innovative Rx STRATEGIES™

Case Study

Over $14 Million in Savings Identified for Health Plan

Proprietary RFP process offers flexibility to cut pharmacy costs in half

CLIENT SIZE	STARTING SPEND	IDENTIFIED SAVINGS
28,000 covered lives	$26,239,801	$14,683,937 (56%)

CLIENT

A regional health plan with 28,000 covered lives

CHALLENGE

The health plan had a long-standing relationship with their PBM and was satisfied with the incremental savings that were delivered through annual market checks. However, with an annual pharmacy spend of $26,239,801, the plan's leadership was curious if they were leaving savings on the table. They also wanted to pursue additional plan customization. While their current PBM was open to customizations, these customizations were not flexible enough to maximize savings for the plan and its members. As a result, the health plan engaged Innovative to determine if its current PBM was the best fit for their savings and customization goals.

SOLUTION

We implemented our proprietary PBM RFP process which brought potential partners to the table who could offer the customization options the health plan was seeking. We analyzed every element of potential PBM contracts including rebates, clinical programs, terms and definitions. We also vetted all PBM-offered tools the client needed to comply with changing state laws.

Our PBM agnostic approach, extensive experience with PBMs and team of clinical pharmacists created a deep understanding of the marketplace and what customizations could be implemented for the health plan.

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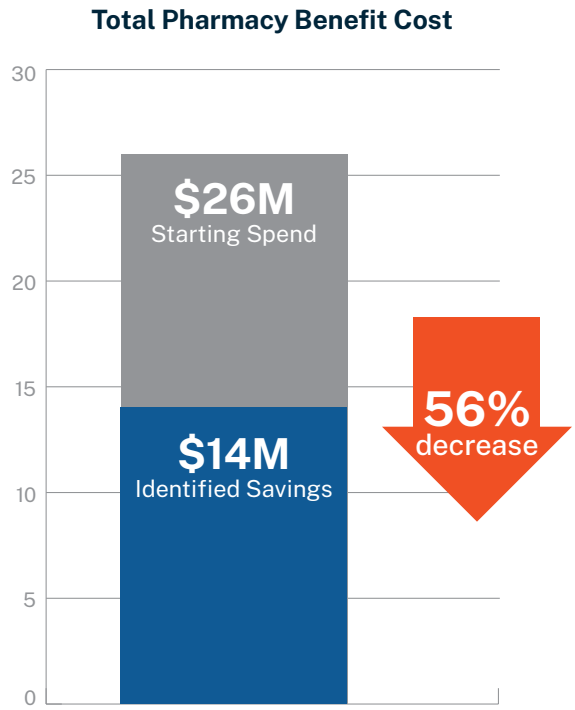
RESULTS

The RFP process revealed that switching PBMs would not only allow the health plan to make its desired customizations, but also secure significant savings. The new PBM contract would save the health plan **$14,683,937 in 2025 — a 56% decrease from their starting cost.**