Through the C-Suite Lens

Cost Management, Drug Spend, and What It All Means for the Front Lines

A Moderated Panel Discussion

Tom Dilworth, PharmD, BCPS
Associate Vice President, Pharmacy Clinical Services
Advocate Health

Kate Schaafsma, PharmD, MS, MBA, FASHP
Vice President, Chief Pharmacy Officer
Rush University System for Health

Jennifer Halsey, PharmD, MS, MHA, BCPS
Director of Ambulatory Pharmacy; Assistant Professor
University of Illinois Chicago

Ayesha Thelen, PharmD, BCPS
System Director Clinical Services
Rush University System for Health

1

Conflict of Interest Disclosures

- The speakers have no conflicts of interest with ineligible companies to disclose

2

Learning Objectives

- Examine the key drivers of rising hospital drug expenditures and the financial strategies health-system leadership uses to manage them.
- Analyze practical, front-line strategies that pharmacists and pharmacy technicians can apply to support institutional drug-spend management initiatives in daily practice.
- Evaluate methods for communicating the value and financial impact of front-line pharmacy work to hospital administration and the C-suite.

3

Meet the Panel

4

Panelists

- Tom Dilworth, Associate Vice President, Pharmacy Clinical Services
  - Advocate Health
- Jennifer Halsey, Director of Ambulatory Pharmacy, Assistant Professor
  - University of Illinois Chicago
- Kate Schaafsma, Vice President, Chief Pharmacy Officer
  - Rush University System for Health
- Ayesha Thelen, System Director Clinical Services
  - Rush University System for Health

2026 ICHP Annual Meeting

5

Meet Patient B. Sim

- Admitted with worsening bloody diarrhea, abdominal pain, and fever
- GI recommends starting infliximab to induce remission
- Your hospital formulary does have infliximab

As the inpatient pharmacy covering this patient, how do you proceed?

2026 ICHP Annual Meeting

6

Setting the Stage

National & Institutional Drug Spend Trends

2026 ICHP Annual Meeting

7

U.S. Pharmaceutical Spending: The Big Picture

- 2025 U.S. pharmaceutical expenditures grew 12.7% over 2024, reaching $915.2 billion

Top Drug Expenditures by Drug Class: 2025

Drug Category	% of Total Expenditures	% Change From Previous Year
Antineoplastics	19.6	21.5
Immunologics	8.0	7.7
Hemostatic Modifiers	7.9	7.5
Biologicals	7.8	7.1
Hospital Solutions	6.6	6.5

Adapted from: Vogenberg FR, et al. Am J Health Syst Pharm. 2026

2026 ICHP Annual Meeting

8

Health-System Drug Expenditures

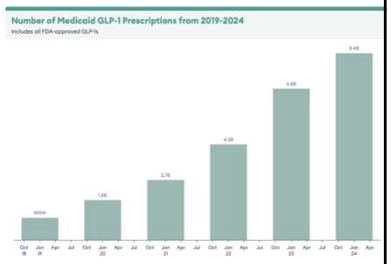
- Nonfederal hospital drug expenditures rose 9.6% to $42.9 billion in 2025
  - Driven overwhelmingly by utilization growth (9.3%)
  - Not by new drug approvals (0.9%) or price increases (1.2%)
- Ambulatory infusion and hospital specialty pharmacy
  - Expected to be the fastest-growing segments, expanding at annual rates of roughly 9% and 21% respectively
  - Prescription drug spending increased 7.9% to $467.0 billion in 2024, slower than the 10.8% growth in 2023.

9

What's Driving the Growth?

Market & Clinical Drivers

- **Specialty & infusion growth:** ambulatory infusion +9%/yr, hospital specialty pharmacy +21%/yr projected
- **Site-of-care migration:** freestanding infusion centers on pace to overtake hospital outpatient volume by 2029 (12.5%/yr growth, 30–40% cost advantage)
- **Specialty & GLP-1 demand:** overall drug expenditures growing ~8–9%/yr through 2029, driven by utilization



Medicaid Coverage of and Spending on GLP-1s, KFF. Accessed June 23, 2026.

