

Introduction

While 10 percent of healthcare costs are spent on prescriptions drugs, their ability to influence the health status of patients, the cost of care and hospital core measure is enormous. Emerging healthcare compensation initiatives (e.g. Shared Savings, Gain Sharing, ACOs, etc.) are rapidly impacting traditional fee-for-service models. Hospitals and health systems are being held accountable for the quality and cost of care. An integrated outpatient pharmacy initiative will clearly be a key contributor to guaranteeing health systems success by ensuring appropriateness of medication use, improving patient satisfaction, preventing hospital readmissions, helping patients manage chronic conditions and much more.

Company Description

Proxsys Rx, LLC (PRx) is an Integrated Outpatient Pharmacy Provider (IOPP) focused on owning, managing and integrating outpatient pharmacies into the continuum of care for hospitals/health systems in order to positively influence their key strategic indicators.

Deliverables

Proxsys Rx capitalizes the pharmacy and the economic requirements of the pharmacy (i.e. capital and operating expenses) are provided. For hospitals, this relieves the economic burden of owning and operating an outpatient pharmacy initiative. Our internal Operations unit then initiates or assimilates outpatient pharmacies and provides ongoing operational management.

To facilitate significant impact on health system key directives (e.g. reduced re-admissions, improved HCAHPS scores, patient loyalty, 340B program participation, "Own Use", Case Management, etc.), PRx identifies, builds, and manages processes that integrate the pharmacy into high value points along the continuum of care.

A key example of how an integrated outpatient pharmacy initiative can serve the health system is a discharge medication program. According to a study published in the *New England Journal of Medicine*, nearly 20% of Medicare patients who had been discharged from a hospital were re-hospitalized within 30 days. To attend to this, Medicare has implemented a payment reduction policy based on readmissions and a mandatory reporting of readmissions.

To target this issue, PRx's staff follows a defined work plan and process and coordinates with hospital Administration to implement a discharge medication program to be serviced by the Proxsys Rx outpatient pharmacy. Under this program, pharmacy staff coordinates with hospital floor and discharge staff to provide patients the choice to receive their discharge medications at bedside before leaving the hospital. If the patient selects this option, payment is like any other pharmacy and the medications are delivered to the patient by pharmacy staff. The patient is then offered the option to receive an initial consult from the Pharmacist. As follow up, another pharmacist's consultation is offered to the patient by phone within 72 hours of discharge.

Given the fact that a contributing factor to 30-day readmissions is outpatient medication non-compliance and adherence, this program has shown a positive impact on readmission rates and patient satisfaction scores. In addition, the program contributes to the economic performance of the health system.

Other examples of how PRx can integrate outpatient pharmacy into the health system include facilitating an *employee pharmacy*, *facilitating 340b initiatives*, *supporting case management initiatives*, *coordinating with home health*, *servicing the patients of system-owned physician practices and more.*



Outpatient Pharmacy Integration Initiatives

The key deliverables of the outpatient pharmacy approach are *strengthened patient care, improved patient compliance & adherence, outcomes and satisfaction, cost reduction, and increased health system revenues and net contributions.*

Management

Our management team has significant healthcare experience that includes chain and independent retail pharmacy management, pharmacy benefit management, physician practice management, and hospital management. Below are key management team members.

- **Chairman / Chief Executive Officer**
George B. Salem.

Mr. Salem is a serial entrepreneur who possesses over 35 years' experience in the healthcare industry with a track record of successfully building companies, management teams and raising capital. He has served in the roles of Chairman / CEO as well as other senior management positions a number of times. His history includes:

- Managing Director – athenahealth (NASDAQ:ATHN)
- Chairman / President / CEO – Proxsys, LLC (sold to athenahealth)
- Chairman / President / CEO – GuideStar Health Systems, Inc.
- Co-Chairman – Respond Medical Group
- CEO – Southeast Health Plan
- He is also currently Chairman / President of GBS Ventures, Inc. (a private investment company) and has served in ownership and leadership positions with other healthcare ventures as well as several hospital organizations.

- **Chief Strategy Officer**
Marc Calhoun RPh, MBA.

Mr. Calhoun has over 20 years of experience in the pharmacy industry and Health System related management. He also serves as Adjunct Professor at The McWhorter School of Pharmacy, Samford University in Birmingham, Alabama.

- Assistant Administrator- Baptist Princeton Medical Center, Baptist Health System
- Director of Pharmacy- Baptist Princeton Medical Center, Baptist Health System
- System Director of Pharmacy- Cardinal Pharmacy Management
- System Director of Pharmacy- Winchester Medical Center, Winchester VA.

- **Chief Development Officer**
Micah J. Russell, MBA.

Mr. Russell possesses over 25 years of management and business development experience in the hospital, physician practice, and retail pharmacy arenas. He has served in senior management roles for over 20 years.

- President and COO – Healthcare Supplements
- EVP – Women's Health Partners
- VP – SunHealth Alliance
- VP – Hospital Corporation of America

- **Chief Operating Officer**
Jerry C. Smith, CPA.

Mr. Smith has 25 years of healthcare finance experience in Skilled Nursing, Assisted Living, Hospitals, Physician management, Revenue Cycle Solutions and Consulting. He is a Certified Public Accountant and a Fellow of the Health Care Advisory Board.

- Vice President – Finance – athenahealth (NASDAQ:ATHN)
- CFO – Proxsys, LLC (sold to athenahealth)
- Vice President Revenue Cycle – St. Vincent's Health System (member of Ascension Health)
- Senior Vice President, CFO – USA Healthcare, LLC



"Integrating outpatient pharmacy into the continuum of care"

