BLUESIGHT™
THE MEDICATION INTELLIGENCE COMPANY

2023-24
HPOR

THE STATE OF HOSPITAL PHARMACY OPERATIONS

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METHODOLOGY

The 10th annual Hospital Pharmacy Operations Report (HPOR) presents a detailed examination of the prevailing trends influencing hospital operations and pharmacy management across the United States in 2024. Drawing insights from our extensive survey, conducted from January 16th to February 23rd, encompassing 275 respondents, the survey offers valuable insights into the challenges, priorities, and technological advancements guiding decision-making within hospitals.

Notably, over 60% of respondents boasted a decade or more of industry experience, as well as a diverse set of perspectives made up of pharmacy (66%), diversion surveillance (24%), and supply chain experts (10%).

OVER 60%

of respondents boasted a decade or more of industry experience

TECHNOLOGY PURCHASES RETURN FROM POST-COVID HIATUS

In response to ongoing challenges like staffing shortages, drug scarcities, and escalating drug prices, hospitals are embracing technological solutions at increasing rates. Our survey identifies controlled substance tracking technologies, IV prep tracking software, and perpetual inventory management software as the top three areas for tech investment in 2024, overtaking the previous priority of smart pumps that ranked 3rd in last year's survey. This strategic pivot underscores hospitals' collective determination to modernize operations and elevate patient care standards. Controlled substance tracking is the only priority that stays in the top three technology focuses year over year highlighting its mainstay importance.

Top 3 Tech Initiatives for 2024:

Controlled substance tracking technologies

1

IV prep tracking software

2

Perpetual inventory management software.

3
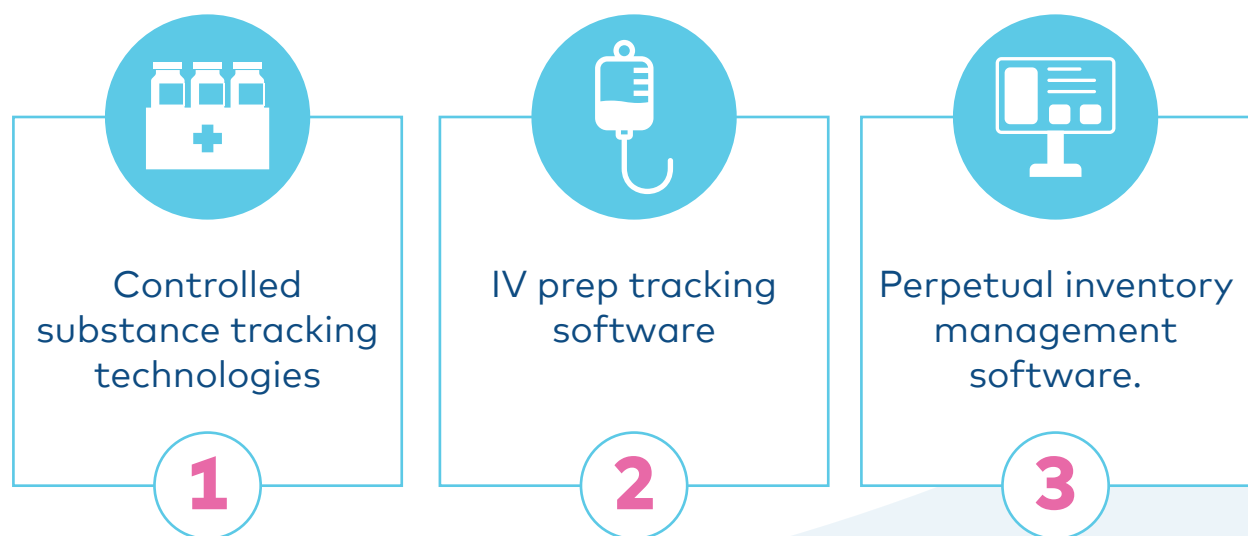
NAVIGATING BUDGETARY CONSTRAINTS AND KEY APPROVAL DRIVERS

While budget constraints continue to hinder software implementation for 73% of respondents, there are promising signs of progress. Notably, this figure represents a decrease from 82% in the previous year, indicating a potential shift in financial dynamics.

