CEO CFO

ceocfointerviews.com
All rights reserved!
Issue: March 9, 2015

The Most Powerful Name in Corporate News

Visante®

Medicines Management and Compliance Optimization

James A. Jorgenson
CEO ***Visante Inc.***
Board Chair ***Visante Limited***

CEOCFO: ***Mr. Jorgenson, what is the idea behind Visante?***

Mr. Jorgenson: Our company was formed in 1999 and we focus on medicines optimization in a number of areas.

We work in four basic sectors in the US. We are in the managed care sector working a lot with the bigger insurance providers and managed care entities that provide Medicare Part D prescription plans helping them with compliance and operations issues. Then, we get into the pharmacy benefits management space, helping organizations with design and implementation programs and services. In our hospital and health systems division we do everything from "soup to nuts" related to medicines optimization. This includes recommending programs that would help organizations improve safety around medications, quality outcomes around medications, and maximization of revenue around medications. Our goal is always to improve patient outcomes and to gain efficiencies that result in medicines-related cost reductions. And then we have a business-to-business support division in which we work with automation and technology vendors and some of the Pharma companies to help them bridge the gap between the products and services they offer and how to communicate this to the hospitals. Because we are well-grounded in the hospital world we can help to strategize these products and services so that it matches specific needs in the hospital space. In another area, we have found that hospitals often buy very sophisticated technology, but they do not always take full advantage of that technology. This is because they do not change their own internal processes to use it effectively. In those cases, we come alongside to help with change management.

Finally, we have Visante Limited, which creates an international platform for our work. A few years ago, we started getting calls for our services from outside the US and we created Visante Limited to allow us to provide a consultancy in other countries. What we discovered was that even though the constructs of other payment systems and the healthcare delivery systems are markedly different in different countries, the problems are exactly the same and involve issues surrounding access, quality and cost. Under the umbrella of Visante Limited, we have formed Visante UK with an office in London and Visante Canada with an office in Toronto. We have contracted with pharmacists from these countries who join with our US consultants to allow us to work effectively in these countries.

CEOCFO: ***Optimization of medicine is a very broad category. Would you give us a couple of concrete examples of what might be a common area where you can provide the expertise and maybe something that people would not generally realize could be optimized?***

Mr. Jorgenson: If you look at the numbers, medicine is really the fastest growing expense line for any healthcare organization. Nationally, it is going up about 13% per year which is significantly more than any other single healthcare cost. At the same time, under the new value-based purchasing environment, organizations are being penalized for poor performance. If you look at the three diagnosis-related groupings (acute myocardial infarction, chronic heart failure and pneumonia) where hospitals are now being penalized for thirty day or less readmissions, the success or failure of these patients after they leave the hospital is predicated on medication therapy.

Post discharge problems can arise in a number of ways related to mediation therapy. If patients do not leave the hospital with the optimal combination of drugs, or if they are not able to easily pick them up when they leave, or if there are contraindications for those medications, or if there are interactions to the medications, or anything else that would impact their ability to take those medications, then they will most likely end up back in the hospital. If this happens, then the hospital does not get paid for that readmission, which can be a significant cost driver.

One of the things that we strive for is to create a more multi-disciplinary approach to how medications are used. We examine each step of the medication use process. To get the right outcome from medications they must be correctly prescribed, accurately dispensed and precisely administered under the specific directions for proper use. This means that more is required for successful adherence than just picking up your prescription at your local pharmacy. Therefore, when we look at the use of medications in a hospital setting, we examine the entire process working with physicians, with nurses, with pharmacists, with IT professionals and with finance professionals.

A good example of how important this focus is on all aspects of medication use can be found with how we handle chronic heart failure. We encourage a model for care wherein the clinical pharmacist really drives the patient education around the medications prescribed and follows up to make sure that there is proper adherence and compliance.

Adopting this model can have some dramatic effects. Our Chief Medical Officer joined us following a career with Kaiser where he was instrumental in developing and using this model. His experience was that they were able to reduce the incidence of transmural myocardial infarctions (the big ones -- often called the "widow makers"), by almost 50%. In this patient population, the program resulted in a 28%-30% reduction in the chance of dying from cardiac complications than in the general population. I did similar things in my practice as Chief Pharmacy Officer at Indiana University Hospital System with similar outcomes. We have been able to take these kinds of programs to help other places achieve the same kinds of results.

