

Making the Business Case for CMM

A Guide for Developing Your Plan



Introduction

Creating a successful business case to develop, improve, and/or spread comprehensive medication management (CMM) services within an organization is a topic that creates a lot of stress and confusion within the pharmacy—and broader healthcare—community.

Clinical pharmacists providing CMM services to high-risk patients can have significant impacts on improving **health outcomes, lowering costs, and improving patient and provider satisfaction.** However, these services can come at a significant direct cost. Clinical pharmacists are a costly resource, and CMM is a time-intensive service.



Introduction

There are many ways to create a business case that will resonate with key internal and external stakeholders. While there is **no single right answer or direction**, several **key elements** that you should include in your business case have been identified by subject matter experts.

To better understand these elements, these have been categorized into the three “stages” of a business case development and delivery.



Three Stages to Develop and Deliver an Effective Business Case

Stage 1: Collecting Necessary Information to Construct an Effective Business Case

- The Needs of Your Audience: What Drives Action?
- The Request You Are Making: Beginning with the End in Mind
- The Service You Are Delivering: Defining CMM for Your Organization
- The Outcomes You Generate: Impacting the Patient, the Team, and the Bottom Line

Stage 2: Constructing a Business Case That Resonates

- The Message to Your Audience: Making Key Points Early and Often
- The Language You Use: Speaking in a Way That Appeals to Your Audience
- The Look of Your Proposal: Visualizing Your Message to Stand Out

Stage 3: Delivering Your Business Case

- The Relationship You Create: Connecting with Your Audience
- The Voices “In the Room”: Including Others in the Delivery of Your Message
- The Response to “No”: Keeping Momentum When You Are Not Initially Successful

Stage 1: Collecting Necessary Information to Construct an Effective Business Case

Examples of Stages, Elements, and Recommendations

Stage 1: Collecting Necessary Information to Construct an Effective Business Case

1.1

The Needs of Your Audience: What Drives Action?

Who are you presenting this business case to? Do you understand what matters to this audience?

1.1.1

Be Able to Articulate the “Why”

- (1) *Why is investing in CMM so important to the organization and the community?*
- (2) *What is the future you are trying to create?*

1.1.2

Draw on the Existing Strategic Goals of Your Organization

- (1) *How does CMM align with existing strategic goals of the organization?*
- (2) *How can CMM help the organization meet or exceed its strategic goals?*

1.1.3

Be in Conversation to Identify Needs and Opportunities

- (1) *What keeps your leadership team up at night?*
- (2) *What excites them about the future?*

1.1.4

Understand How Your Organization Makes Money

- (1) *What are the available sources of funding within your organization?*
- (2) *Where is your organization doing well financially and where does it need help?*

1.1.5

Leaders Need More Than a Financial Plan

- (1) *How many areas of performance does CMM impact?*
- (2) *What areas of performance resonate the strongest with your leadership team?*

Stage 1: Collecting Necessary Information to Construct an Effective Business Case

1.2

The Request You Are Making: Beginning with the End in Mind

Do you have command of how you want your leadership team to be in action? What are you requesting they do after hearing your proposal?

1.2.1

Define Your Bold Vision

- (1) What about your CMM program are you trying to advance?*
- (2) What are the resources you need to make this happen?*

1.2.2

Identify the Sources of Revenue and Cost for CMM

- (1) What are opportunities for CMM to generate revenue or reduce cost in your organization?*
- (2) How much money does it cost to deliver CMM services to your high-risk patients?*

1.2.3

When Preparing Your Request, Think Big and Ask Small

- (1) What is the minimal viable investment or the smallest investment that can produce positive results?*
- (2) How can this investment be a stepping stone for growth?*

1.2.4

Prepare for “No”

- (1) What is your plan of action if the answer is “No”?*
- (2) Which elements were “deal breakers” and what compromises could be made to address concerns?*

Stage 1: Collecting Necessary Information to Construct an Effective Business Case

1.3

The Service You Are Delivering: Defining CMM for Your Organization

How are you providing CMM services to patients? What resources do you currently have in place?

1.3.1

Define the Patient Population in Need for CMM Services

- (1) *Which high-risk patients need CMM?*
- (2) *What is the scale of the patient population in need of CMM?*

1.3.2

Describe the CMM Service Being Delivered

- (1) *Can you articulate how CMM is being delivered in your organization?*
- (2) *What resources are required to provide current level of CMM services?*

1.3.3

Understand the Capacity and Interest of the Care Delivery Team

- (1) *How capable is the current care delivery team at providing and managing CMM services?*
- (2) *Is this team comfortable with the services you are proposing?*

1.3.4

Identify Champions For CMM

- (1) *Are there physicians, pharmacists, patients, and/or support staff that can act as champions for CMM?*
- (2) *Are these champions willing to publicly support your proposal?*

Stage 1: Collecting Necessary Information to Construct an Effective Business Case

1.4

The Outcomes You Generate: Impacting the Patient, the Team, and the Bottom Line

What impacts does CMM have on the patient, the care team, and the sustainability of the organization?