Key drivers for budget approval include the following ranked in order of importance: increasing patient safety, driving cost efficiencies, and fostering revenue generation.

These market signals underscore the intricate interplay between financial considerations and patient-centric priorities that fundamentally shape hospital operations. Outside of their ability to adopt new technology solutions, a majority of respondents noted that budgets for trade show travel have decreased significantly inhibiting respondents from learning about best practices and adopting new technology.

Key drivers for budget approval include the following ranked in order of importance:

**1** Increasing Patient Safety

2 Driving Cost Efficiencies

3 Fostering Revenue Generation

STREAMLINING PHARMACY OPERATIONS AND ADDRESSING DRUG SHORTAGES

The imperative to streamline pharmacy purchasing and procurement processes resonates strongly among respondents, with 71% of them indicating it as an "important" or "very important" priority. This urgency is catalyzed by the tangible impacts of drug shortages, stringent cost containment measures, and rigorous compliance requirements. Noteworthy is the discernible decrease in the percentage of respondents grappling with ten or more drug shortages, plummeting from 85% in 2022 to a more manageable 60% in 2023. Furthermore, the overwhelming endorsement of comprehensive e-commerce platforms for purchasing (93% of respondents), underscores an appetite for innovative solutions to address the intricate challenges inherent in pharmaceutical procurement. There was a significant increase in the number of respondents who are currently using a new software solution to tackle some of these challenges with 25% reporting adoption. This is a significant increase from a previous adoption rate of 8%.

Adoption rate of new purchasing optimization software solutions

8% 2022

25% 2023
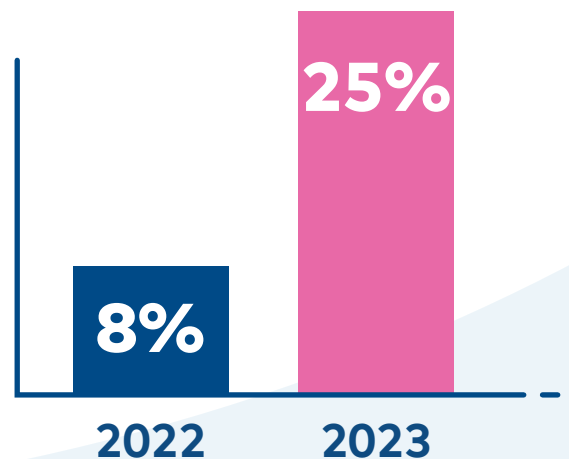
STANDARDIZATION TO THE RESCUE

Standardization of operations, metrics, and formularies across health systems is taking center stage in 2024. 74% of respondents plan to standardize their formularies. There are early indicators that larger health systems are starting to leverage a hub and spoke model allowing them to use a central pharmacy to fulfill the pharmacy needs of other hospitals within the system with 33% of respondents saying their system uses this method. These central pharmacies are focused on supporting ancillary buildings such as outpatient clinics as well as smaller sister hospitals in the area.

When it comes to visibility into the hospital's drug inventory, respondents said that the transfer of drugs between storage and dispensing locations as well as medication in the operating rooms are not up to par with other parts of the hospital.
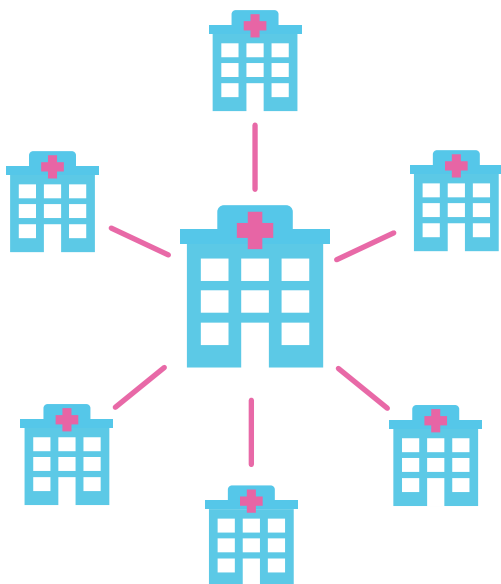
33%
of respondents leverage a hub and spoke model allowing them to use a central pharmacy to fulfill needs of other hospitals within the system

ENHANCING DRUG DIVERSION MONITORING AND PREVENTION

The drug diversion space is consolidating as we saw acquisitions of major drug diversion monitoring solutions such as Medacist acquired by Bluesight and Invistics acquired by Wolters Kluwer. This trend is also paired with the sunsetting of many first-generation drug diversion tools. The market is trending towards a replacement for existing solutions where in previous years there was still a subset of hospitals implementing their first drug diversion solution.

