ACTIONABLE INSIGHTS FROM THE 2016/2017 NATIONAL ASSOCIATION OF SPECIALTY PHARMACY PATIENT SURVEY PROGRAM

A data analysis validates the industry's success in improving patient satisfaction and reveals new opportunities to improve specific aspects of the patient experience.

SEPTEMBER 2017



INTRODUCTION

The National Association of Specialty Pharmacy (NASP), based in Washington, DC, is a 501(c)(6) trade association representing all stakeholders in the specialty pharmacy industry. Its members include the nation's leading specialty pharmacies, pharmaceutical and biotechnology manufacturers, GPOs, distributors, and other industry groups. NASP essentially functions as the unified voice of specialty pharmacy in the US. As such, the organization is dedicated to education, national policy advocacy, and engagement of all stakeholders in the specialty pharmacy industry.

Patient satisfaction not only ties directly to increased revenue, but is also a critical area of focus for pharmacy partners like payors and pharmaceutical manufacturers. As part of this mission, NASP looks to identify opportunities to demonstrate the value of specialty pharmacies overall and help its member pharmacies improve patient satisfaction. Patient satisfaction not only ties directly to increased revenue, but is also a critical area of focus for pharmacy partners like payors and pharmaceutical manufacturers. However, the lack of standardized benchmarking data for levels of satisfaction across all specialty pharmacies had hampered these efforts. In the past, pharmacies employed a wide variety of survey models and metrics to gauge levels of satisfaction and engagement. These disparate measurement tools made it difficult for payors, manufacturers, patients and even pharmacies themselves to adequately understand and benchmark their performance against other organizations. In many cases, specialty pharmacies were forced to create lengthy surveys that were time-consuming and burdensome for patients in order to meet these varying requirements.

Sullivan Luallin Group

The Patient Experience Transformation Company

As a result, in August 2016, thought leaders at NASP realized that a standardized tool was needed to set performance benchmarks in this area. After careful consideration of all potential partners, NASP decided to work with SullivanLuallin Group (SLG), a leading healthcare consulting firm, to develop a survey tool that would become the "gold standard" for its members. SLG has more than three decades of experience in serving provider networks, physician practices and healthcare organizations across the continuum of care. The company provides a full range of services designed to transform the patient experience, including patient satisfaction and engagement surveys, employee focus groups, physician surveys and many other data-driven initiatives. As patient experience consultants, SLG helps healthcare organizations convert their baseline survey findings into practical action plans that produce immediate improvement and ongoing results.

NASP Patient Survey Program goals and attributes

NASP and SLG developed the Patient Survey Program with the following goals in mind.

- Create an independent, non-biased third-party survey that would become the industry standard.
- Offer pharmacies and industry stakeholders a broad understanding of what drives patient engagement and satisfaction across the industry.
- Provide consistent satisfaction metrics and reporting required by pharmaceutical manufacturers and payor clients.
- Conduct an advanced analysis of the survey data to determine the specific drivers of patient satisfaction for each participating pharmacy, in order to help these organizations identify opportunities to better demonstrate their industry impact, improve their patient education and optimize their service offerings.
- Lay the foundation needed to give member pharmacies a stronger collective voice in advocacy efforts with government entities such as CMS, as well as private payors.

This survey program was also thoughtfully developed to meet the needs of member pharmacies through the following key attributes:

- Ensure statistically valid data and standards.
- Maintain compliance with specialty pharmacy accreditation organizations.
- Utilize a standardized set of questions aligned with payors' and manufacturers' contractual requirements of specialty pharmacies.
- Offer a cost-effective survey solution for all pharmacies through efficiencies of bundled mailings and response data entry.
- Provide in-depth statistical analysis of survey data to each pharmacy.
- Allow for customization that is tailored to the needs of each member pharmacy and its patients.
- Provide for blinding of any pharmacy-specific data, to ensure that each member pharmacy's own data will not be shared at an identifiable level.
- Secure and safeguard patient data, ensuring that all data collected and reported is also not identifiable.

