Proactive, Flexible, Customized Approach
Sells Client, Brings Results
Medicaid health plan saves nearly $5.2 million with Prescription Solutions

Customer Description
- Type: Health plan
- Location: Three Northeast states
- Size: 320,000 members

Situation
This Medicaid HMO was experiencing rising per member per month (PMPM) costs and trend rates. It was looking for a pharmacy manager that would implement a comprehensive strategy, including customized edits, to meet the needs of its population. The organization was also looking for a specific type of pharmacy manager. Rather than the PBM “vendor” it was used to working with, it wanted a pharmacy partner, one that would be both proactive and responsive.

It was Prescription Solutions’ partnership approach, along with our extensive experience in Medicare and commercial markets that won the account.

Solution
Because this client operates Medicaid health plans in three Northeast states, it essentially operated three health plans, each with different Medicaid regulations, different network requirements and different formularies. Our approach began with flexibility, to ensure that the programs developed complied with the requirements of each state.

Prescription Solutions conducted significant financial analyses and detailed review of the plans’ current benefit designs in order to develop our strategy to lower net cost. Our clinical pharmacists were also involved, recommending several clinical programs to improve formulary compliance and encourage appropriate utilization.

The client agreed with the approach and the following programs were implemented:
- Substantial formulary changes to include proven, safe, cost-effective medications.
- Prior Authorization for a select number of drugs to ensure that members receive the medications that most benefit them.
- Our Generic Sampling program, which puts generic products into physician offices for easy patient access.
- Clinical edits — including quantity limits, duration of therapy limits, maximum daily dose limits, and age or gender restrictions — to increase patient safety and enhance cost control.

For these programs to succeed, health plan members had to be informed so they could get maximum value from their new benefits. Together, Prescription Solutions and the client developed a communications program to educate members about the change in benefits.

About Prescription Solutions
Prescription Solutions is a focused, collaborative, and innovative leader in the pharmacy benefits management (PBM) industry. A pharmacist-grown company with extensive experience serving large organizations and managed care organizations, we offer a unique perspective on total pharmacy and medical management. By focusing on clinical quality and complete patient care, we help our clients improve outcomes while managing overall health care costs.
Results

Every program implemented contributed to significant, measurable cost savings for this client. Specifically, the health plans’ PMPM drug spend dropped from over $27 to under $23 – resulting in an overall savings of 50.7 percent. (As measured from 2nd quarter 2001 through 2nd quarter 2004.)

The following specific results contributed to the savings:

- Increasing generic utilization saved the client over $4.4 million. Our Generic Sampling program, which places generic products in physician offices, eased the brand-generic transition for many members.
- Implementing clinical edits resulted in significant savings — particularly in one therapeutic category:
  - Proton-Pump Inhibitors (PPI): $622,000 (2002).
- Conducting Prior Authorization for COX II resulted in $100,000 savings.

In addition, we have identified and implemented several new clinical programs and operational initiatives for this health plan. It’s part of our proactive account management that includes continual review of our clients’ prescription drug utilization to identify opportunities for enhanced quality and further savings.

For more information about these programs and to discuss potential pharmacy benefit savings, please call us at 1.877.309.5345 or visit www.PrescriptionSolutions.com.

What Does This Client Have To Say?

“We primarily serve Medicaid beneficiaries and Prescription Solutions has been responsive to the unique needs of this market. They have developed systems, programs and benefits that have been both appropriate and effective in managing the Medicaid pharmacy benefit.”

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