

IN THEIR OWN WORDS

**“PHARMERICA’S
TRANSITIONAL CARE
PROGRAMS ARE A SOLID
SOLUTION TO REDUCING
HOSPITAL READMISSIONS.”**

– Shannon Lager, vice president and
chief operating officer, Medicalodges



PharMerica 
Value. Trust. Performance.

Trust, responsiveness key to success in nine-year partnership.

Employee owned Medicalodges reflects on savings, efficiencies.

Medicalodges is a textbook example of how a provider becomes a true reflection of the communities it serves.

The Coffeyville, KS-based company was born as the 1960s dawned with the opening of a skilled nursing facility called Golden Age Lodge. By the time man landed on the moon in 1969, the firm had grown to nine facilities throughout the state, changing its name to Medicalodges. Over the next three decades, it had grown to over 30 facilities across Kansas, Missouri and Oklahoma, and diversified to include services from in-home care, independent living, assisted living, and skilled nursing to rehabilitation, specialized care, outpatient therapies, memory care, hospice, geriatric psychiatry, adult day care and residential and day services for individuals who are developmentally and intellectually disabled.

Medicalodges even boasts of an increasingly popular and growing Special Olympics program, which regularly sends athletes around the world to compete.

“We evolved around the needs we saw in our communities,” says Shannon Lager, Medicalodges’ vice president and chief operating officer. “Early on, we tried filling gaps around in-home care services. Later, we developed programs to care for the developmentally and intellectually disabled, and after that, we ventured into assisted living to address growing demand for those kinds of services.

“We continue to look for opportunities to address unmet needs in the communities we’re in, and I think that’s one of the things that makes Medicalodges very different,” she adds. “We don’t say ‘We’re going to do memory care and that’s all we’re going to do.’ We say we want to help take care of these communities needs holistically, and we grow those programs and services from the ground up.”

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Along the way, Medicalodges has earned the respect of medical professionals charged with transitioning hospitalized patients to the most appropriate settings. The diversity of its services is one of the keys to its success, even more so today as so many states like Kansas have evolved into managed Medicaid environments.

“There’s a lot of back and forth between our home care, assisted living and skilled nursing facilities,” she says. Even for those who have multiple conditions that require frequent hospitalizations, Medicalodges works tirelessly with its agencies to help them transition back to their homes whenever possible, she adds. In short, staff work passionately to help residents locate to the most appropriate settings while balancing needs and wants every step of the way.

‘Skin in the game’

In February 1998, the employees of Medicalodges acquired the company from its previous owners in a 100% employee stock ownership trust transaction. Today, all 2,000 of its employees have a stake in its success -- something that makes a huge difference in caregivers’ dedication and longevity.

“The best way to explain this is simple,” Lager says. “We operate it like we own it because, well, we do. And that starts with those of us in senior management – all the way to the individuals in our facilities and care settings who are front-line caregivers. They understand they are part owners in our company through our stock options plan. When you own something, you want it to be the best it can be. You’re concerned about its reputation and the quality of care you provide. Everyone has skin in the game.”

Being employee owned also has help Medicalodges rack up 4- and 5-Star ratings from the Centers for Medicare & Medicaid Services, and several of its facilities have recently made U.S. News’ Best Nursing Homes lists. Of the 322 skilled nursing facilities in Kansas, Medicalodges had nine of the 38 facilities that made the list. Seventeen of its facilities are either 4- or 5-Star facilities.

Balancing costs and quality

Like nearly every long-term care provider today, Medicalodges must find ways of meeting and beating the myriad challenges of tight reimbursement and ever-mounting, sometimes burdensome, regulations.

It’s a daily battle to balance cost efficiencies and quality – one that routinely pushes even the best and the brightest like Lager.

“If there’s one thing that’s consistent from a regulatory stand-

point, it’s us being asked to do more with less,” she says. “It’s difficult when you have agencies telling you they’re going to keep lowering your reimbursement on one hand while on the other, handing you a 700-page pile of new regulations to comply with. “That in a nutshell is what keeps me and others here up at night - a regulatory agency in the state that seems to be running amok.”

It’s no wonder an area like drug costs and medication management can be an Achilles heel for so many providers, and that’s why Medicalodges’ partnership with PharMerica is making a big difference.

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“We know when they go home that they’re still going to continue to receive their medications like they should be receiving them, and hopefully prevent a hospitalization after they’ve even discharged from our facility.”

For example, PharMerica’s RX Now machines speed and automate dispensing at critical times like emergencies and initial dosing, meaning nursing staff can focus on providing the best care – something that is particularly important in the vast rural landscapes of the midwest.