1.4.1

Understand Your Sources of Data

- (1) What patient outcomes data does your team have access to?*
- (2) Does this data allow you to track key outcomes for the specific patients receiving CMM services?*

1.4.2

Gather Impact on the Patient

- (1) When you analyze patient outcomes, what trends do you see?*
- (2) Are there powerful patient experiences that you can share?*

1.4.3

Explore the Direct vs. Indirect Impacts

- (1) Are there any indirect impacts on the patient, the care team, and the bottom line?*
- (2) What are the short term vs. the long term outcomes?*

1.4.4

Attribution is Critical

- (1) Can you attribute key outcomes to the clinical pharmacist providing CMM?*
- (2) How much better off is the patient with a clinical pharmacist vs. without one?*

Stage 2: Constructing a Business Case That Resonates

Examples of Stages, Elements, and Recommendations

Stage 2: Constructing a Business Case That Resonates

2.1

The Message to Your Audience: Making Key Points Early and Often

Does your leadership team understand your request? Are you making it easy for your leadership team to see value and positive outcomes of your proposal?

2.1.1

Start With Your “Elevator Pitch”

- (1) Assuming that your leadership team is busy, how quickly can you articulate your “request and offer”?*
- (2) How long does the audience have to wait for your request?*

2.1.2

Follow With The “Why”

- (1) Does your leadership team see the bigger picture of your proposal?*
- (2) Have you connected your proposal to the strategic goals of your organization?*

2.1.3

Not All Outcomes Are Created Equal; Focus on the Ones That Matter

- (1) Which outcomes (clinical, operational, and financial) matter the most to your leadership?*
- (2) Are you emphasizing these outcomes to your audience?*

2.1.4

The Marketing “Rule of 7” (Audience Needs to Hear Message Multiple Times)

- (1) Have you stated your key messages and requests more than once?*
- (2) What creative ways are you expressing your request and offer so that your leadership team hears the message?*

Stage 2: Constructing a Business Case That Resonates

2.2

The Language You Use: Speaking in a Way That Appeals to Your Audience

Do I have a command of the language that is needed to engage and persuade my audience?

2.2.1

Understand the Language of Your Audience

- (1) *What language fits the current positions and background of your leadership team?*
- (2) *Is there language you should avoid?*

2.2.2

Avoid Overly Technical Language

- (1) *Can your proposal be read by a diverse audience that may have limited understanding of CMM?*
- (2) *Are you using terms or acronyms that might overcomplicate your proposal?*

2.2.3

To Keep a Leader's Attention, Keep it Brief

- (1) *Can your business case be delivered in 10 minutes or less?*
- (2) *Is there information that is "nice to have" vs. "must have"?*

2.2.4

Bring in the Voices of Others

- (1) *Are there messages of support from partners outside of your immediate team that you can include?*
- (2) *Do you have the ability to induce the voice of the patient?*

Stage 2: Constructing a Business Case That Resonates

2.3

The Look of your Proposal: Visualizing your Message to Stand Out

Does my business case clearly and concisely appeal to the desired audience?

2.3.1

Visuals Speak 60,000x Faster Than Words

- (1) *What opportunities do I have to add visual touches (charts, graphs, tables, or images)?*
- (2) *Does my audience prefer certain visuals over others?*

2.3.2

Simplicity Is Critical

- (1) *Can your audience process the visuals in your proposal in under 30 seconds each?*
- (2) *What are the most impactful visuals you have and how can you emphasize them?*

2.3.3

Visualize Data to Tell a Story

- (1) *What story does the data tell, and can a chart, graph, table, or image help tell this story?*
- (2) *Does the visual allow your audience to easily see this story?*

Stage 3: Delivering Your Business Case

Examples of Stages, Elements, and Recommendations

Stage 3: Delivering Your Business Case

3.1

The Relationship You Create: Connecting with Your Audience

Is your leadership team connecting with you and your team? Does your leadership team see this as more than “another proposal”?

