innovative Rx STRATEGIES™

Case Study

Health System Saves Over $34M on Pharmacy Benefits

Innovative RFP process pioneers specialty drug split fill program and secures improved pricing

CLIENT SIZE	REALIZED SAVINGS
25,000 covered lives	$34,000,000

CLIENT

Health system with approximately 25,000 covered lives

CHALLENGE

The client's PBM contract presented several challenges. The pharmacy benefit pricing was not competitive, and rising specialty drug costs were of particular concern. Additionally, the terms of the contract were ambiguous – allowing for underperformance by the PBM.

SOLUTION

Innovative stepped in for the client and initiated an RFP process. Our negotiations secured significant improvements to the contract terms and pharmacy benefit pricing. We pioneered and implemented a first-of-its-kind specialty drug split fill program that prevented 90-day fills of high-cost drugs with a high potential for abandonment.

Additionally, dispense-as-written penalties were added for drugs with generic equivalents to improve generic utilization and drive down costs. In subsequent RFP cycles, our team negotiated competitive pricing and implemented new clinical strategies like a medication adherence program and online prescription fills to achieve additional pricing improvements.

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RESULTS

In the three years following the initial RFP, the client saw savings of $24,000,000. After the success of these negotiations, the client elected to change PBMs in the next RFP cycle – our team secured an additional $6,300,000 in savings over the next three years followed by $2,500,000 in additional rebates in the next cycle. Beyond contract negotiations, our clinical innovation drove $1,600,000 in pricing improvements.

Over the course of our partnership with the client, they have saved a total of $34,400,000.