Consistent from 2022-2023, about 53% of respondents utilize diversion detection software, and 67% have a diversion committee in place at their facility. A notable paradigm shift is observed in the domain of drug diversion, with 46% of respondents earmarking increased resources for this critical area compared to the previous year's 40%. The deployment of robust drug diversion solutions has yielded tangible dividends, with 66% of respondents dedicating fewer hours to resolving variances.

2 out of 3
respondents using a gen two diversion solution dedicated fewer hours to resolving variances

HOSPITALS INCREASE DEDICATED HEADCOUNT TO COMBAT DIVERSION

Diversion monitoring solutions continue to be the top source for identifying drug diversion events. Year-over-year the number of diversion events identified through manual investigation efforts is decreasing. Outside of the heavy focus on adopting new technology, a majority of respondents report that their organization has 3 or more dedicated staff members focused on diversion. To better combat diversion holistically, 8 out of 10 respondents report that their organization has a working group or sub-committee focused on combating drug diversion system-wide. These committees are predominantly made up of multidisciplinary departments such as pharmacy (83%), nursing (66%) and executive leadership (48%).

8 out of 10

respondents report that their organization has a working group or sub-committee focused on combating drug diversion system-wide
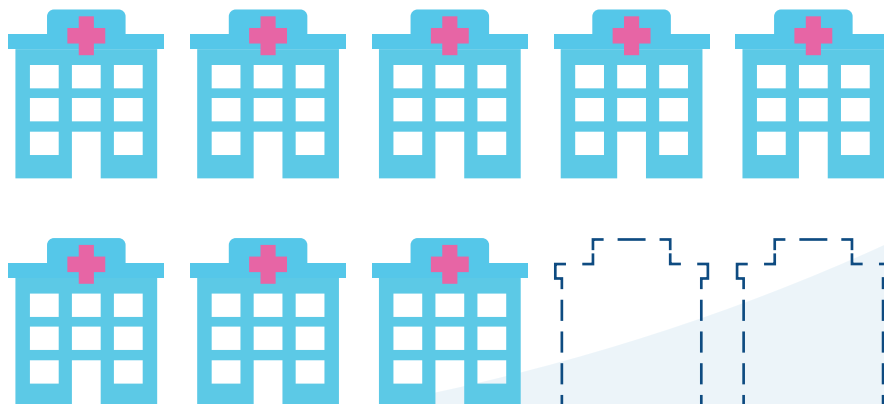
CONCLUSION

The healthcare sector is witnessing a notable shift towards embracing technology to address enduring challenges like staffing shortages, drug scarcity, and rising prices. Controlled substance tracking, IV prep tracking, and inventory management software emerge as key investment areas of investment, signaling hospitals' commitment to modernization. Budget constraints, while still prevalent, show signs of improvement, with a decrease in hindrances to software implementation. Streamlining pharmacy operations remains a priority, driven by the need to combat drug shortages and ensure compliance.

The increasing adoption of new software solutions reflects a proactive approach to addressing operational challenges. In drug diversion monitoring, consolidation and technological advancements are evident, with increased resources allocated to combat diversion. Multidisciplinary committees focused on diversion prevention emphasize hospitals' commitment to enhancing security measures.

Overall, these findings highlight a collective effort to leverage technology and collaboration to overcome challenges and improve patient care outcomes.

ABOUT BLUESIGHT™

Bluesight solves supply chain inefficiencies and reduces risk by using AI and machine learning to surface actionable analytics for every step of the medication life cycle. Through our suite of Medication Intelligence™ solutions, Bluesight brings simplicity, visibility, and predictability to the complex world of medication management. More than 1,600 U.S. and Canadian hospitals utilize Bluesight solutions to optimize their hospital pharmacy practices by improving efficiency, reducing medication costs, and increasing compliance and safety.

For more information, please visit Bluesight's website .

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