

University of Utah Hospitals & Clinics
Health System Pharmacy Administration Residency

Budgeting and Financial Services Rotation

Preceptor(s): Linda Tyler, PharmD
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Site Description: The Department of Pharmacy Services provides services to 4 hospitals, 3 infusion services, 12 community clinics, 15 retail pharmacy facilities, and specialized ambulatory clinics. The Department is supported by a comprehensive Drug Information Service.

Rotation Description: This rotation is a continuation of many of the issues from the Administrative Services Rotation. The resident will be actively involved in the development of the yearly budgets. The resident will be able to analyze the financial development of the department over the months between the rotations. The benchmarking process will be reviewed and the data analyzed. The resident will be able to discuss the differences between different productivity measures and how to select ones for inpatient and ambulatory services. ROI analysis may come up on other rotations, however, if not, it will be used as part of the budgeting processes. The resident will participate in those committees that address revenue cycle. Pharmacy Compliance, Compliance Audit status and Compliance Oversight.

RLS Goals:

Goal R4.1: Utilize productivity measurement in operational decision-making.

Obj R4.1.1: When given a productivity report, draw appropriate conclusions.

Obj R4.1.2: Effectively utilize an internal and external benchmarking and productivity system to make management decisions.

Goal R4.2: Manage operating and capital budgets.

Obj R4.2.1: Develop an operating budget for a selected aspect of the pharmacy's activities.

Obj R4.2.2: Develop a capital budget for a selected aspect of the pharmacy's activities.

Obj R4.2.3: Participate in the monitoring of financial performance and explanation of variances.

Goal R4.3: Justify new services using return on investment (ROI) analyses.

Obj R4.3.1: Uses skill in return on investment (ROI) calculations to make an accurate judgment concerning a proposed pharmacy plan.

Goal R4.4: Understand how to oversee the pharmacy revenue cycle.

Obj R4.4.1: Explain the concept of the pharmacy revenue cycle.

Obj R4.4.2: Explain various strategies for maximizing revenue capture and recovery.

Obj R4.4.3: Explain patient assistance programs and how to access them.

Activities Evaluated:

Rotation Activity	RLS Goal	Teaching Method
Review internal and external benchmarking information. Based on the information make recommendations for improving department productivity. Specifically discuss what factors would change benchmarking behaviors.	R4.1	I, M,C, F
Work with department directors in preparing annual budgets. This will include analyzing variances for the year and forecasting information. (Some of the	R4.2	M,C, F

forecasting activities will occur during the HCH rotation as well.) The resident will conducted targeted analysis of drug spend to identify trends and patterns that important for budgeting. The resident will participate in the capital budgeting process. This occurs in the fall and may be during other rotations; the resident will then see how this ties into the overall budget process.		
Prepare a proposal for services and conduct an ROI analysis. This may occur on another rotation, if not, this will be done during this rotation.	R4.3	M, C, F
Review the revenue cycle process. Analyze the process for opportunities for improvement. Participate in committees that work with revenue cycle issues including Pharmacy Compliance, Compliance Audit status and Compliance Oversight.	R4.4	M, C, F

Teaching Methods include: I=direct instruction, M=modeling, C=coaching, and F=facilitation

Readings and Preparatory Work:

Wilson AL (ed). Financial Management for Health-System Pharmacists. Bethesda, MD, American Society of Health System Pharmacists. 2009.

Rough SS, McDaniel M, Rinehart JR. Effective use of workload and productivity monitoring tools in health-system pharmacy, part 1. Am. J. Health Syst. Pharm., Feb 2010; 67: 300 - 311.

Rough SS, McDaniel M, Rinehart JR. Effective use of workload and productivity monitoring tools in health-system pharmacy, part 2Am. J. Health Syst. Pharm., Mar 2010; 67: 380 - 388.

Project/Presentation Description:

The resident will be involved in several projects during the month including:

Conduct a ROI analysis if have not already done that.

Prepare budget for one of the orgIDs and assist in the preparation of others.

Analyze revenue cycle and prepare one idea for improving the process.

Analyze targeted purchasing data for trends and patterns that relate to the budget.

Typical Daily/Weekly/Monthly Activities:

The usual hours will be from 7:45 am to 4:30 pm. The resident needs to be flexible and recognize that many rotation meetings could occur occasionally earlier or later in the day. The resident will review weekly with the preceptors the schedule for meetings.

This rotation also occurs when the resident is finishing up their project and preparing for the Western States Residents' Conference presentation. Strong time management skills will be important on this rotation.

Evaluation Process:

The preceptor will conduct a midpoint evaluation. At the end of the rotation, the resident will conduct a self-evaluation. The preceptor will conduct an end of rotation evaluation with the resident. The resident will complete the preceptor and learning experience evaluations.