



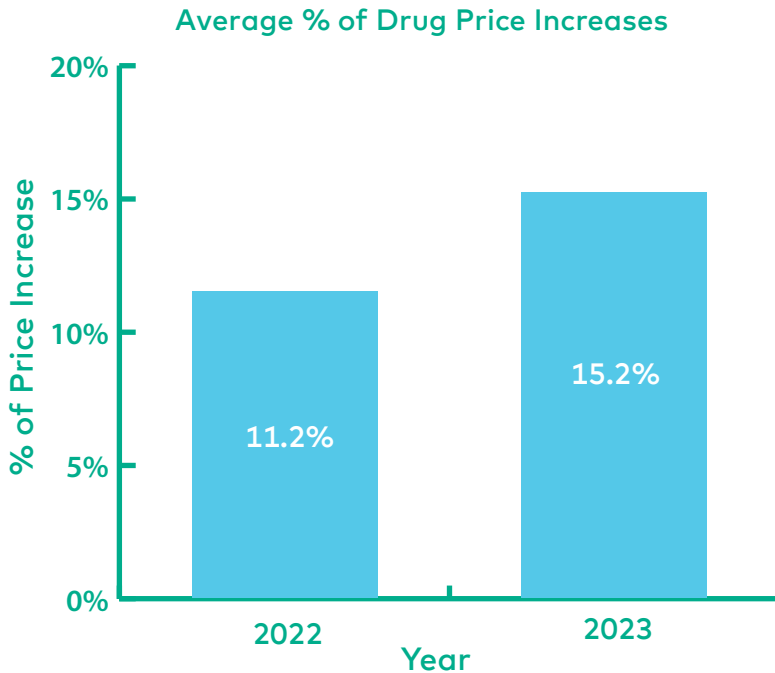
2023 Pharmacy Purchasing Report

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Introduction

In 2023 there was above average inflation across the board - and drug prices were not exempt from this trend. While drug prices tend to fluctuate year-over-year, **drug prices increased by 15.2%** on average from 2022 to 2023 - that's a 3.7% greater increase than the previous year, translating to an average price increase of \$590 per drug ([source](#)).



While drug prices continued to increase, hospital margins decreased, putting many hospitals at risk for closure - especially rural hospitals. According to a [report](#) from the Center for Healthcare Quality and Payment Reform (CHQPR), over 600 rural hospitals were at risk of closure in 2023 due to financial strain - that's over **30% of all rural hospitals**.

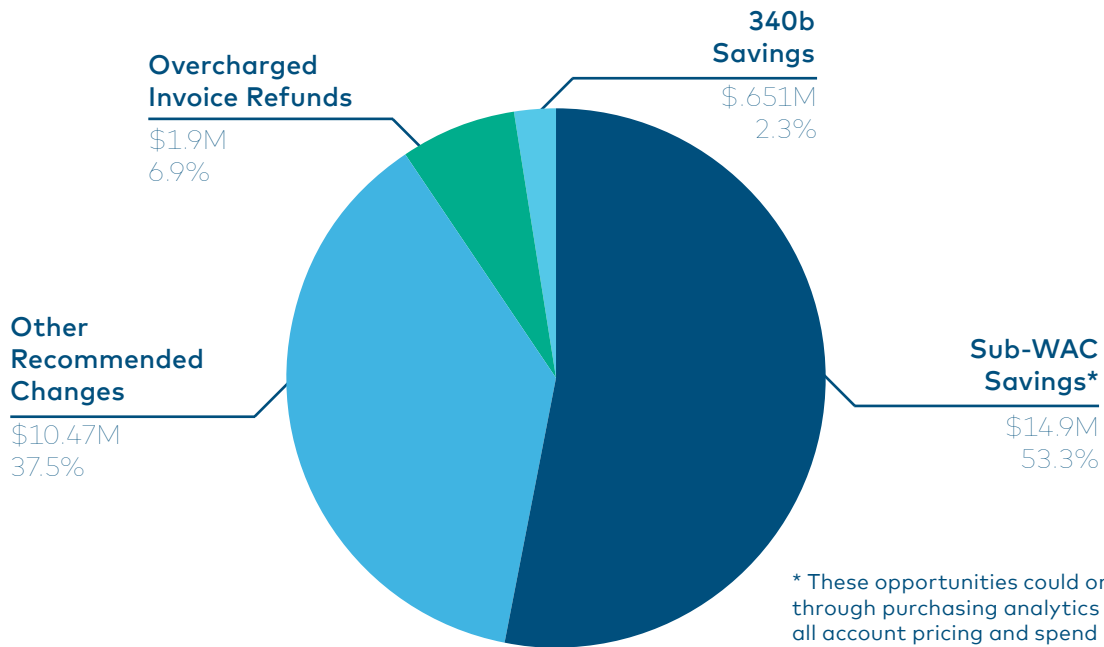
Rural hospitals are facing the worst of the impact of rising costs, but this still poses a serious issue for larger hospitals and systems as they try to save money and increase margins. While traditionally seen as a cost center, pharmacy drug spend can actually be a source of financial relief with the power of a spend optimization software.