3.1.1

There is Power in a Personal Story

- (1) *Does your story (who you are) surface at all in this proposal?*
- (2) *Does your leadership team see why this business case is important to you and your team?*

3.1.2

Acknowledge The Challenges Your Audience Faces

- (1) *What opportunities do you have to acknowledge the challenges your leadership team faces on a daily basis?*
- (2) *How can you begin to introduce the notion that you can help resolve those challenges?*

3.1.3

Build Relationships with Your Audience Ahead of Time (Where You Can)

- (1) *Does your leadership team know you or is this the first meeting?*
- (2) *What opportunities do you have to engage your leadership team before the delivery of your business case?*

Stage 3: Delivering Your Business Case

3.2

The Voices in “In the Room”: Including Others in the Delivery of Your Message

Are there others that support this business case willing to be in the room and amplify your message?

3.2.1

Give a Platform for “Champions” of Your Program

- (1) *Are there “champions” willing to support your proposal in the room?*
- (2) *Do they have a voice in your presentation or discussion?*

3.2.2

The Patient’s Voice Can Have the Biggest Impact

- (1) *Are you able to have a patient and/or their family in the room?*
- (2) *What other opportunities exist to include the patient’s voice?*

3.2.3

The Voices of Many Strengthens Your Message

- (1) *Can you incorporate your implementation team during the presentation of your proposal?*
- (2) *Which team members can present the strongest message?*

Stage 3: Delivering Your Business Case

3.3

The Response “No”: Keeping Momentum When You Are Not Initially Successful

If your leadership team turns your proposal down, do you have a plan?

3.3.1

Give Your Leadership Team Options

- (1) *What options are you providing your leadership team?*
- (2) *Are there alternatives to your proposal that you would consider a “win”?*

3.3.2

Create an Opportunities to Provide Feedback on How to Improve

- (1) *If this proposal is not resonating with your leadership team, what advice would they give to improve your message?*
- (2) *Are there opportunities to meet with your leadership team after this proposal is delivered to keep an open dialogue?*

3.3.3

Time Diffuses Energy

- (1) *How can you follow-up with any critical next steps ASAP?*
- (2) *What conversations do you need to hold the week after your proposal?*

Additional Resources

Example Business Plans and HFMA Resources

Example Business Case

Fairview Clinic

University of Minnesota Pharmaceutical Care Leadership Residency

- [Comprehensive Business Plan](#): This document contains much of the information contained across the multiple modules. Because of its length, it may best serve as an **internal** resource for your department and team members.
- [SBAR Business Plan](#): This document is a condensed version focusing on the business plan components. Because it is brief and written in a format familiar to other healthcare professionals, it is ideal to share with members of the **C-suite and physician champions**.

Example Business Case

Veteran's Health Administration

United States Department of Veterans Affairs

- This [example](#) is ideal for **large health systems, integrated health systems, or other large national organizations** responsible for tracking metrics and financials **across many practices**. The standardized approach used here allows a central office to efficiently compare sites and identify where resources may be needed.

Example Business Case

ABC Health

Using performance story numbers to build your case

- This [example](#) provides a format suitable for sharing with **members of the C-suite, particularly in presentations**. This format is how a team should share a snapshot of financials in your **Performance Story**.

Building a Better Business Plan: Resources from Healthcare Financial Management Association (HFMA)

Vision

HFMA will bring value to the industry as the leading organization for healthcare finance.

Mission

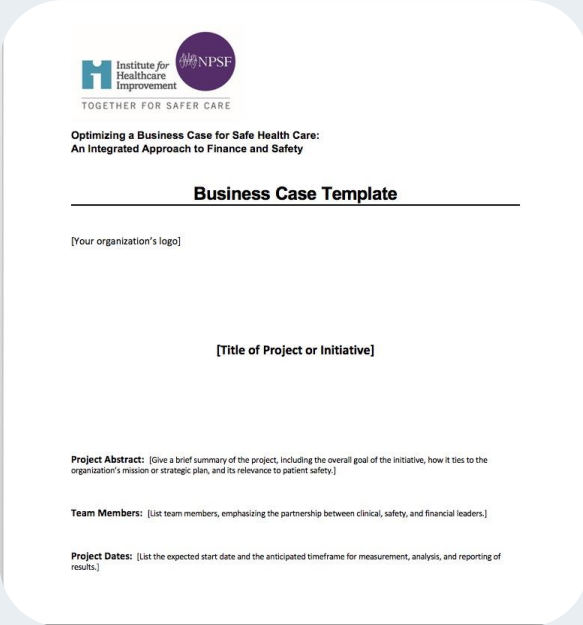
Leading the financial management of health care.

HFMA helps its members—both individuals and organizations—achieve optimal performance by providing the practical tools and solutions, education, industry analyses, and strategic guidance needed to address the many challenges that exist within the US healthcare system.

