

# CASE STUDY

## Achieving Cost Savings and Standardization

### BACKGROUND



**Number of Hospitals:**  
14



**Annual Drug Spend:**  
\$50M



**Number of Employees:**  
Around 6700

### CHALLENGE

The health system faced significant challenges with rising drug costs, putting pressure on their pharmacy budgets. Due to their relatively small drug spend, the health system had limited negotiation leverage with manufacturers. As part of a broader system-wide Integrated Delivery Network (IDN) cost reduction focus, pharmacy was one of the many areas expected to contribute to overall savings.

### SOLUTION

The health system engaged SpendMend through a consultant tasked with system-wide cost savings. The consultant brought in SpendMend as pharmacy experts. The Chief Pharmacy Officer (CPO) was already familiar with SpendMend's brand and software, facilitating easy adoption.

Given the health system's limited resources, they adopted SpendMend's Trulla Analytics-Managed model to achieve savings. This model allowed the health system to leverage SpendMend's expertise and technology to drive cost reductions efficiently.

### RESULTS

In the first six months, the health system has saved \$1.3 million (2.6%) through National Drug Code (NDC) standardization. They standardized 165 medications and meet twice a month with SpendMend to continue their savings efforts. They are currently averaging 84% compliance with preferred NDCs, with adherence to decisions being a key factor in their success.

### WHAT'S NEXT?

Following the successful implementation of Trulla Analytics, the health system continued to work closely with SpendMend to identify further savings opportunities. They are evaluating Trulla Procurement to further automate medication standardization efforts.