



Decoding Pharmacy Class of Trade

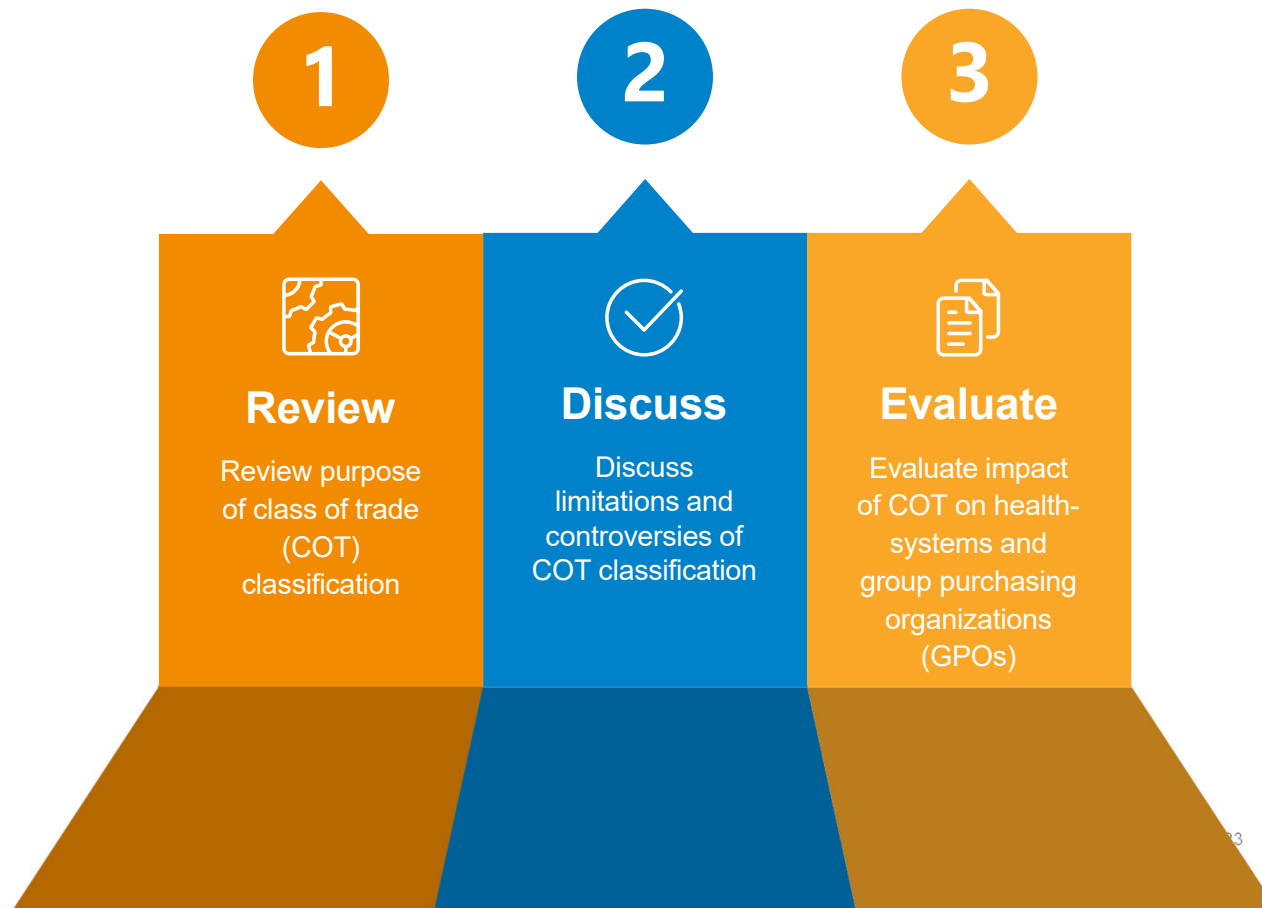
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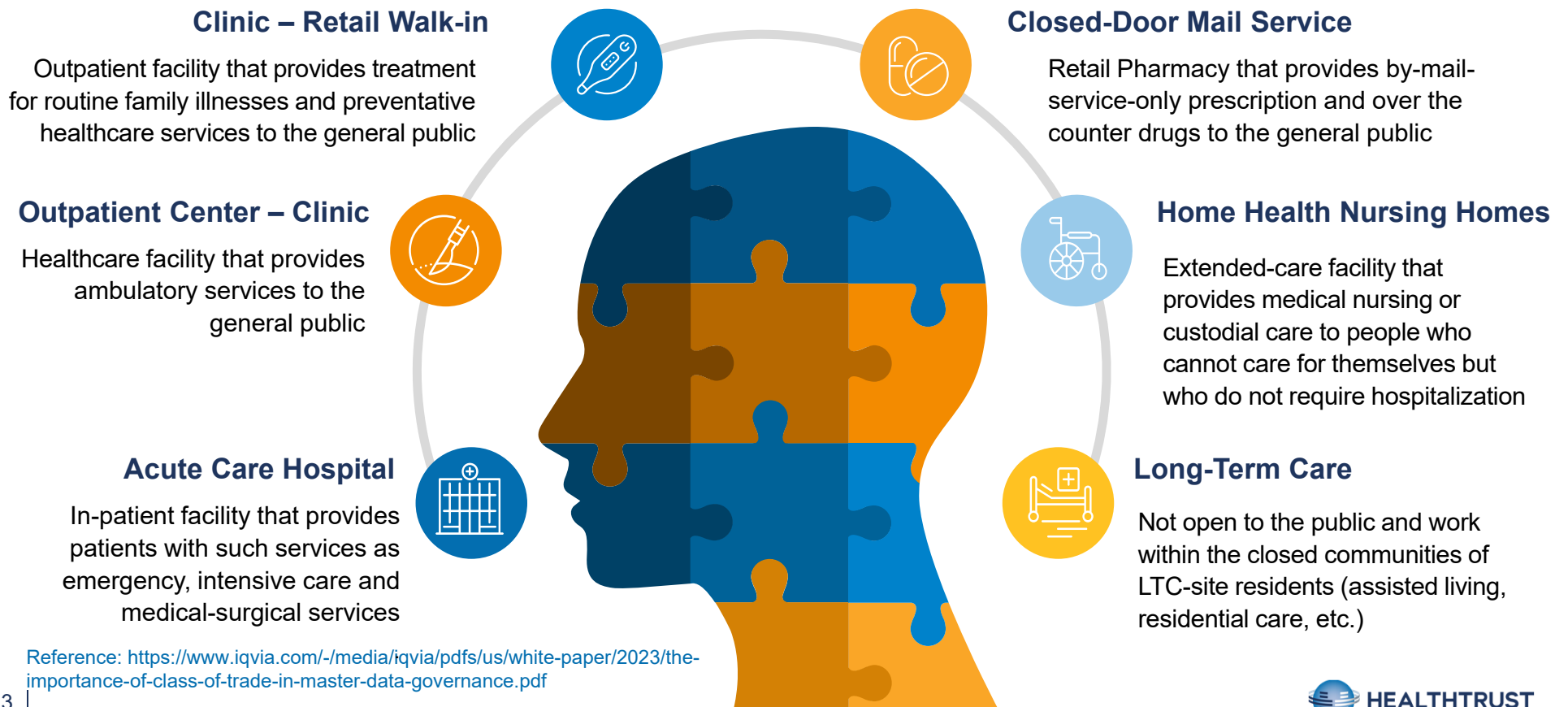


