

Restructuring Pharmacy Contract Produces Big Savings

Company Overview

This northern New Jersey financial services client with 375 employees was experiencing rapid growth, expanding outside the tri-state area for the first time..

Key Challenges

Our long-time client was enjoying tremendous business success but was also struggling with controlling the costs associated with that growth. The company leaders were interested in ensuring that any changes recommended would not negatively impact the access and quality of healthcare services available to employees.

MBA Solution Presented

Our team conducted a detailed analysis of the company's historical claims data to identify any trends, high-cost usage and other potential areas for cost containment. As a result, one specific area our team focused on was their prescription drug program.

After examining in great detail the company's existing PBM contract, including the rebate structures, formulary designs and network discounts, they issued an RFP to multiple PBM's, encouraging a competitive bidding process to secure more favorable terms.

Measurable Results

The chosen vendor presented a proposal that included a more transparent PBM contract, incorporating key performance indicators to monitor and measure the PBM's effectiveness in cost management. The new program also achieved significant reductions in pharmacy costs, which exceeded initial expectations. As a result of delivering a more efficient use of the company's healthcare dollars, the company was able to redirect a portion of the savings to fund other employee benefit initiatives. Over \$250,000 was saved between employer and employees as a result of the changes made.