"Why choose Visante? We have a proven track record as individual professionals in the field and as a company. Each consultant has between twenty and thirty years of experience and we have successfully accomplished many of the things that we are assisting other organizations with. We approach our work creatively from a multidisciplinary perspective and craft solutions that are tailored to specifically match the needs of each client. I am not aware of anyone else that does it exactly like us."- James A. Jorgenson

Another example of the work we do is with antimicrobial stewardship. It is hard to pick up a newspaper today without seeing some story around superbugs. These are the multi drug-resistant organisms that are becoming ever more prevalent around the world. The World Bank has listed this as a one of the top ten issues affecting the world today. Most hospitals have never really analyzed their use of antimicrobial drugs nor have they compared their performance against best practice benchmarks in similar facilities. To really get the outcome that you want, again, we find that this requires a multidisciplinary approach. You need an infectious disease medicine specialist, highly trained pharmacy professionals, an effective infection control program, laboratory support, and you need an accessible data infrastructure. When you put all of these areas together into a really nice comprehensive program, you can get some significant results in terms of reducing resistance rates and also improving costs. We were able to put this assessment and specialized program in at a large academic medical center and it reduced their drug spend on anti-infectives by $2.5 million dollars a year.

I am pleased to tell you that these are just a couple of examples among many others where our recommendations have resulted in significant improvements in patient performance, while at the same time realizing outstanding financial outcomes.

CEOCFO: ***What might be something you look at that others do not recognize as important?***

Mr. Jorgenson: I think we are unique as a consulting firm in that we really do not have any junior level people. Everyone that works with us has at least twenty years' experience and they have all been highly successful in their own practices and areas of specialization.

We also never use any kind of a "one size fits all approach" in our assessments or with our recommendations. Each client is evaluated as unique, having its own culture and niche that it fills within its community. We recognize that around the country and around the world there is tremendous variation in the practice of medicine, nursing practice models, pharmacy practice models, as well as with the computer systems in use. Also, we recognize the importance of different locales, variation in patient composition and the levels of disease states in every organization we serve. Each of these factors demands an approach that is tailored to the particular needs of each organization. While some of the basic concepts might be the same, we have never built the same product or program twice.

When we go into an organization, we really try to be mindful of the fact that every place has a set of needs specific to them. Oftentimes, when we enter a new client site, the key to our work comes as much from what we do not see as what we do see. Because we are sending highly experienced people, they can rapidly recognize what is available as well as what is missing, and that can make a big difference in performance outcomes.

A great example is the presence of specialty pharmacy in a hospital. This area encompasses some of the highest priced medicines that are used to treat very complex disease states. Currently, specialty pharmacy accounts for about a third of the total prescription cost in the US and projections are that by 2019 it will account for half of our overall drug spend. Therefore, we find that helping organizations to put together their own specialty pharmacy programs, so that they can more effectively manage these patients, is a strategy that can improve continuity of care, reduce expense and create a significant new revenue stream. We have done this with a number of different organizations and, again, while using the same concepts, we have never built the same service capability twice.

CEOCFO: ***When you are designing a program, how do you keep on top of all of the regulations, all of the technology and all of the changes in medication? How are you able to use best practices today with what potentially could be a game changer regulatory, technologically or medically six months down the road?***

Mr. Jorgenson: That is a great question because I think that these are issues that have plagued healthcare for a long time. Organizations may typically identify an immediate problem and then they go out and find the solution to that immediate problem. But they are not thinking of how that solution is going to fit into their overall architecture or strategy in the next five years. They often wind up with a patchwork quilt of solutions that really do not support where they need to be five or ten years down the road.

The other big thing that we see organizations struggling mightily with right now is the pace of change in healthcare. This is happening faster than it ever has before, and organizations are really struggling to keep up. We found that they are often trying to achieve breakthrough results using incremental change methodology. You cannot go out and buy a piece of technology or change a system or process and think that this is going to get you where you need to go in terms of transformational results. To achieve breakthrough results you must change the way you think.

Much of what we do in these situations is designed to help organizations think differently around medications. When we go into an organization to engineer or reengineer something, we always try to visualize how this is going to look five or ten years in the future. For example, we are working with a client in California right now and we just had a discussion with their senior leadership. They said to us “We want you to build us something that is going to last for forty-five years.” You have really got to be able to think outside of the box when you do planning on that scale. This is the kind of challenge that is fun, too, because we are able to leverage what we know is happening in the US as well as what we see developing in other countries.

An example of this came up recently in the UK where aseptic product preparation (what we refer to as sterile compounding), is already at cGMP (Current Good Manufacturing Practices). This is the level at which most major drug suppliers in the US work. However, most US hospitals work at a lower level of safety and quality that is dictated by the United States Pharmacopeia. However, when we go into a hospital to build a facility of this type, we will take some of the elements that we have learned about in the UK and we bring it over to the US, so that what we build exceeds current US standards. It is a little bit enhanced because we recognize that our standards are only going to increase. They are never going to decrease. We have already built something in this area that exceeds the required standard. We really do try to think in the long term and to help clients to create a solid, coherent strategy right now that they can communicate across the organization.