10

What's Driving the Growth?

Federal Payment Policy Drivers

- **Payment parity by site:** CMS rule pays hospital-owned outpatient departments the same (lower) rate as freestanding clinics for drug administration — removing the financial incentive to keep infusions in-hospital
- **Inpatient-only list phase-out:** 3-year elimination expands the pool of procedures eligible for outpatient delivery
- **Increased CMS oversight:** New NPI requirements for off-campus departments improve federal visibility into site-of-care shifts
- **Multi-year trend:** CMS is actively considering further site-neutral expansion — this is ongoing policy direction, not a one-time change

11

Why This Matters to the Front Line

- Front-line staff often operate without full visibility into the cost implications of daily decisions.
- AHA's 340B Hospital Commitment to Good Stewardship Principles calls for interdisciplinary training spanning C-suite, pharmacy, legal, and finance
  - Financial/regulatory literacy is a *shared organizational responsibility* across levels, not a frontline knowledge gap
- Without this context, staff may be less engaged in cost-management initiatives (biosimilar substitution, waste reduction, formulary compliance)

12

Panel Discussion — Round 1

Describe the key drivers of rising hospital drug expenditures and the financial strategies health-system leadership uses to manage them.

2026 ICHP Annual Meeting

13

Panel Discussion — Round 1

- *Describe the key drivers of rising drug expenditures and the financial strategies health-system leadership uses to manage them.*

2026 ICHP Annual Meeting

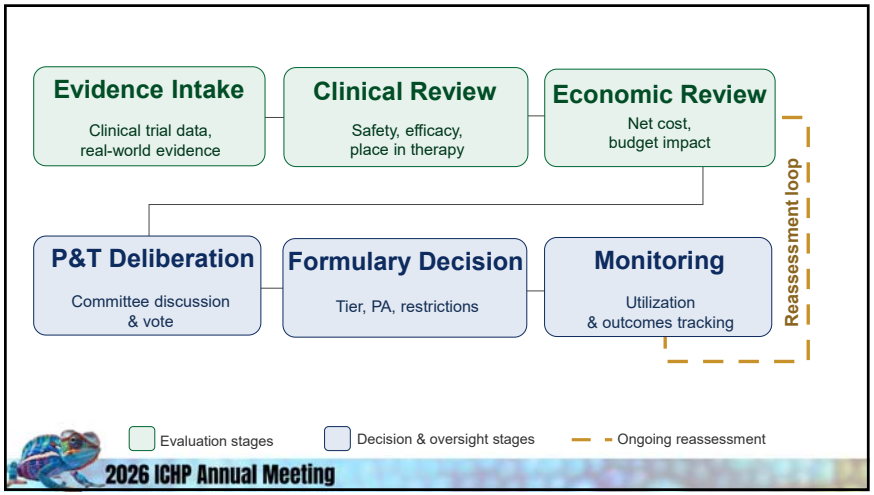
14

Panel Discussion — Round 1

- *Walk us through how your P&T committee or formulary team balances clinical need against cost pressures, and how your approach differs between inpatient versus outpatient formularies.*

