



For over 20 years, Innovatix, a New York-based group purchasing organization (GPO), has worked to transform the traditional GPO model. Understanding that true membership goes beyond discounted products, the company has successfully developed a suite of value-added services that includes government affairs, clinical services, continuing education, population health management, and specialty pharmacy management, allowing members to focus on providing care to the communities they serve.

### GROUP PURCHASING AGENTS

Innovatix offers contracting solutions for the non-acute care marketplace, including senior living facilities, independent physician and oncology practices, and home infusion, specialty, retail, mail order, and long-term care pharmacies. Currently serving over 23,000 members nationwide, Innovatix provides access to a portfolio of savings negotiated by leveraging a total purchasing volume of over \$41 billion.

“Our primary function is to help our members with their cost of goods sold (COGS) by making acquisition costs as low as possible,” says John P. Sganga, President and CEO of Innovatix. Members have access to over 14,000 unique NDCs and pharmacy support services, as well as added savings on an extensive medical/surgical portfolio through its affiliation with Premier.

Innovatix is 50% owned by Premier, a national acute care GPO. Sganga explains, “Our relationship with Premier allows our members to access some of the same discounted pricing that was typically only available to the largest acute care institutions,” he says. Additionally, the company offers a web-based tool, called Contract Advantage, that allows members to see the financial comparison between using a non-contracted drug and a contracted drug for a given indication. It compares contract prices, reimbursements, wholesaler acquisition costs (WAC), average wholesale price (AWP), and/or average sales price (ASP).

Innovatix is also one of the only non-acute care members of the business ethics group Healthcare Group Purchasing Industry Initiative (HGPII). “These practices reinforce our membership-driven model,” asserts Sganga.

### REIMBURSEMENT AGENTS

The Innovatix Network, a subsidiary of Innovatix, helps home infusion pharmacies navigate Medicare Part D. “Innovatix has designed a specific Medicare Part D network dedicated to serving home infusion pharmacies,” observes James V. Vasquenza, Jr., Vice President, Innovatix Network. Recognizing that reimbursement is a core issue, the Innovatix Preferred Provider Network (PPN) was established to facilitate new relationships with Prescription Drug Plans (PDPs) under the Medicare Part D program. Today, PPN offers a range of programs and services, including access to Part D contracts with the nation’s largest regional and national prescription drug plans (PDPs) and pharmacy benefit managers (PBMs), dispensing fees and AWP discounts, and access to its newly launched maximum allowable cost (MAC) monitoring program, called MAC Minder.

Introduced last fall, MAC Minder monitors member MAC reimbursement rates and flags when reimbursement drops significantly or disappears altogether. “In some cases, this happens when product supply isn’t keeping up with demand, causing manufacturers to significantly raise prices on the drugs. And if the MAC rate doesn’t adjust for these occasions, then the pharmacies are losing out,” notes Vasquenza.

Working closely with member pharmacies, and using claims data provided through MAC Minder, PPN staff can identify claims that represent the highest losses for its members and use that information to petition payers to modify their reimbursement rates. In some instances, PPN has been able to advise the pharmacy of alternative products or even assist the pharmacy in negotiating lower acquisition costs with the manufacturers.

### EDUCATION & CLINICAL AGENTS

One of the most unique aspects of the Innovatix group purchasing model is its clinical infrastructure. There are 12 staff clinicians dedicated to supporting both members and regional sales representatives in the field. “With specialists in pharmacy operations, oncology, infectious disease, managed care pharmacy, specialty pharmacy, and acute care

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pharmacy, we are well positioned to help our members provide the best care possible,” asserts Holly Simmons, Vice President of Infusion Pharmacy Services at Innovatix. These experts keep members abreast of best practices, clinical trials, drug information, medication safety, formulary management, and more through several distinct platforms.

Innovatix Care Solutions are disease state management guides. Created by the clinical team, they educate Innovatix members and provide resources that support disease management initiatives. This program includes comprehensive manuals on type 2 diabetes, deep vein thrombosis, MRSA, Alzheimer’s disease, COPD, and anemia. Each guide includes patient assessment tools, policies and procedures, care plans and physician consult requests, medication selection guides, dosing equivalent charts, protocols for identifying and managing complications, as well as references for treatment and monitoring.

Innovatix is also able to offer members complimentary accredited Continuing Education (CE) programs. Its flagship Lunch ‘N Learn program is a free monthly teleconference series designed for the long-term care and infusion provider markets. Innovatix also provides live CE programs at its annual National Meeting and Legislative Conference. Past meetings have offered members up to 18 accredited programs. Innovatix also publishes *Insight*, a biannual magazine that is distributed directly to all Innovatix members and contains an accredited self-study CE course.

**CHANGE AGENTS**

Innovatix is dedicated to keeping its finger on the pulse of legislative and regulatory developments. “One of our parent organizations, the Greater New York Hospital Association, has a rich history of advocacy work,” explains Simmons. “We have an in-depth understanding of how regulations can affect our provider members’ businesses.”

The Innovatix Government Affairs Program disseminates information relating to clinical, business, and financial matters that impact providers. Working with the Dumbarton Group and Associates, an advocacy firm based in Washington, D.C., Innovatix monitors legislation closely, from inception to implementation. In addition, the Government Affairs program provides timely and substantive updates

to members through emails, conference calls, and workshops. Innovatix also hosts an annual Legislative Conference that brings together industry leaders and policy experts to equip attendees as they meet with their respective congressional leaders on Capitol Hill.

Innovatix’s commitment to keeping members informed and up-to-date on regulatory and legislative developments is what first brought the GPO and NHIA together years ago when the Medicare prescription drug benefit was first announced. “We support NHIA’s efforts and recognize that home infusion therapy encompasses more than just the acquisition cost of drugs and are fully committed to making sure Congress enacts *The Medicare Home Infusion Therapy Site of Care Act*,” says Simmons. “This legislation will save Medicare money and extend flexibility to beneficiaries who want to receive infusion therapy in their homes. The legislation makes absolute sense.”

As a member of NHIA’s Future of Infusion Advisory Council (FIAC), Innovatix has pledged to support the industry and the association with leadership, policy, and additional financial support.

**STRATEGIC OUTLOOK**

Innovatix stays responsive to its members’ changing needs. For example, as the health care industry continues its rapid evolution, many providers are looking to prepare for changes associated with accountable care organizations (ACOs) and population health. “Innovatix sees top-to-bottom management of all health care dollars taking place by 2016 and is preparing its ancillary providers to participate in these types of relationships,” explains Vasquenza, noting the recently launched InnovatixCares population health management network. “We want our members to be the innovators in the population health space and are dedicated to helping them to develop a practical, actionable set of perspectives on how best to achieve success in today’s health care landscape.”