The diverse HFMA community has more than 43,000 members, including healthcare finance leaders and professionals from hospitals and health systems, provider organizations, physician practices, business partners and payer markets.

Resources to Build a Business Plan

To help design and construct a business case



The image shows the cover of a 'Business Case Template' document. At the top left, there are logos for the Institute for Healthcare Improvement (IHI) and the National Patient Safety Foundation (NPSF), with the tagline 'TOGETHER FOR SAFER CARE'. The title is 'Optimizing a Business Case for Safe Health Care: An Integrated Approach to Finance and Safety'. Below the title is a section for 'Business Case Template' with a line for '[Your organization's logo]' and a section for '[Title of Project or Initiative]'. At the bottom, there are sections for 'Project Abstract', 'Team Members', and 'Project Dates', each with a brief description of what to include.

Business Case Template
IHI and NPSF

To help better understand what drives total cost of care



The image shows the cover of a report titled 'WHAT IS DRIVING TOTAL COST OF CARE? An Analysis of Factors Influencing Total Cost of Care in U.S. Healthcare Markets'. The cover has a red geometric pattern. At the bottom, it lists authors: James H. Lindman, PhD, JD, Healthcare Financial Management Association; Keith Moore, MCP, McManis Consulting; David B. Mahlestein, PhD, JD, Leavitt Partners; Nathan J. Smith, PhD, Leavitt Partners; and Lia D. Winfield, PhD, Leavitt Partners. Logos for hfma, LEAVITT PARTNERS, and McManis Consulting are at the bottom.

What is Driving Total Cost of Care?
HFMA, Leavitt Partners and McManis Consulting

To help provide ideas for financial improvement



The image shows the cover of an 'Executive Roundtable' report titled 'Opportunities and strategies for improving pharmacy financial performance'. It is dated Jun 01, 2019 and sponsored by Craneware. The cover lists 'HFMA Roundtable participants' including Paul Athilingam, Bonnie Kirschenbaum, Ramona Seabaugh, Mark Slykhouse, and Page Smith, with brief descriptions of their roles. It also includes a section 'What are the most challenging drivers impacting the pharmacy's bottom line?' with a quote from Ramona Seabaugh.

Opportunities and Strategies for Improving Pharmacy Financial Performance
HFMA

*Click on the photos to link directly to the resources

Resources to Build a Business Plan

To help design and construct
a business case

Building the Business Case for an Outpatient Pharmacy

GREG BURGER, JAMES STEVENSON, AND JAMES JORGENSEN

VIEWING THE PHARMACY DEPARTMENT AS A "BUSINESS WITHIN THE BUSINESS" PUTS HEALTHCARE ORGANIZATIONS ON TRACK TO CREATE TRANSFORMATIONAL CHANGE THAT CAN LEAD TO A SUBSTANTIAL ROI.

In the current payment environment, almost every healthcare organization is focused on reducing costs while improving the quality of care and creating new revenue sources. Yet one area in which to achieve these results—while also expanding services—may not be readily apparent to them: the pharmacy department, specifically outpatient retail services.

Investments in pharmacy programs by some healthcare organizations have yielded returns of 10 to 1 and even 20 to 1. A major Midwestern health system's outpatient prescription pharmacies improved a \$4 million net margin for the pharmacy department to almost \$15 million in three years, for example. An academic medical center in the Midwest implemented a specialty pharmacy program in which the net margin increased from \$1.8 million to \$21.4 million over five years. And a hospital in the Northeast is investing \$1.5 million to build an ambulatory pharmacy program, including construction of a new outpatient prescription pharmacy. This venture is expected to earn approximately \$800,000 at the end of the first year—with a break-even point of approximately five months—and a net margin of about \$19 million over the first five years.

How Organizations Should View Pharmacies

All too often, organizations have a "silo" view of pharmacy as a cost center. With this perspective, organizations may try to create what they hope will be transformational change, but they often end up adopting an incremental methodology. Real transformational change requires a shift in the way pharmacy is viewed within the organization.

For the three healthcare organizations described previously, this shift meant creating a pharmacy service that operates as a "business within a business." It meant giving pharmacy a seat at the table in the C-suite to ensure that the pharmacy executive had a complete view of the organization's strategy and was in a position to articulate how medication management could complement the organization's improvement initiatives in patient access, clinical outcomes, and operating margin. In any health system, this approach requires a clear vision and understanding of costs, margin, ROI, and outcomes—and a realistic approach to implementation.