26,384 surveys mailed

4,507
survey responses

21
disease
states
represented

8participating specialty pharmacies

OVERVIEW OF THE 2016/2017 PATIENT SURVEY PROGRAM

NASP and SLG conducted the first comprehensive patient satisfaction survey during a period from September 2016 through August 2017. The survey was designed to measure key performance areas affecting patient engagement, which includes issues related to access, prescription fulfillment, pharmacy/staff performance, billing, issues of overall satisfaction and willingness to refer friends or family members, and pertinent demographic information. Following are the key patient experience areas, along with specific metrics corresponding with each area, all of which were represented through questions within the survey form.

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Participating organizations

Eight NASP members opted to participate in the 2016/2017 NASP Patient Survey Program.

















Survey Section	Key Patient Experience Areas
A. Your call to our Specialty Pharmacy	 Phone calls answered promptly After hours communication Ability to return call timely Clear communication Prescription refills Professionalism of the call staff Availability of pharmacist
B. Your interaction with the Call Center	 Courtesy of the call staff Helpfulness of call staff Willingness to listen Taking time to answer questions Amount of time spent with patient Explaining things in a way you could understand Instructions regarding your medication Showing respect Empathy and concern Knowledge of your health condition Knowledge of your medications
C. Our communication with you	 Helpfulness of people assisting you with billing/insurance Promptness in resolving billing/insurance questions Effectiveness/helpfulness of our website
D. Your prescription	 Timeliness of the delivery Condition of the prescription when received Accuracy of your filled prescription Keeping you informed of the prescription status Promptness in resolving issues/questions about your prescription
E. Overall satisfaction	 Our pharmacy Our service Your experience with our specialty pharmacy over others Likelihood of using this pharmacy again

F. Likelihood of recommending to family and friends (NPS)



Survey population and methodology

A goal of 400 responses was set to ensure the statistical significance of collected survey data. To reach this goal, it was determined that a minimum of 2,500 surveys per participant would need to be mailed during the calendar year. For member pharmacies that had a patient population smaller than the minimum 2,500, a census survey of all available patients was conducted to ensure the validity of results. For member pharmacies able to provide records in excess of the 2,500 minimum, a random sampling was pulled and mailed, using tiered sampling to ensure the sample population was representative of the member patient population. At the conclusion of the distribution, a total of 26,384 surveys had been mailed to patients.

Surveys were mailed out in two waves with a minimum of 2,500 for each participating pharmacy. Surveys were coded by the patient's disease state, date of service, and date of survey received. Additionally, participating pharmacies had the ability to code by payor, region, age, and sex and could select an unlimited distribution of email survey invitations. The electronic survey distribution methodology offered "real time" immediate feedback and access to enhanced survey recovery options.



Response rates by disease state

Surveys were also distributed to ensure adequate response by patients representing one of several key disease states served by specialty pharmacies. A total of 4,601 surveys were returned across 21 disease states. In accordance with industry standards, only disease states which had more than 30 responses were included in analysis. This reduced the number of disease states to 13, and the number of included survey responses to 4,507.

To further refine the industry insights provided to participating pharmacies, the Patient Survey Program allowed for the tracking of results by department and disease state. A total of 21 disease states were tracked and reported to the participating pharmacies.

