Prescription drug costs continue to climb

Prescription drug expenditures are growing at a rate much greater than other healthcare categories. Drivers of increased pharmacy benefit costs are generally categorized as 1) increased utilization, 2) drug price increases, 3) introduction of new drugs and expanded indications, and 4) the growth in the specialty drug sector. The upward trend for specialty drugs is expected to remain in the 15% to 20% range for the next several years.

It is important to use all the tools at your disposal to help manage the costs of your pharmacy benefit. Visante can help you focus on two strategies that deliver results.

**Insourcing pharmacy benefits**

- Design pharmacy benefit with incentives to fill prescriptions in your pharmacies.

- Insource retail and specialty pharmacy services – design pharmacy services for maximum convenience and capture of employee prescriptions.

- Utilize 340B pricing for employees that are seeing health system physicians.

- Take full advantage of formulary savings opportunities. It is critical that the PBM formulary applied to your employee benefit is fully aligned with your formulary and purchasing contracts.

**Choosing and managing your PBM**

- Ensure “PBM transparency” in your PBM relationship and contracting, including pharmacy network reimbursement, MAC, rebates and other pharmaceutical manufacturer programs.

- Audit your PBM to ensure that all the contractual provisions are being accurately applied in the administration of the benefit and prescription claims adjudication.

- Involve your pharmacy department as an internal resource in PBM assessment, contracting and management.

“By insourcing Rx benefits, IU Health reduced benefit costs by more than $5 PMPM and added $2 million in margin to our in-house retail pharmacies via increased prescription capture.”

- Jim Jorgenson, Visante CEO, and former Chief Pharmacy Officer, IU Health
Keys To Success

- HR and Benefit Offices will benefit from having well trained in-house leadership over pharmacy management. The ROI on expert resources is substantial in managing the pharmacy benefit.
- For health systems with internal expertise in pharmacy/medical management and public health, assuming greater management of the benefit may be advantageous. Use pharmacy consultants, procurement staff and legal counsel to develop and evaluate PBM proposals.
- Avoid disputes by using customized service agreements with clear definitions, responsibilities, pricing and performance guarantees. Don’t accept standard PBM agreements.
- Consider if PBM ownership of mail and/or specialty pharmacy services is a conflict of interest compared to stand alone employer pharmacy contracts that may provide more aggressive pricing and improved customer services.
- Specialty drug growth will drive future plan spend back to double digits. Work with the PBM and/or internal experts to assure appropriate use according to best practice guidelines, elimination of waste, overuse, misuse and inappropriate off-label prescribing.
- Use external auditors for recovery of errors and overcharges in claims and verification of rebate payments.
- Regular reviews of PBM performance and access to your claim data will provide a key source to understand plan cost and utilization and identify opportunities.

Visante Services

- **Opportunity Assessment**
  Visante’s consulting team will conduct a review of your PBM contract and performance, as well as your insourcing opportunity, and deliver detailed recommendations with clear financial targets.

- **PBM RFI/RFP**
  Visante can help you improve the transparency, pricing and performance of your current PBM, or help you find a new one.

- **PBM Audit**
  Visante can conduct a detailed review of your Rx claims data for the past two years, as well as your benefit design, pharmacy reimbursement rates, clinical management programs and other services.

- **Implementation Assistance/Adhoc Services**
  Visante can provide advice or actual boots-on-the-ground to help you effectively implement program changes in a timely manner.

To find out more about Visante, please visit visanteinc.com or call (866) 388-7583.