



TAKING CONTROL OF HIGH-COST DRUGS

Faced with escalating pharmacy costs for high-cost drugs, a state insurance program for public employees needed help. HealthSmartRx Solutions had the answer.



Situation

Prescription drugs have long played an important part in keeping members healthy. Unfortunately, prescription prices have escalated to become the single highest driver of overall medical expense, mainly due to the high cost of specialty drugs. Concerned with escalating pharmacy costs, a state insurance program for public employees decided to take action in 2013. The agency engaged HealthSmartRx Solutions (HSRx) to develop a plan that would identify pain points and opportunities that would help control the overall drug spend of their members. After a rigorous study, the HealthSmartRx team determined that many of the unacceptable costs were driven by the lack of control of the frequency, cost and formulary of specialty drugs, in both medical and retail pharmacy plan components. The most egregious examples of inappropriate utilization were in the categories of inflammatory diseases (Humira and Embrel), multiple sclerosis and the full complement of oncology drugs.

CLIENT PROFILE

State Insurance Program for Public Employees

The agency provides health, wellness and pharmacy benefits to over 76,000 active and retired teachers and other state employees, plus their eligible dependents – more than 176,000 covered lives in all. Employees and dependents have the option of high coverage, high premium plans, lower premium with higher deductible options, a health maintenance organization plan (HMO), and a high deductible health plan (HDHP). Non-Medicare retirees are covered through plans with the same options; Medicare-eligible retirees have the choice between a conventional Medicare supplement and a Medicare Advantage program. The agency's fiscal/plan year runs from July 1- June 30.

76,000+
employees



176,000+
covered lives



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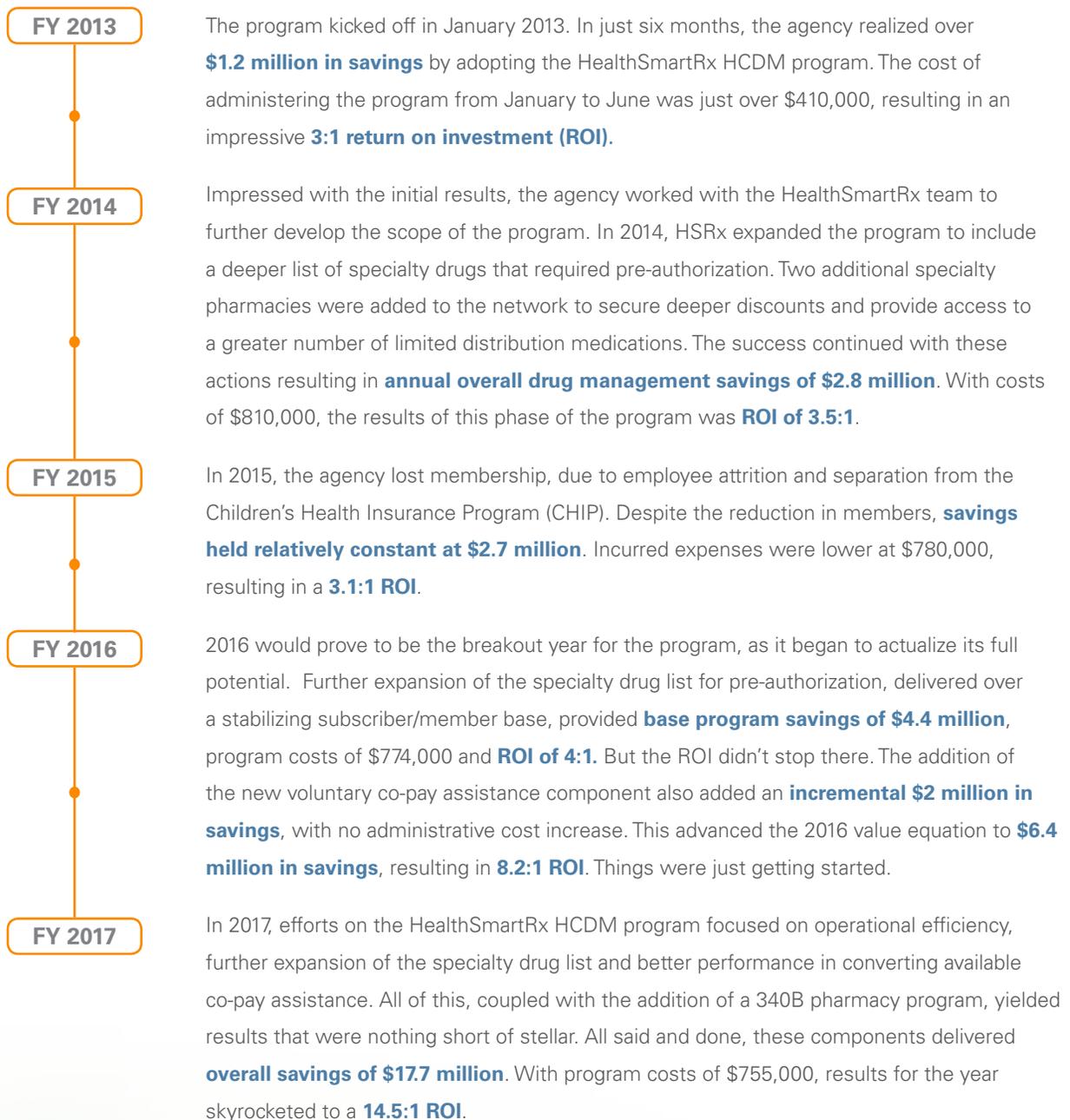
The HealthSmart Solution