Building the Business Case for an Outpatient Pharmacy

HFMA

To help better understand what
drives total cost of care

Driving Cost Savings Through an Enterprisewide Pharmacy Supply Chain

PHARMACEUTICAL COSTS: JACK TEMPLE

THE UNIVERSITY OF WISCONSIN HOSPITAL AND CLINICS HAS DEVELOPED A STRATEGIC APPROACH TO MEDICATION MANAGEMENT.

As the third-largest cost center for healthcare organizations, the pharmacy department presents a major area of opportunity. A total pharmacy budget—80 percent of which typically is spent on medication inventory and drug costs—can make up 10 percent of a hospital's operating expense.

With this in mind, the University of Wisconsin Hospital and Clinics (UW Health) is taking a fresh approach to medication management. By leveraging new processes and tools, the health system is identifying opportunities to ensure it has the right amount of inventory and to create significant savings.

Enterprisewide Medication Management: A Phased Approach

UW Health's pharmacy currently administers 14,500 inpatient medication doses and fills 1,800 retail prescriptions each day. In addition to its own facility and clinical locations, the health system supports 14 community pharmacies across the Madison, Wis., area. UW is also rapidly expanding, adding a new digestive health center, surgical hospital, and rehabilitation hospital. To efficiently sustain this growth, our organization needed a medication management strategy that improved both financial results and clinical care.

With this in mind, leaders at UW Health created a plan for the initiative, which included the following four phases.

Phase 1: Integrate a central pharmacy foundation. The objective was to use central pharmacy robotics, carousels, and other technology to redeploy pharmacist and technician staff, enabling them to better contribute to patient care.

Phase 2: Build an integrated medication management platform. UW Health deployed automated dispensing cabinetry on a platform integrated with the central pharmacy for better inventory management. The platform also provides a common formulary and connectivity to the electronic health record for nursing workflows.

Phase 3: Achieve enterprisewide inventory visibility and management. The goal was to

Driving Cost Savings Through an Enterprisewide Pharmacy

HFMA

To help maintain compliance
and improve performance

Top 5 Factors for Pharmacy Revenue Integrity

WILLIAM KIRSH, DO, MPH

PHARMACY REVENUE INTEGRITY CAN BE PRESERVED BY USING LONGITUDINAL DATA TO UNDERSTAND RISK VERSUS VALUE.

According to the Centers for Disease Control and Prevention, prescription drugs account for nearly 10 percent of national health expenditures. With that much invested in pharmaceuticals, it's crucial for hospital executives to understand the factors necessary for maintaining pharmacy revenue integrity and avoiding revenue leakage.

Reducing Unwarranted Variations in Treatment

Physicians decide on treatment protocols based on many factors—including guideline-directed medical therapies, advice of colleagues, specifics of each patient case, cost of care, and knowledge of the latest research. Over many years, physicians learn that certain treatment protocols yield the best patient outcomes for the least amount of money spent, and certain treatment protocols become "standard" (e.g., aspirin for patient's who've had a heart attack).

Yet despite these standards, treatment variations are prominent. "Studies around the world show that the frequency with which procedures are performed varies dramatically among doctors, specialties, and geographical regions. Patients with identical clinical problems receive different care depending on their clinician, hospital, or location," according to an article published in the *BMJ*.

Some variations in care are necessary based on individual patient cases. However, it's necessary to reduce unwarranted variations in treatment wherever possible, to keep both patient outcomes and costs steady.

Over time, hospitals should be accumulating and analyzing valuable data about which treatment protocols, including medications prescribed, yield the best results in terms of financial value and patient outcomes for each service line, from acute myocardial infarction to knee replacements. Nishamini Kasbekar, PharmD, director of pharmacy at Penn Presbyterian Medical Center, agrees. "The problem is that the data needed to support one outcome over another is very hard to come by. We used to focus on a physician spending \$500 per case versus another spending \$300 per case," she says. "Now, we're starting to dig much deeper into the data to see what really makes sense."

Identifying tried-and-true treatment plans and reducing deviations from those plans are key contributors to revenue integrity. What is needed to accomplish this is a longitudinal patient dataset (data that track the same patients over the course of many years) that will guide

Top 5 Factors for Pharmacy Revenue Integrity

HFMA

Summary

- There is no single business plan that works for all organizations. Rather, teams should work through the critical stages and elements to develop a business plan that is most suitable for their institution.
- The examples provided are not only specific to the institution that created them using this process, they are also specific to the audience they are targeting using an appropriate format.
- Organizations like HFMA produce resources that may be applicable to a variety of healthcare institutions and services (such as CMM). Visit www.hfma.org to learn more.