

Key takeaways for health system executives

# Drug shortages and labor costs:

## Measuring a hidden cost of drug shortages on U.S. hospitals

The cost of labor to manage drug shortages

**\$359 million**

Cost of labor needed to manage drug shortages **per year**.

**8.6 million**

Additional personnel hours needed to manage drug shortages per year

**100%**

Of the 12+ facility types included in the survey were affected by drug shortages



### Summary

Between March 6 and April 4, 2019, the Vizient® Drug Shortages Task Force conducted its inaugural member survey, “2019 Drug Shortages and Labor Costs: Measuring a Hidden Cost of Drug Shortages on U.S. Hospitals.

These survey responses confirmed that drug shortages are a global issue across all types of care facilities, and these shortages are taking a significant toll on the pharmacy resources, budgets, staffing and patient care.

Download the full report for additional insights:  
<http://enddrugshortages.com>

As the nation’s largest member-driven health care performance improvement company, Vizient provides network-powered insights in the critical areas of clinical, operational, and supply chain performance and empowers members to deliver exceptional, cost-effective care.

## Average number of hours spent weekly managing drug shortages

Buyers/purchasing agents	12.0
Pharmacists	9.3
Pharmacy technicians	7.6
Informatics pharmacists	3.8
Nurses	1.7
Physicians	1.4
Financial/business office	1.3

## Vizient Pharmacy Solutions

The Vizient® member-focused Pharmacy Solutions support health systems and hospitals in transforming pharmacy from a cost center to a central point of integrated care through solutions that manage cost, improve quality outcomes and drive organizational performance. With an expansive portfolio of more than 12,000 contracted pharmaceutical products accessible across acute and non-acute care settings, Vizient leverages supply chain and clinical insights, experienced pharmacy consultants and therapeutic class-specific expertise to help members manage spend, optimize savings and prepare for market shifts. Serving as one united voice for members through both advocacy and action, Vizient is elevating the strategic role of pharmacy, from point of procurement to point of care.



To learn more, please contact  
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## Direct and indirect costs of drug shortages are high, including:

- Increases in drug budget
- Lost revenue from cancelled infusions and procedures
- Increased full-time employees for pharmacy and technicians  
Reallocation of pharmacy resources which leads to lost productivity and impact in other areas
- Documented medication errors potentially resulting in harm

## Key takeaways:

- Pharmacy plays a strategic role in the performance of your health system.
- Management of drug shortages is a significant driver in overspending of pharmacy budgets.
- Health system and hospital pharmacies are allocating significant time and money to seek ways to gain product access, find strategies to work around drug shortages and prepare for continued impact in the future.
- Additional labor costs and resources are a significant consequence of drug shortages.
- Hidden costs also include impact on patient care and loss of revenue due to delayed or cancelled procedures or treatments.
- Roles both inside and outside the pharmacy are impacted by the time allocated to managing drug shortages.

## Action steps and mitigation strategies:

- Recognize the important role of pharmacy in stabilizing the supply chain for critically important medications, and the hours required of pharmacy staff to minimize the negative impact of drug shortages on patient care.
- Encourage your pharmacy team to utilize solutions like the Vizient Novaplus® private-label program, which helps manufacturers anticipate demand and allocate production while providing a secure supply of medications at cost-effective prices.
- Support the continued intervention of the FDA and the U.S. Drug Enforcement Administration to address recent critical shortages by mitigating issues that affect the stability of the pharmaceutical supply chain.

Learn specific mitigation strategies, top classes of therapies impacted and additional key insights in the complete report.

[Download the complete report →](#)

<sup>1</sup>Ref: U.S. hospital as defined by the American Hospital Association (<https://www.aha.org/statistics/fast-facts-ushospitals>).

Ref: Definitive Healthcare "Hospitals and IDNs" database.

Ref: Vizient pharmacy program participants; data on file.

Ref: Hourly pay based on U.S. labor statistics (<https://www.bls.gov>); Vizient data on file.