Essentials and
Rationale

Objectives



Basics of Class of Trade



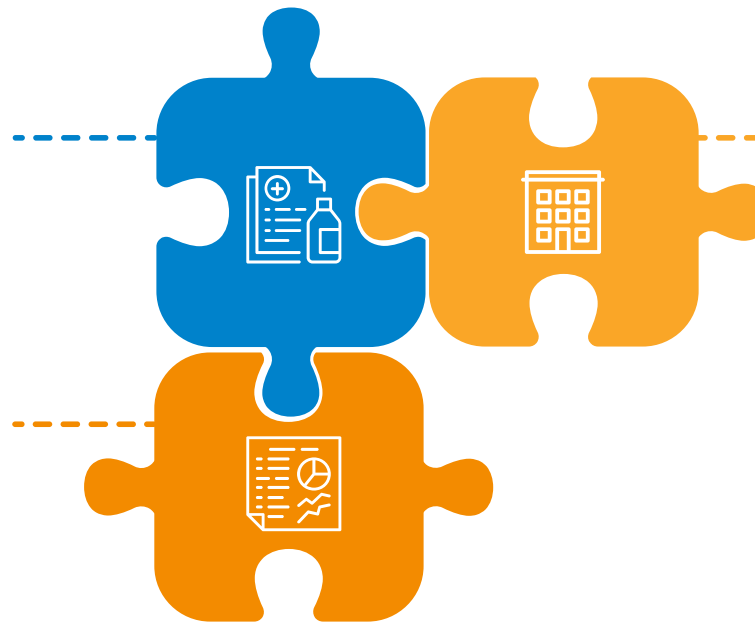
Class of Trade: Limitations & Controversies

