



Case Study: Streamlining Workflow in a Specialty Pharmacy for Faster Order Processing

Doctors often refer chronically ill patients to one or more specialty pharmacies that provide medications to patients with long-term health issues, often shipping direct to patients' homes. A patient's information may be submitted to multiple pharmacies, and the quickest respondent most often becomes the pharmacy that retains the business. Considering that some referrals represent an average of \$100,000 in annualized revenue, responding quickly is essential to capturing the business.

One specialty pharmacy with multiple locations across the U.S. wanted to improve turnaround time and capture more market share. They provided medication to patients with chronic or genetic illnesses, including Multiple Sclerosis, Rheumatoid Arthritis, Cancer, and Pulmonary Arterial Hypertension. Turnaround times were averaging 14 days, which is an eternity for a chronically ill patient seeking important medication. Patient and physician complaints were high, and capture rates were low.

Guidon assembled a cross-functional team of managers, supervisors, nurses, pharmacists, and other non-operational staff for an improvement project that included Kaizen events. Working together, the group identified opportunities to streamline the referral-capture process and address the barriers to faster service. As the team delved into these challenges, they identified three core problems: (1) staff didn't have access to information technology that would increase their efficiency, (2) referrals weren't being closely tracked through the process, and (3) standardization needed improving.

With the involvement of staff-level associates to ensure understanding of new processes, a number of improvements were made, including:

- Development of standardized work for clinical and non-clinical staff
- Introduction of protocols that helped them track orders through the process—which helped them adjust resources to meet demand
- Use of visual tools to monitor the referral process (making the process more visible makes it easier to manage and improve)
- Streamlining of approval and processing steps
- Reconfiguration of work space for greater efficiency

While it was initially difficult for the team to embrace change, the dynamic nature of the project and potential for creating meaningful change captured their enthusiasm. Buy-in grew more when people began to experience the benefits first hand.

As a result of the project, process handoffs dropped from 44 to 4 and the number of steps went from 151 to 40. Mean lead time plummeted 57%, from 14.35 to 6.22 days. The faster response allowed the company to double the volume of referrals retained and resulted in a 56% decrease in cost-per-referral. As of June 2009, the pharmacy had doubled the number of patients served compared to the beginning of the project, a multimillion dollar improvement.

Client: Specialty Pharmacy

Industry: Retail

Service: Kaizen Events, Program Leadership, Lean Six Sigma Expertise

Challenge: A specialty pharmacy that served chronically ill patients had an average response of more than 14 days to medication requests. The company was losing business because of this slow response time. Also, patients, physicians, and drug manufacturers perceived the pharmacy's processes to be inefficient. Responding quicker to medication requests was a challenge due to an inefficient work structure.

Solutions: Guidon Performance Solutions helped the client:

- Streamline its physical workspaces for more efficient work flow
- Reduce the number of steps and hand-offs necessary to enroll new patients
- Educate employees to look for opportunities for continued improvement

Results: Guidon consultants helped the company generate key improvements:

- Active patients increased by 84% in nine months
- By the end of the year, revenue had increased by 94%
- Capture rate of new patient referrals increased by 10%
- Referral volume increased by 37% across all stores
- Maintained or improved stock levels



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