sus those with 80% adherence. Total expenditures considered expenditures from inpatient admissions, ER visits, and medications. Potential savings was defined as reduced spending in all cost categories due to increased adherence. Number of references increased in all-cause total expenditures in diabetes, cholesterol, and heart by $240 million (M), $150M, and $47M, respectively. Increasing adherence by 2% reduced increases in all-cause expenditure by 11% to 21%. Nonadherence results in savings in all-cause expenditures but no adherence-specific numbers. Nonadherence was assessed quality of service provision and total treatment costs.

Methods: Trillo-Mata JL,1 Guadalajara-Olmeda N2, Barrachina-Martinez F,2 De la Peña-Flato C3,1
1Valencian Community Health Department. (Valencia, Spain), 2Universitat Politècnica de València, Valencia, VALENCIA, Spain

OBJECTIVES: Controlling pharmaceutical costs has been the subject of research in health care perspective, using national statistics on costs.

PHM60

DRUG-RELATED MORBIDITY – MODELING THE COST-OF-ILLNESS IN SWEDEN USING PHARMACISTS’ OPINION

METHODS: Probabilities of therapeutic outcomes of medication therapy were estimated by an expert panel of pharmacists (N=29) using a two-round delphi-methodology and a conceptual model of drug-related morbidity based on a decision tree. We used an American conceptual model adjusted to the Swedish context in the model. The drug-related morbidity included new morbidity (e.g., across different disease-specific hospitalization and ER expenditures were offset by lower medication expenditure, thus resulting in overall lower disease-specific expenditure among the nonadherent patients. Overall, increases in medication adherence resulted in savings in all-cause expenditure but not in disease-specific expenditures.

CONCLUSIONS: Medication nonadherence can be costly to payers. Increasing adherence even by small amounts may result in significant savings.

PHM62

ESTABLISHING DRUGS OPTIMAL PURCHASE MODEL

Chang Y1, Chang TH1, Chuin HV1, Tai SW2, Chuang CH1
1Shuang Ho Hospital, Taipei Medical University, New Taipei City, Taiwan, Taiwan, 2Taipei Medical University, Taipei, Taiwan

OBJECTIVES: Taipei Medical University affilated Shuang Ho Hospital officially opened on July 1, 2008. Due to limited revenue during the initial period, hospital emphasized more on cost control. With the great demand of medication from the growing number of outpatients visits and inpatients, pharmacy aim to establish an optimal purchase model to minimize drug inventory management cost. Economic Order Quantity (EOQ) model were applied to find out the best quantity and frequency on medication purchase order. We analyzed the high-cost medications in which the top 50% of cumulative drug cost in year 2010, and intravenous antibiotics were excluded. RESULTS: The study evaluated on labor cost and inventory cost. Forty-six high-cost medications were selected to determine EOQ model in this study. The optimal frequency to order each drug estimated by EOQ model was three to ten times per month. The estimated cost of inventory management reduced substantially when order more frequently within 10 times per month. However, after considering the practicability in real practice, the order frequency was adjusted to one to four times per month. The best estimated quantity for each drug was also adjusted by previous fluctuation of purchase orders during 2010. Therefore, the estimated inventory management cost in year 2011 could reduce $500,000 to $700,000 NTD. CONCLUSIONS: Our inventory management currently purchase drug twice a month. In order to optimize inventory turnover rate, without increasing pharmacists work loading and management cost, we recommend adjusting quantity and frequency of ordering medication based on our study results to achieve the minimal and rational cost on inventory management.

PHM63

SAVINGS ON PHARMACEUTICAL EXPENDITURE IN GREEK NHS HOSPITALS UNDER THE SHADOW OF THE INTERNATIONAL MONETARY FUND (IMF)

Karapanos N1, Androulou E2, Dede Z2, Geitona M2
1Ministry of Health and Social Solidarity, Athens, Greece, 2University of Peloponnessos, Aspis, Greece

Due to the financial crisis, Greece was forced by the International Monetary Fund and the European Community (Troika) to implement cost containment measures in the health care sector. OBJECTIVES: The objective of the study is to present the measures taken in order to control and reduce the pharmaceutical expenditure in all NHS hospitals and evaluate the respective savings emerging in 2010. METHODS: The data derive from the Ministry of Health and Social Solidarity (MoH) database, covering a total of 7 Regional Health Authorities (RHA) of Greece. Data compare the NHS hospital pharmaceutical expenditure between 2009 and 2010. RESULTS: Numerous cost-containment measures have been gradually implemented in all NHS hospitals according to the IMF and MoH guidance, targeting at: 1) creation of NHS database network (Iesy.net), 2) transfer of the pharmaceutical pricing regulation from the Ministry of commerce to the MoH, 3) unification of the NHS electronic coding system, for ordering and prescribing of pharmaceuticals, 4) hospital packsize; 5) electronic patients files; and 6) increase in the use of generics of off patent medicines. Although the above measures are still not fully implemented, they reduced hospital pharmaceutical expenditure by 10.51%, from €1.466 million in 2009 to €1.312 million in 2010. At regional level, savings ranged from 8% in the 2nd RHA (covering Pireaus & islands) up to 16% in the 7th RHA (Peloponnessos & West Greece). More savings were in the 1st RHA (Halkidiki). The highest share of NHS hospitals of pharmaceutical expenditure was reduced by 15%.

CONCLUSIONS: The new cost containment measures implemented in Greek NHS hospitals started presenting results by fulfilling the savings imposed by IMF & Troika. The same picture is presented in the overall HC sector, hospitals & social service provision improved with reduced waiting times (mean: 120 min vs. 60 min), persistently high patient satisfaction and more efficient resource use (additional diagnostic testing: 71% vs. 56%). Comparison of the annual local budget spent for...