To address these issues, HSRx developed a plan and approach to ensure appropriate and medically necessary access to specialty drugs falling within these categories. This model became the foundation for the HSRx High Cost Drug Management (HCDM) program, and began as an integrated approach that requires prior authorizations of medical and pharmacy benefit prescriptions by the HSRx clinical team.

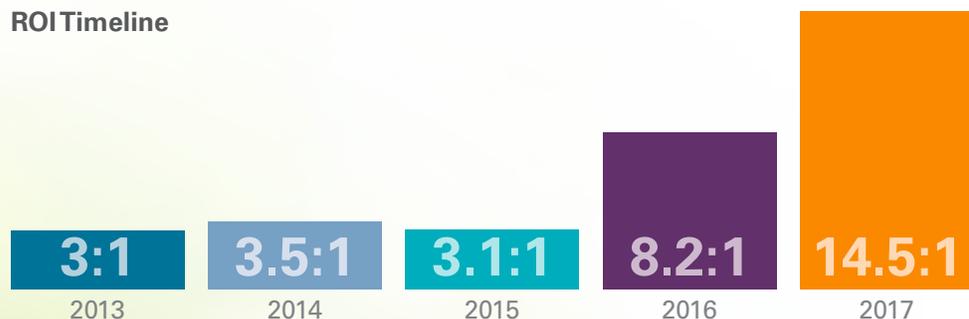
The HCDM program functions as a complementary overlay to existing health benefit and PBM pharmacy programs. With this agency as the prototype, HCDM has evolved into a comprehensive mechanism for controlling medical benefit pharmacy spend through focused pre-authorization, specialty pharmacy cost negotiation, voluntary co-pay assistance program fulfillment and rebate maximization.

Program Development and Results

The evolution and power of HCDM is best illustrated through how it has evolved through our relationship with the agency.



ROITimeline





Looking Ahead

The efforts of HealthSmartRx Solutions have paid off for the agency. As a direct result of the HCDM program, the plan has seen significant results for five years running. This has been accomplished by improving performance and adding valuable program additions. What started as a simple prior authorization program over a relatively small and isolated group of high-cost specialty drugs has evolved to include complete prior authorization of all specialty drugs, co-pay assistance, 340B availability, to include rebate aggregation maximization and competitive placement of approved specialty pharmacy prescriptions to two major specialty pharmacy providers.

The first six months of FY 2018 indicate that **core program ROI will remain at the 14.5:1 level**, at minimum. Looking ahead to rebate aggregation and maximization, as well as the competitive effect of placing each approved script at the lowest-cost of two specialty pharmacies, the HCDM is on track to drive **ROI well over 20:1**.



Conclusion

As seen in the five-year program run, the HSRx HCDM program is a proven and scalable way for any federal, state, county or local government entity to maximize the value of its medical and pharmacy programs. Considering a value of **\$200 per employee, per year in savings**, the ROI and financial impact could be staggering.

For more information on how to take control of high-cost drugs, contact:

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