Disease State	#	
Auto Immune	173	
Cardiology	37	
Fertility/Infertility	77	
Growth Hormone Deficiency	214	
Hepatitis	562	
HIV	279	
Inflammation	491	
IVIG/SCIG	138	
Multiple Sclerosis	281	
Oncology	1,443	
Other Specialty	507	
Transplant	239	
Urology	66	
Total	4,507	

ANALYSIS OF FINDINGS

Net Promoter Scores by industry

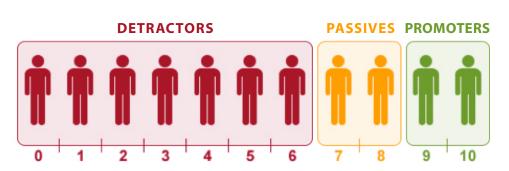
The 2016/2017 Patient Survey Program data revealed a variety of actionable insights that can be used by specific participating pharmacies to optimize their service offerings, specifically with the aim to improve patient satisfaction and engagement. These opportunities will be outlined in detail throughout this document. However, it's also important to note that this analysis revealed some interesting insights into specialty pharmacy performance at a broad level. For example, the determination of a Net Promoter Score across all pharmacies allowed for a comparison between specialty pharmacy and other sectors as well as specialty versus traditional pharmacies.

Net Promoter Score is a cross-industry standardized index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used to gauge the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

Within the 2016/2017 Patient Survey Program, a Net Promoter Score (NPS) was calculated for each pharmacy, using a survey question related to the likelihood of recommending a pharmacy to family and friends. By averaging the NPS scores for all participating specialty pharmacies from the survey, we can now see just how far these pharmacies outpace other service-oriented organizations by sector. The chart below depicts the industry benchmarks of these scores, with specialty pharmacies leading many other types of healthcare and service industries.

The graphic below depicts the continuum of promoters versus passives and detractors for an organization's brand.

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Net Promoter Score = % Promoters - % Detractors

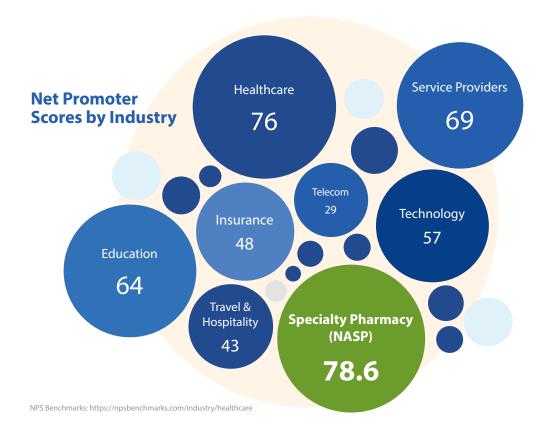
Net Promoter Score in the specialty versus traditional setting

Diving down into an evaluation of specialty pharmacies versus traditional pharmacies, the comparison becomes even more dramatic. The average NPS in the traditional pharmacy setting is just 28 compared to the 78.6 score of specialty pharmacies.²

This comparison reveals an important distinction between specialty pharmacies and traditional pharmacies that those in this sector have long understood. While both traditional and specialty pharmacies share some overlap between dispensing duties and operations, there are far more differences than similarities between the two types of organizations. Specialty pharmacies must maintain a high-touch, service-oriented approach, and their staff often play a role in a patient's direct care team. Specialty pharmacies must also employ staff with in-depth and highly specific expertise on a few select disease states such as oncology, HIV and others. As a result, the patient experience within a specialty pharmacy is dramatically different than that of a big-box pharmacy or drugstore chain. The variation in NPS is just additional evidence that points to the unique value offered by specialty pharmacies.

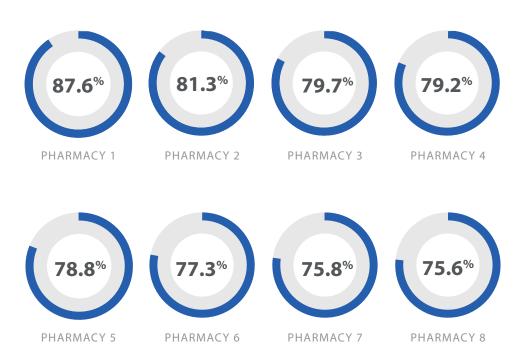
28 vs. 78.6

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Net Promoter Score by pharmacy

The NPS for each pharmacy also revealed interesting insights when analyzed to determine the key correlations between the "likelihood to recommend" and specific aspects of the patient experience. The total net promoters for each specialty pharmacy are detailed, in non-identified data, below. (Because pharmacies are not identified by name, pharmacy codes are used to blind this information.)