CEOCFO: ***Do you do much outreach these days or do people know Visante?***

Mr. Jorgenson: Most of our business has come in because of our professional reputation and referrals from our business connections. People that we have worked with professionally throughout our careers recognize that we are now in a position to take what we have done successfully, and assist them in doing similar things. I would say that the bulk of our work comes in that way. It is interesting, because I would also say that about 80% of the groups we work with are considered to be in the top tier of high performing healthcare organizations. These organizations want to stay ahead of the pace of change and tend to be thinking and looking for creativity and innovation.

I think where some outreach might help is for that group in the middle or at the bottom of the distribution curve that could really use the help, but do not know where to look.

CEOCFO: ***When you are working with an organization, do they typically implement what you recommend?***

Mr. Jorgenson: More often than not, they will implement all or at least most of what we recommend. Normally, the way we work is to come in and do a comprehensive assessment which includes a report of our findings along with our recommendations and suggestions. The organization leadership may respond by saying, “You know what? Out of those

ten recommendations we think we can do these two ourselves. We think we are going to need help with these five and then we are going to put these other three off until the next fiscal year." We try to give them a menu of options and then we work with them to rank these to establish what assistance they might be interested in having us provide.

CEOCFO: ***How is business these days?***

Mr. Jorgenson: Booming! As healthcare continues to evolve there are so many problems and so many opportunities. I have to believe that being a healthcare executive right now is on the "Ten Worst Jobs in America" list. They have got to figure out how to fit more patients into the current system. By the time healthcare reform takes full effect, we will need to find the capacity to care for 33 million more people that did not have health insurance and, now that they have it, will want to take care of deferred healthcare issues. At the same time, we are seeing reductions in government payments to the tune of approximately 30%, compounded by increased demands for improving quality of care. To the casual observer these two trends may seem to be mutually exclusive, yet healthcare organizations and their leaders have got to deal with it all.

I think the better places are really out there looking for new ideas. When you look at medication use, it is the fastest growing expense line and, at the same time, the primary treatment for most patients. From a safety perspective, with millions of doses being dispensed, if you are going to hurt somebody (other than in the operating theatre) it is likely to be with medications. Therefore, in terms of being able to make a quick and high impact change with positive quality and financial results, pharmacy is a great place to look.

CEOCFO: ***Do you look to see how you can improve efficiency of the whole process?***

Mr. Jorgenson: Yes, absolutely. When we go in to redesign something we take a look at how we could improve the efficiency of the whole process -- not only the big things -- but also the little things.

For example, when you look at what hospital nurses have to do and draw spaghetti diagrams of the average nurse's day, it is horrible. They are working so inefficiently with all of the steps they have to take. We did a twenty thousand data point observational study on what a nurse's day looked like, and at the place where we did it 36% of their activities were medication related. It gives us the opportunity to say, "We could really take a lot of the lower value-added elements from their plates." If you are able to shift things away from the nurses to improve their work day that means they can spend more time doing what they really should be doing: taking care of patients at the bedside. However, there are just so many inefficiencies that can get in the way.

This is one of the things that I was working on when I was in London recently. The UK has a real nursing shortage right now. It is at a crisis level and they are importing nurses from the Philippines, from Poland, and other countries. One result is that hospitals have a huge number of agency nurses, instead of their own full time staff, providing care. Then you look at what they have the nurses doing. They are mixing all the IVs with the exception of TPN (total parenteral nutrition) and chemotherapy. In the US, the pharmacy does it all. Over there, the nurses mix everything on the floors. It makes you shake your head and say, "This is staring you right in the face. You do not need to import more nurses. You just need to take non value-added services off of their plates and figure out another way of doing things."

So, specific to your point, we pay attention to the details because sometimes it is in changing those little things that can make the biggest difference.

CEOCFO: ***Why choose Visante?***

Mr. Jorgenson: Why choose Visante? We have a proven track record as individual professionals in the field and as a company. Each consultant has between twenty and thirty years of experience and we have successfully accomplished many of the things that we are assisting other organizations with. We approach our work creatively from a multidisciplinary perspective and craft solutions that are tailored to specifically match the needs of each client. I am not aware of anyone else that does it exactly like us.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

For more information visit: www.visanteinc.com

Contact: James A Jorgenson, RPh, MS, FASHP 317-997-2004 jjorgenson@visanteinc.com