2026 ICHP Annual Meeting

15

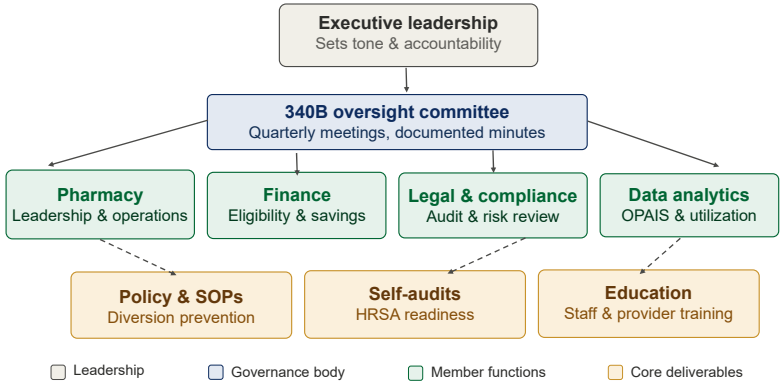


2026 ICHP Annual Meeting

16

340B Oversight Committee — Governance Structure

Interdisciplinary governance, reporting, and core program functions



17

Patient Case: B. Sim

- Admitted with severe ulcerative colitis flare
- Request to start inpatient infliximab
- The inpatient pharmacist recommends IV corticosteroids per guideline-directed acute management to stabilize the patient first
  - Avoids initiating a high-cost specialty therapy in a setting where it isn't yet clinically indicated
  - Prevents an unnecessary inpatient drug-spend
  - Allows the care team to properly assess the most appropriate long-term biologic agent
  - The transitions of care technician takes ownership of the prior authorization process gathering documentation, submitting the PA, and following up with the payer.
  - This prevents a discharge delay, avoids a gap in therapy that could trigger a readmission, and ensures the patient leaves with a clear, approved care plan

2026 ICHP Annual Meeting

18

Panel Discussion — Round 2

Identify practical, front-line strategies that pharmacists and pharmacy technicians can apply to support institutional drug-spend management initiatives.

2026 ICHP Annual Meeting

19

Panel Discussion — Round 2

- *Drug-spend management can sometimes be perceived as a cost-cutting exercise rather than a clinical stewardship one. How have you seen that attitude shift among staff, and what's helped front-line pharmacists and technicians see themselves as active owners of these initiatives rather than just participants in them?*

2026 ICHP Annual Meeting

20

Panel Discussion — Round 2

- *In what ways have you seen AI start to reshape financial stewardship? How would you coach a new pharmacist or technician to evolve their practice alongside these tools, and help them see that shift as an opportunity rather than a threat to their role?*

21

Back to Patient B. Sims

- The patient is connected with the GI Clinic Pharmacist after discharge
- The clinic pharmacist works with GI to convert their prescribed biologic to a clinically equivalent biosimilar
  - Reduces per-dose cost without compromising efficacy
- The pharmacist also spends time educating the patient on self-administration technique, what symptoms warrant a call to clinic versus the ER, and adherence strategies
  - Directly reducing risk of a preventable readmission.

22

Front-line interventions with measurable drug-spend impact

Intervention	Source	Measured impact
Dose rounding to nearest vial size (Mayo Clinic, EHR-automated)	*AJHP, 2022*	9,814 vials saved across ~40,000 chemo doses over 6 months — $7,284,796 total savings ($5.7M biologics, $1.6M oncolytics)
Dose rounding, single academic center *(bevacizumab, paclitaxel protein-bound)*	*JHOP, 2025*	$66,631.74 saved over 3 months across 240 administrations; 91 vials avoided via 10% dose-rounding policy
Dose rounding, rural ambulatory infusion center	*Pharmacy Practice News, 2020*	$201,048 saved over 11 months across 276 patient orders — ~600% above projection; pharmacist-led, no physician consult required
Optimal vial-size selection	*HealthTrust (Sherman & Teague)*	Average of $2,826 saved per dose by aligning package sizes to most commonly administered doses
Biosimilar adoption, system-wide	*AAM / IQVIA 2025 Savings Report*	$20.2 billion in biosimilar savings in 2024 alone; $56.2 billion cumulative since 2015

23

Panel Discussion — Round 3

Discuss methods for communicating the value and financial impact of front-line pharmacy work to hospital administration and the C-suite.