The following data shows how 140 hospitals were able to leverage analytics from Bluesight's spend optimization software CostCheck to optimize their purchasing workflows, save money, and respond to shortages.

Hospitals Saved Nearly \$28 Million in 2023 by Leveraging Software

140 hospitals that leveraged Bluesight's spend optimization software CostCheck saved **\$27,954,682.20** in 2023. The majority of these savings are from recommended changes that the solution flagged for them. Recommended changes are suggestions CostCheck makes to help users save money by finding better purchasing options for the drugs they need, taking into account preferred NDCs, GPO compliance, availability, and WAC, GPO, and 340B ratios.

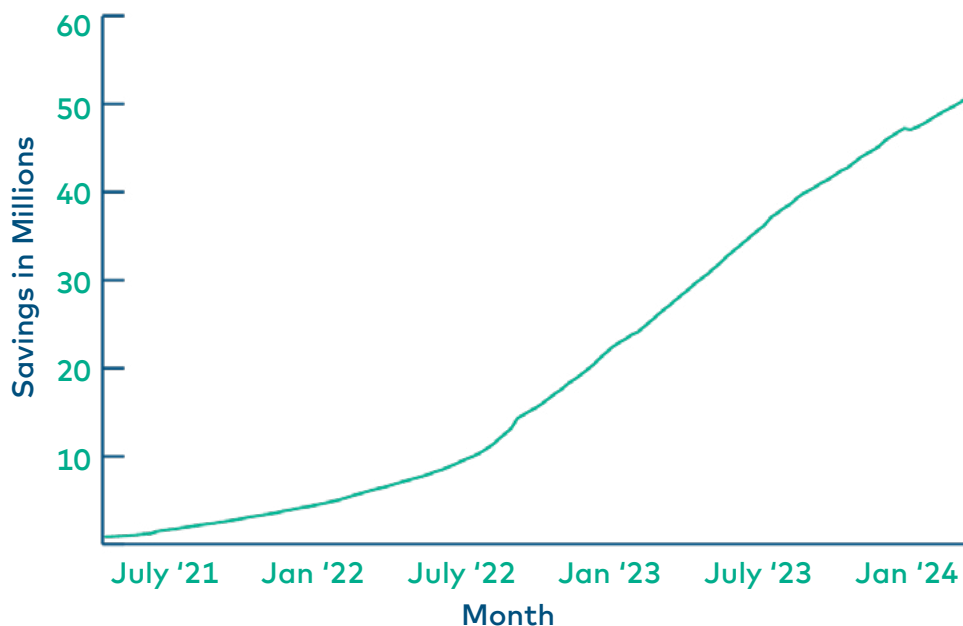
Take a look at the 2023 savings breakout below:



From small individual hospitals to large integrated delivery networks (IDNs), the average CostCheck customer saved **\$473,808.25** on their drug spend in 2023. However, many of the mid to large-sized IDNs using the software saved well over \$1 million last year. In fact, one site saved **3.51%** on their drug spending in 2023 - the highest percentage saved last year.

