



Case Study

# Regional Utility Company Saves Over \$14 Million on Pharmacy Benefits

Improvements to maintenance drug utilization and rebates drive cost-savings

CLIENT SIZE	REALIZED SAVINGS
6,000 covered lives	\$14,350,000

**CLIENT**

A regional utility company with six thousand covered lives

**CHALLENGE**

The client offered a rich pharmacy benefit to their workforce, with just \$5 brand and \$1 generic copays. Coupled with a high retiree population, the plan was costing them a fortune.

It was vital for the organization to find a way to contain their pharmacy costs. However, they wanted to do so without member disruption from changes to plan design or copay structure.

**SOLUTION**

The client engaged our team to explore cost-savings opportunities. After an in-depth analysis of claims-data, it became clear the client needed to drive more cost-effective utilization of maintenance drugs. A review of the PBM's maintenance drug program revealed that rebates were too low, and the program was suffering from improper management.

Innovative negotiated significant improvements to discounts and rebates by driving maintenance drug utilization to the pharmacy owned by the PBM.



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### RESULTS

Over the course of their 10-year relationship with Innovative, the client has saved \$14,350,000 on their pharmacy benefit.

During this period, Innovative has taken their contract out to bid four times, achieving between 10 to 15% savings on their annual pharmacy spend with each RFP. In addition to these long-term savings, our team has used discount guarantee audits to identify and recover over \$600,000 in overpayments.

A partnership with Innovated has enabled our client to achieve long-term savings while maintaining rich pharmacy benefits for their employees.