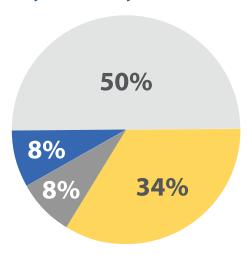
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The highest NPS of pharmacies 1, 2, and 3 warranted further investigation into the relationship between its key drivers. To better understand these relationships, correlations between the net promoter question and the other survey items were calculated. The top four significant correlations between survey items and the net promoter question are listed below for pharmacies 1, 2, and 3.

Correlations between survey items and the Net Promoter Score

Pharmacy 1	Pharmacy 2	Pharmacy 3	
Timeliness of the delivery (r=0.537)	Knowledge of medication(s) (r=0.623)	Promptness in resolving prescription issues/questions (r=0.496)	A Your call to our Specialty Pharmacy Your interaction with the Call Center
Empathy and concern (r=0.518)	Explaining so you could understand (r=0.580)	Keeping you informed of your prescription status (r=0.475)	Our communication with you Your prescription
Promptness in resolving prescription issues/questions (r=0.515)	Knowledge of your health condition (r=0.575)	Professionalism of call center staff (r=0.461)	
Amount of time spent with you (r=0.493)	Promptness with billing/insurance help (r=0.574)	Willingness to listen carefully (r=0.459)	

Key drivers by section



- B Section B
 Call Center Staff
- Section D Your Prescription
- A Section A Your Call
- Section C
 Communication

It is interesting to note that across all three pharmacies, half of the survey items that have high, significant correlations with the net promoter question come from the survey section B focused on "Interactions with Call Center Staff." Of the remaining items, most come from section D, "Your Prescription."

For pharmacies looking to increase their overall Net Promoter Score, it is then logical to conclude that a focus on call center interactions and prescription fulfillment is critical.

For example, staff empathy and concern as well as promptness in resolving prescription issues and questions were all key indicators of overall likelihood to refer in the highest rated pharmacies.

Other key drivers of patient satisfaction and likelihood to recommend

To better understand which aspects of the patient experience lead to both higher overall satisfaction and referrals, further analysis was done to identify the survey items most associated with these high levels. The survey items with the highest correlations to these two outcomes are listed below.

Likelihood of recommending to family and friends (NPS)

Willingness to listen carefully to you

Knowledge of your medication(s)

Your phone calls answered promptly

Condition of the prescription when received

Promptness in resolving issues/questions concerning your prescription

Overall satisfaction with our pharmacy

Willingness to listen carefully to you

Accuracy of your filled prescription

Condition of the prescription when received

Showing respect for what you had to say

Promptness in resolving issues/questions concerning your prescription

The items with the values for the two outcome questions are displayed above for comparison. These results, along with the correlation analyses discussed above, indicate a strong relationship between the likeliness of recommending a pharmacy and the patient's interaction with call center staff, as well as their satisfaction with the prescription dispensing and fulfillment processes.

Given these correlations, it is clear that successful specialty pharmacies look at customer support as a process that extends far beyond the dispensing of prescriptions. Many of these patients are dealing with life-threatening medical issues that take both a physical and emotional toll. Given these circumstances, these patients value empathy and access to a live person that is willing to listen to their concerns. As a result, a pharmacy's training program should not just focus on knowledgeable support—but also best practices for offering respectful, thoughtful and compassionate guidance during these challenging times.