Hospital Savings To-Date

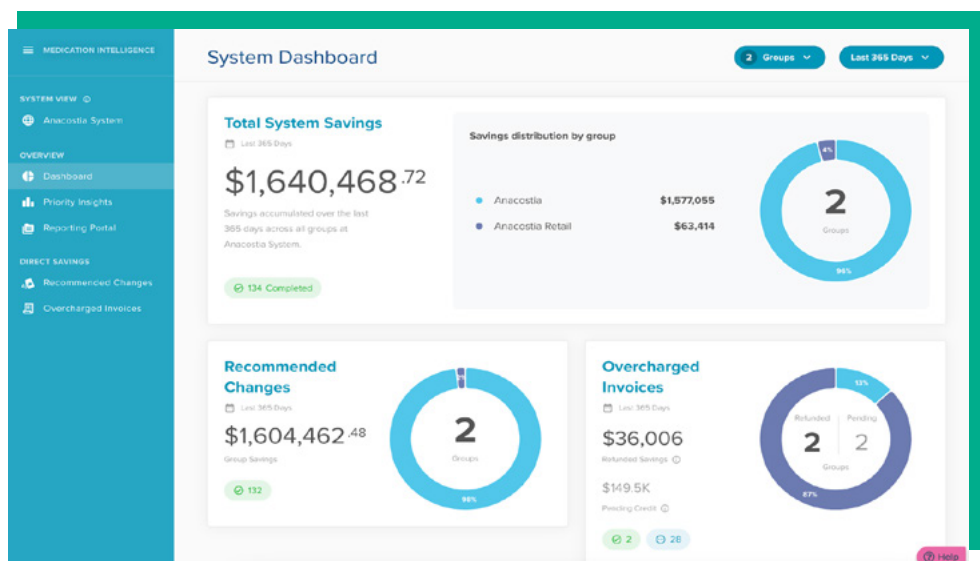
Since 2021, hospitals have saved **over \$50 million** on their drug spend by using CostCheck's analytics. And, every year since, more money has been saved than the previous year. At the current growth rate, savings will surpass **\$120 million** in 2024, just 3 years post product launch.



Managing Spending System-Wide

Last year we introduced System Analytics to give hospital systems a birds-eye view of their purchasing data and savings opportunities - no matter the complexity or composition of the health system. This feature allows hospital systems to view similar sites in "groups," facilitating standardized buying practices where applicable.

Since we launched the feature, we've seen a >25% improvement in same-system savings



Using Software to Respond to Shortages

Shortages plague the drug supply chain and can be caused by a myriad of reasons, from production errors to natural disasters. In 2023 alone, the American Society of Hospital Pharmacists (ASHP) tracked **156 new shortages** ([source](#)). Luckily, software solutions can empower hospitals with the data and communication tools they need to respond to shortages effectively.

CostCheck's shortages module takes in data from the FDA and ASHP to not only provide alerts when a drug a hospital uses is experiencing a shortage, it also provides clinical guidance and workflow tools to help hospitals respond to shortages effectively. In 2023, Hospitals were able to track **400 unique shortages - an average of over 33 a month** using CostCheck.

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Hospital Saves Over 2% of Annual Inpatient Drug Spend in First Year with CostCheck

Problem:

Prior to CostCheck, the 864-bed, 340B, not-for-profit hospital did not have any software solutions in place to monitor or optimize drug spending. Due to manual monitoring, it was potentially missing opportunities to select the optimal product to generate contract savings as well as missing chances to ensure price parity on every single purchase.

The hospital was left to monitor the budget daily, manually looking for cost savings opportunities and diverting significant time from other, value-added tasks.

Solution:

The hospital decided to implement CostCheck to improve their workflows and save money. Within the first-quarter of use, the hospital saw an ROI (Return on Investment) as early as February of 2022, only **45 days** after implementing CostCheck. Its total, first quarter hard-dollar savings totaled **\$158,814.17**.

To date, only 110 days after implementing CostCheck, the hospital has generated a total of **\$182,647.65** in hard dollar savings utilizing the CostCheck solution, an ROI of > 3

Additionally, like all CostCheck subscribers, the hospital shows continual and consistent growth in the savings being achieved with CostCheck, putting them on a pace to generate just over **\$600,000, with a minimum ROI of 10X**, by the end of their first year with CostCheck.

***The hospital
saw a \$5,707.74
average return
per minute while
using CostCheck***

Want to Learn More About How Your Hospital Can Save with CostCheck?

Don't go another year without having a software solution that can save you money and time and optimize your purchasing workflows. Join the 140 hospitals that are gleaming these benefits and seeing hard outcomes. Watch a [pre-recorded demo](#) of CostCheck here or visit our [website](#) to request a live demo with one of our representatives.