“When we have an admission coming into one of our three buildings that has an RX Now machine, we don’t have to worry about timeliness of medications being received at the facility,” she says. “We can walk directly to a machine that’s going to

have 99% of everything we might need in there ready and available to administer to that individual as soon as they are at our door. That is hugely satisfying,” says Lager, who has a clinical background in nursing. “I don’t have to worry that my patient is coming into my facility at 1 in the afternoon and I live in a very rural market and my medications won’t arrive until 10 that night.” RX Now also streamlines the data transmission between the nursing facility and pharmacy.

ViewMasteRx®, PharMerica’s on-line, secure customer web portal, also gives Medicalodges vital, real-time visibility, allowing users to access medication orders and billing information, manage reports, schedule refills and see cost saving options. “Being able to do cost out on individuals helps us to be more efficient in working within our facilities,” Lager adds.

PharMerica’s consultant pharmacist services also provide critical help. “When our consultant pharmacists and the field nurses come into our facilities, they always see things we don’t see and provide critical instruction to our nurses,” she says. “If nothing else, getting our nurses familiar or comfortable with someone else watching them makes a huge difference.”

Greater stature with referral networks

The long-term care landscape is becoming increasingly competitive even in rural areas, which makes building a strong referral network and quality reputation more important than ever. Lager says PharMerica’s solutions have not only helped Medicalodges improve internally, but better position itself with discharge planners.

“The metrics we can receive from PharMerica are powerful, and gives us something we can take back to each facility to show how well we are performing in one area, or how we could improve in others,” Lager says, “whether that’s making use of the most efficacious medication or cost-effective medication. In building networks, we’re reviewing many managed care plans and agreements at the moment, and it really helps us to offer something to them to say we can provide these cost effective services because we have this partnership with PharMerica.”

One area Medicalodges can boast about to its referral network is antipsychotics. With PharMerica’s help, between 2014 and 2017 Medicalodges reduced Short Stay Antipsychotic CMS

Quality measure by 35% and Long Stay Antipsychotic CMS quality measure by 25%.

One area referral sources are particularly keen about are rehospitalization rates, where PharMerica offers a solution to address the issue. Called Discharge RX, the program helps assure facilities their outgoing residents have the medications they need to continue their care at home. Discharge RX also provides follow up directly with the resident to ensure they are taking medications and schedule appointments with their physician.

The hand-offs during discharge can have devastating consequences if medication orders are mishandled. Among them are adverse drug events – one of the leading causes of rehospitalizations today.

“Everyone is looking at rehospitalizations,” she adds. “When we can mitigate possible errors with medications, we’re helping to prevent that.” For example, Discharge RX eliminates the need for a nurse to call in a script or a trip by the resident themselves to the pharmacy by providing the medications they need at the point of discharge. “We know when they go home that they’re still going to continue to receive their medications like they should be receiving them, and hopefully prevent a hospitalization after they’ve even discharged from our facility,” she says.

Lager says she also anticipates the “exciting potential” of pharmacogenetics, a new tool PharMerica offers that allows clinicians to glean DNA information from a simple saliva swab to target possible adverse drug reactions in high-risk residents before they occur. PharMerica says the proper combination of

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targeted pharmacogenetic testing and cutting-edge data systems provide real-time context to providers and greater safety for patients. It also improves a facility's bottom line by reducing readmissions through state-of-the-art gene sequencing to personalize patient's medications prior to discharge.

Looking forward

Lager has been there over most of the nearly nine years Medicalodges and PharMerica have been partners.

As she reflects on the success of her company's most recent fiscal year – millions in avoided costs from following PharMerica's preferred drug formulary, below-average use of antipsychotics and big Part D drug cost containment savings – two words come to mind: trust and responsiveness.

"PharMerica has really been a trusted partner of ours," she says. "I appreciate every person on PharMerica's team who works with us. They listen to us. They try to understand us. And when they don't, they ask more questions, and they try to help us, and take that information back and try to figure out how they can help more.

"That's significant in a partnership," she adds. "To have someone willing to help us even when the form we need it in is not necessarily always the most beneficial, economical, or efficient way for them to do it, is invaluable."

Drilling down deep: By the numbers

Here's a look at some of the key metrics PharMerica reported for Medicalodges at the end of fiscal 2017:

2.4 million

in cost avoidance by using PharMerica's preferred drug formulary (93.5% of medications were preferred drug usage)

Low percentage

of rehospitalizations due to adverse medication events

\$690,000

in total savings due to Part D recaptures (a 98.2% recapture rate)

35% reduction

in short stay antipsychotic CMS quality measure (2014-2017)



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PharMerica has served the pharmacy needs of nursing facilities for more than 30 years, operating over 100 pharmacy locations that fulfill the daily medication needs of hundreds of thousands of residents throughout the country. At PharMerica, we have a singular focus on service, collaborating with our clients to develop products and services that help them provide quality care, control costs, and remain compliant with ever-changing regulations. Together, we are transforming the delivery of pharmacy services to ensure clients remain positioned for growth – and success.