While this may sound obvious in concept, in practice, many pharmacy call centers lean too heavily on traditional key performance indicators like those encouraging rapid call resolution. These measures are often counter-intuitive within the specialty pharmacy industry. Instead of focusing on these types of call center metrics, specialty pharmacies should instead rely on sophisticated workforce management tools to ensure the appropriate average speed to answer and abandonment rates in order to drive a highly satisfied patient experience. In addition, while staff members should be trained in how to promptly resolve time-sensitive issues around access to treatment, taking a few additional moments to ensure that the patient feels heard and supported will largely pay off in terms of overall satisfaction, brand-building and patient referrals.

Taking this idea one step further, some pharmacies may find that maintaining dedicated teams specific to a given disease state, essentially building a center of excellence for certain clinical areas, will allow them to best develop the knowledge needed to support patients. Obviously, some critical mass is needed to operationalize this type of effort, but larger pharmacies may find that it is an efficient and effective use of resources.

Using a multi-model approach for customer communication may also boost many of the key drivers of customer satisfaction listed above. Given the instant gratification of today's digital world, customer expectations around communication are higher than ever. Patients are not simply comparing their interactions with a specialty pharmacy against other healthcare interactions—they are also considering their broader online banking, shopping and other retail experiences. As such, patients now expect to have varied communication options including mail, email, text, app, phone and in-person. Of course, two-

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way communication between the provider and specialty pharmacy is also critical in ensuring that information about continuity of care, change orders and status of care are accurately exchanged. There should also be a constant flow of communication whereby the pharmacy acts as an extension of the provider, so that the patient is receiving highly-coordinated care from a tightly integrated care team.

The top patient experience attributes correlating with "my prescription" also reveal opportunities to improve overall satisfaction. This category included topics related to satisfaction with prescription shipping, dispensing and other fulfillment-related issues. Patients highly valued accuracy of their prescription and shipment, and prompt resolution of any potential concerns. As such, pharmacies should have multi-stage processes in place for ensuring the accuracy of the order prior to shipment. This would include functions like validating the prescription, the label, the shipping address and other critical fulfillment information. The most important aspect of this process is, of course, ongoing communication with the patient to address their delivery preferences and provide updates on their prescription and shipping status. In many cases, patients will be nearly out of medication due to delays in receiving the prior authorization approvals from the payor and are understandably anxious about this issue. While text messaging and other technology-enabled tactics can provide consistent communication, simply making an extra phone call to provide a status on the order is often best to ensure peace of mind.

Finally, high-performing specialty pharmacies in the patient satisfaction arena should focus on continuous training and certifications for their staff members. In a rapidly-evolving industry where medical advancements and new technologies are constantly disrupting the status quo, staff members may have difficulty keeping pace. As a result, all staff members—but particularly those who have direct patient interactions—should have access to ongoing training and certification. This training will vary by position but should often be a blend of clinical know-how along with advanced interviewing techniques, new product insights and active listening tips.

An extra phone call to provide a status on the order is often best to ensure peace of mind.

Net Promoter Scores by disease state

During the 2016/2017 Patient Survey Program, a NPS was also calculated for each disease state, using a survey question related to the likelihood of recommending a pharmacy to family and friends. Urology (87.5%) and auto immune (84.1%) scored the highest, while other specialty (72.9%) and growth hormone deficiency (71.9%) were lowest. The NPS for each disease are displayed below.

Disease State	Net Promoter Score
Urology	87.5%
Auto Immune	84.1%
Transplant	82.8%
HIV	82.6%
Inflammation	80.7%
Oncology	80.4%
Hepatitis	77.2%

Disease State	Net Promoter Score
Multiple Sclerosis	75.8%
Cardiology	75.7%
Fertility/Infertility	75.3%
IVIG/SCIG	73.4%
Other Specialty	72.9%
Growth Hormone Deficiency	71.9%

