



# Delivering Comprehensive Value for a Health System

## How an In-House Pharmacy & Strategic Support Led to Significant Savings

### The Challenge

A health system with 13,400 member lives had an annual pharmacy spend of \$18 million, which equated to a net spend of \$89.28 per member per month (PMPM). The organization endeavored to optimize its capturing retail and specialty prescription drug spending by capturing those claims in an on-site pharmacy. However, the health system was experiencing a lack of strategic support from its PBM. The health system needed a new, conflict-free pharmacy benefit partner who would support its objectives to keep pharmacy dollars in house.

**\$18M** Annual Pharmacy Spend



## The Solution

RxBenefits provided a comprehensive, best-in-class solution to the health system, which involved leveraging its resources, creating a channel-agnostic benefit design, and establishing an on-site pharmacy. With the on-site pharmacy, the health system was able to drive retail and specialty pharmacy claims to its own location and save money on the employee benefit program. RxBenefits also conducted a Comprehensive Pharmacy Analysis of the plan's previous arrangement to identify contract red flags and pinpoint the major trend drivers impacting costs.

### Clinical

By partnering with RxBenefits, the health system was able to implement a tailored clinical solution, independent of the PBM, to address its identified risk areas. The solution included three components of our Clinical Advantage Program (CAP):

- **Formulary optimization with low clinical value drug exclusions** – Preventing unnecessary drug spend by removing non-essential, high-cost, low clinical value drugs from the formulary. *Our clinical team continually monitored drugs in the market and updated the low clinical value drug list throughout the year, which produced additional value.*
- **High-dollar claim review** – Providing umbrella protection by guarding against unnecessary spending on high-cost brand and specialty medications that had clinically appropriate, lower cost alternatives. *Our clinical team provided additional oversight through prior authorization reviews for certain high-cost prescription drug claims. The organization gained insight into the specific drugs contributing to its monthly plan cost and was able to limit its exposure.*
- **Client-driven manufacturer assistance program** – Providing the health system with the flexibility to access manufacturer assistance dollars for certain medications to offset costs.

### Contract

RxBenefits' conflict-free contract afforded the health system the flexibility to insource specialty and maintenance medications for its employees and dependent members. With a channel agnostic contract, the health system utilized a hospital-first benefit design with incentives to drive utilization to its in-house pharmacy. The new pharmacy benefits contract also included updated component-level guarantees for retail, mail-order, and specialty pharmacy channels and updated manufacturer rebate guarantees.

### On-Site Pharmacy Strategic Support

RxBenefits partnered with the health system's on-site pharmacy to drive incremental maintenance and specialty medications in-house. A mandatory maintenance program was implemented, and a series of new member communications helped facilitate the transition.

## The Results

Through a more competitive contract and the strategic support of a true pharmacy benefits partner, the health system gained greater insight and independence over its employee benefit program. As a result, the health system was able to realize **\$2 million in net savings (12%)** in one year on its prescription drug spending within one year.

### Overall Outcomes

- **-13.1%** trend compared to the previous calendar year
- Average PMPM for the calendar year: **\$77.55**
- Annual Pharmacy Net Plan Cost: **\$12.4M**

### Clinical

- Formulary Optimization: **\$64K**
- High Dollar Claim Review: **\$755K**
- PMPM Savings Over 12 Months: **\$5.09**
- Estimated Annualized Plan Saving: **\$819K**

### Contract

- Contract Improvement over the previous year: **7%**

### Strategic Support

- Client-Driven Manufacturer Assistance Program Savings: **\$358K**
- Savings from the Additional Rx Volume Captured In-House: **\$1.5M**

*"RxBenefits has provided an exemplary level of customer service. While implementing cost savings strategies to mitigate the impact of rising drug costs on an employer-sponsored medical plan is always difficult, RxBenefits provided the partnership necessary for our organization to successfully initiate two major changes in the same benefit year."*

**- Health System  
Pharmacy Manager**

Are you paying too much for your pharmacy benefits? To learn how we can help you lower costs and improve care, contact your local business development executive.

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