24

Panel Discussion — Round 3

- *Drug-spend impact isn't always a clean dollar figure. Sometimes it's indirect savings/cost-avoidance. At the front-lines, how can pharmacists and technicians articulate that kind of value, and how do you translate it for audiences outside pharmacy, like the C-suite or the board, who often expect a hard number.*

2026 ICHP Annual Meeting

25

A front-line pitch to leadership

Helps the ask	Hurts the ask
Leads with the ask States the recommendation first	**No clear recommendation** Describes a problem, no next step
One clear metric Not a data dump of every measure	**Too much clinical detail** Buries the ask in data
Comes prepared Anticipates the follow-up question	**Catches them off guard** No dedicated time requested
Speaks their language Frames it as cost, risk, throughput	**No follow-up plan** Ask dies with no proposed next step

Sources: AHRQ / IHI SBAR communication framework; ASHP, "Proving Pharmacy's Value Is All About Outcomes" (2025); ASHP, "Making the Case for New Roadmaps for Pharmacy Technicians" (2024)

26

Which of the following best pairs the primary driver of recent drug-expenditure growth with an appropriate health-system leadership strategy?

A. Introduction of newly approved drugs; restrictions on all nonformulary medications
B. Manufacturer price increases; shifting all specialty medications to the inpatient setting
C. Increased medication utilization; formulary management and biosimilar adoption
D. Increased inpatient admissions; eliminating ambulatory infusion services

2026 ICHP Annual Meeting

27

A patient is hospitalized with a severe ulcerative colitis flare, and the care team requests initiation of infliximab. Which front-line pharmacy response best supports both clinical care and institutional drug-spend stewardship?

A. Initiate infliximab immediately because it is available on the hospital formulary
B. Recommend guideline-directed intravenous corticosteroids initially and begin coordinating outpatient biologic access
C. Delay all treatment until the patient's outpatient insurer approves infliximab
D. Recommend the least expensive biologic without considering the intended site of care

2026 ICHP Annual Meeting

28

A pharmacy team wants executive support for expanding a tech-check-tech initiative. Which presentation approach would be most effective when communicating the proposal to hospital leadership?

A. Begin with a detailed review of the literature and allow leadership to determine the next step
B. Present every available process and outcome measure to demonstrate the initiative's complexity
C. Lead with a specific recommendation, support it with one meaningful metric, and propose a clear next step
D. Focus exclusively on pharmacy workload because operational and financial outcomes will be evaluated separately

2026 ICHP Annual Meeting

29

Audience Questions

2026 ICHP Annual Meeting

30

Key Takeaways

1. **Drug-spend growth is driven by utilization**
   - Formulary management, biosimilar adoption, 340B stewardship, and drug contracting remain leadership's core levers, but each depends on consistent adoption at the point of care.
2. **Value within the front lines**
   - Dose rounding, biosimilar substitution, and formulary compliance require no new clinical skill, only formulary visibility paired with clear policy and a mechanism to track impact.
3. **Cost literacy is a shared responsibility**
   - Sustainable medication-use governance depends on interdisciplinary alignment across pharmacy teams, finance, legal, and the C-suite.
4. **A focused ask travels further than a well-supported one**
   - Leading with a single clear metric, naming the specific recommendation, and preparing for one objection in depth is what turns frontline insight into leadership action.

2026 ICHP Annual Meeting

31

References

- Vogenberg FR, et al. National trends in prescription drug expenditures and projections for 2026. Am J Health Syst Pharm. 2026.
- The 2026 specialty drug surge: what employers need to prepare for. Insurica. 2026. Accessed Juen 22, 2026. https://insurica.com/blog/2026-specialty-drug-surge/
- ASHP/AJHP national expenditure projections, 2026.
- American Hospital Association. 340B Hospital Commitment to Good Stewardship Principles. 2024.

2026 ICHP Annual Meeting

32

Through the C-Suite Lens

Cost Management, Drug Spend, and What It All Means for the Front Lines

A Moderated Panel Discussion

Tom Dilworth, PharmD, BCPS
Associate Vice President, Pharmacy Clinical Services
Advocate Health

Kate Schaafsma, PharmD, MS, MBA, FASHP
Vice President, Chief Pharmacy Officer
Rush University System for Health

Jennifer Halsey, PharmD, MS, MHA, BCPS
Director of Ambulatory Pharmacy; Assistant Professor
University of Illinois Chicago

Ayesha Thelen, PharmD, BCPS
System Director Clinical Services
Rush University System for Health

2026 ICHP Annual Meeting

33