The reason why the net promoter scores among patients with particular disease states varied so significantly is an important question. This may be attributed to a variety of different internal and external variables. For instance, certain disease states require longer and more intensive specialty pharmacy support. A cancer patient will form a much different relationship with a specialty pharmacy than an individual with a one-time prescription need (such as a fertility patient). At the same time, some patients are more likely to have face-to-face interactions with a specialty pharmacy based on their location. For example, a patient may be working with a health system or physician group and many of their interactions—such as working through prior authorization challenges—are colored by these experiences. Finally, some patients are more likely to have face-to-face interactions with specialty pharmacy based on their location in the community. In many cases, a specialty pharmacy may be down the street from a local fertility clinic or cancer center, meaning that patients with these diagnoses are more likely receiving face-to-face support versus telephonic outreach. It is helpful to keep all of these potential issues in mind when attempting to make conclusions about NPS scores by disease state.

Some patients are more likely to have face-to-face interactions with a specialty pharmacy based on their location. Specialty pharmacies must focus on building and maintaining expert teams to manage the billing and prior authorization processes.

Key drivers of satisfaction for two rapidlygrowing specialties

Advancements in oral oncolytics and hepatitis C medications have driven a sizable and growing portion of specialty pharmacy revenue. In fact, oncology drugs are expected to dominate the "next wave" of FDA approvals.³ As such, it is particularly useful to drill down into the key drivers of satisfaction among patients with these two disease states. Below are the top five drivers for each area of specialty based on the survey results:

Oncology

- 1. Promptness in resolving issues/questions concerning your prescriptions
- 2. Helpfulness of people who assisted you with billing/insurance
- 3. Empathy and concern for your needs
- 4. Knowledge of your medication(s)
- 5. The professionalism of our call center staff

Hepatitis

- 1. Willingness to listen carefully to you
- 2. Taking time to answer your questions
- 3. Promptness in resolving billing/insurance questions or problems
- 4. The helpfulness of the person who took your call
- 5. Amount of time spent with you

Given the high cost of these medications, it is likely not surprising that assistance with billing/insurance has entered the top five drivers for both of these particular specialties. To that end, specialty pharmacies must focus on building and maintaining expert teams to manage the billing and prior authorization processes—especially as patient cost shares continue to rise.

Sources:

- 1. NPS Benchmarks
- 2. Satmetrix U.S. Consumer 2016 Net Promoter Benchmarks at a Glance
- 3. Walgreens: 2016 Patient Support Services Limited Distribution Drugs

Looking to the future

With the introduction of its Patient Survey Program, NASP has given its member pharmacies another valuable resource for improving both patient experience and overall engagement. However, these early efforts are just the beginning. Data collection and analysis will continue to be optimized over time and NASP, in collaboration with member pharmacies and SLG, will look for new ways to deliver greater value through the implementation of this program.

For example, NASP and SLG are working with various accreditation organizations within the healthcare sector to further define and standardize the survey questions. This will help ensure that the NASP survey program becomes the industry gold standard accepted by payors, pharmaceutical manufacturers and accreditation organizations alike.

NASP has also secured additional commitments from member pharmacies for the 2017/2018 survey year, which will increase the amount of data collected and help drive even more valuable insights for all participating pharmacies and the industry overall. Finally, NASP has also formed a Customer Experience Committee which will play a critical role in furthering data-driven initiatives like the Patient Survey Program. This committee is considering the implementation of additional surveys for pharmaceutical manufacturers and healthcare providers, allowing NASP to provide its member pharmacies with actionable insights on a variety of variables that impact each organization's overall performance and profitability.

Given how rapidly the specialty pharmacy sector is changing, it's clear that organizations in this industry need to make data-driven business decisions to anticipate and manage potential challenges to their performance.

At the same time, pharmacies must maintain a laser-like focus on the most important aspect of care—the patient—in order to demonstrate their value to manufacturers, payors and industry stakeholders alike. It is evident from efforts like these that industry groups such as NASP will continue to help lead this charge in collaboration with leading specialty pharmacies.

To learn more, please visit www.sullivanluallingroup.com/nasp/