Lack of Standardization & Consistency

COT assignment comes at the **discretion of vendor** and is based on a variety of factors including DEA numbers, HINs, name, billing, and more

Ambiguity & Rigidity

Ambiguity of definition and rigidity of classification leads to suboptimal contracting for GPOs and drug pricing for health-systems



Health System Expansion & COT Assignments

One system may have multiple settings (i.e. acute, ambulatory, clinic) but are restricted to one COT through manufacturer/vendor restrictions

Class of Trade: Limitations & Controversies



Denial of Eligibility

Same drug and service may be delivered by a health-system but vendor/manufacture denies clinic COT



Uncompromising

Many vendors/manufacturers refuse to provide agnostic COT even if services are identical



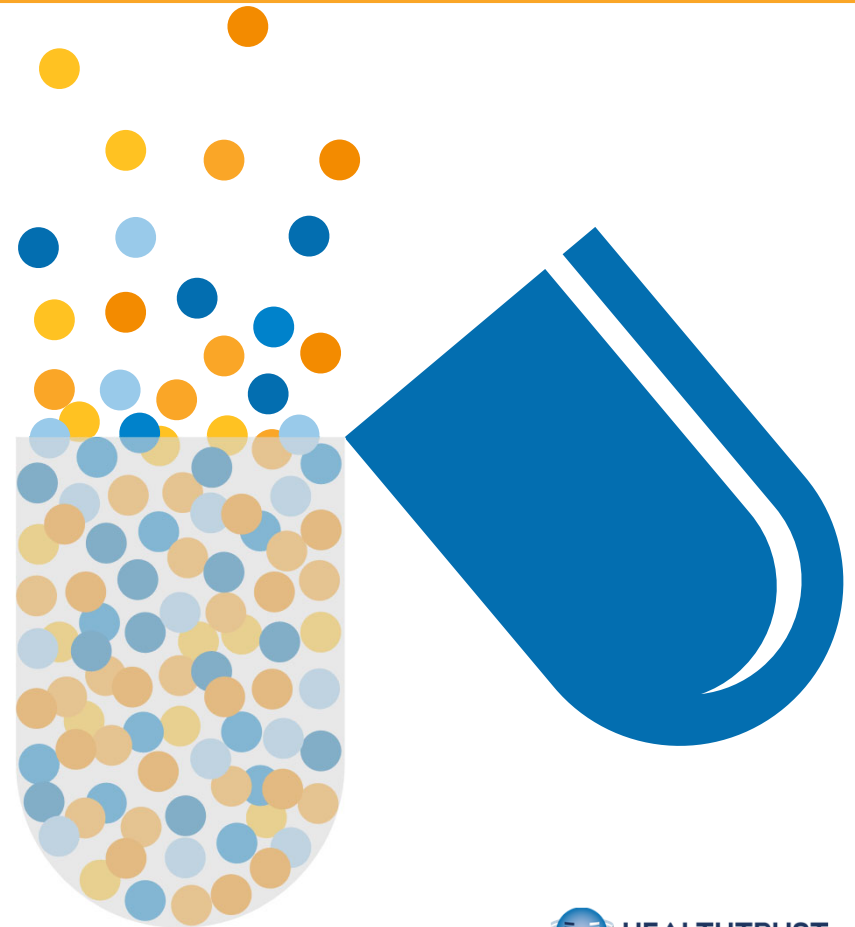
Pricing Difference

Pricing difference has significant impact on facility supply expense and reimbursement margins

COT Pricing	Acute	Ambulatory	Clinic
Drug #1	\$4,192.50	\$6,168.33	\$3,708.31
Drug #2	\$3,762.51	\$3,762.51	\$1,191.24

Conclusion

- **COT is Complicated**
Interconnected stakeholders, pricing variations, regulatory nuances, and technological demands converge to complicate the landscape
- **Lack of Flexibility**
There are benefits, but lack of flexibility from manufacturers around assignment has led to profound impacts on business viability for health systems across the country
- **GPO Advocacy**
The GPO will continue to advocate for the most fair and equitable pricing for all members
- **Know Your Principles**
Learn and apply COT principals in considerations of facility or system initiatives



“HealthTrust’s pharmacy team helped enhance our pharmacy program by creating alignment between physicians, nurses, and executive leadership while addressing our challenge of cost containment”

- Senior Pharmacy Director

Contact the Pharmacy Team

- Submit a general request on the HealthTrust website at HealthTrustpg.com/ihp/resources
- Contact Mohammed Elayan, PharmD, Director of Oncology Pharmacy Clinical Services at: Mohammed.Elayan@HealthTrustPG.com

Thank You