH Purchases/PD</b>		<b>\$7.19</b>		<b>\$4.92</b>	
<b>Previous Month LMWH Purchases/PD</b>		<b>\$4.92</b>			

Using RxExpend's clinical, purchasing and monitoring tools, hospitals and health systems have generated savings on average of 13% of total drug spending.

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## SAVINGS GENERATED THROUGH RxExpend

Operational and Clinical Assessments				
Brief Description of Projects	Drug Spend	Savings Target	Savings Stretch	Identified Savings as % of Drug Spent
A two hospital system with over 500 occupied beds	\$ 11,594,779	\$ 1,103,513	\$ 1,426,822	12%
A closed door pharmacy servicing 6 LTACs	\$ 5,702,872	\$ 643,208	\$ 812,000	14%
A 500 occupied bed acute care hospital	\$ 13,400,000	\$ 848,761	\$ 1,115,685	8%
A small rural hospital with two retail pharmacies	\$ 2,200,000	\$ 424,153	\$ 693,781	32%
A 200 occupied bed acute care facility in a small community	\$ 11,799,761	\$ 1,027,469	\$ 1,749,469	15%
A two hospital system with over 500 occupied beds	\$ 16,194,285	\$ 1,184,000	\$ 1,184,000	7%
A large inner city hospital with a ADC of 200	\$ 6,829,791	\$ 411,000	\$ 1,411,000	21%
An acute care hospital with an ADC of 250	\$ 12,725,000	\$ 372,000	\$ 463,000	4%
An acute care hospital with an ADC of 200	\$ 7,770,000	\$ 170,000	\$ 240,000	3%
An acute care hospital in the SE with ADC of 280	\$ 5,500,000	\$ 566,125	\$ 777,979	14%
<b>Average per project</b>	<b>\$ 9,371,649</b>	<b>\$ 675,023</b>	<b>\$ 987,374</b>	<b>13%</b>

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