

The Path to Managing Pharmacy Benefit Contracts and Costs



How Key Partnerships and Zeroing In On Plan Details Make a Difference

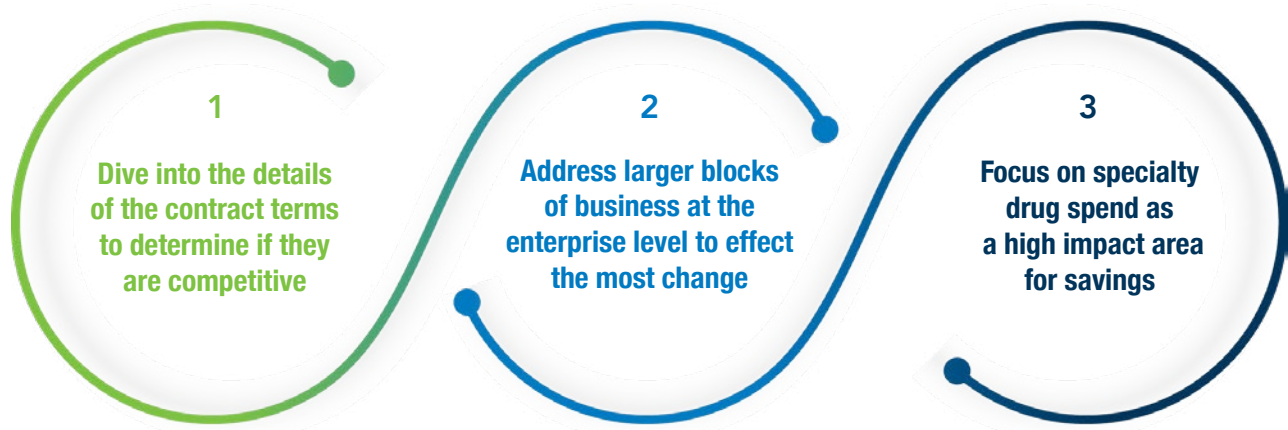
It's no secret that pharmacy spending is a significant cost driver for health plans, with specialty drugs and biologics getting more expensive every year. Currently accounting for 53% of total pharmacy plan spend, their cost is projected to rise 13.4% this year. Plus, specialty medications account for almost 66% of all new FDA drug approvals from the past three years, showing that the impact of these medications on plans will likely continue to grow.

➔ **13.4% PROJECTED SPIKE in 2022 – Up from 11.5% in 2021**

There are, however, steps administrators can take to strategically manage these costs.

Working with a partner that specializes in PBM contract language can help you take a closer look to reveal potential loopholes, discover underperformance on guarantees, and address specialty drug pricing. Bringing these concerns to your PBM can either strengthen an existing relationship or prompt you to make changes in your vendor group.

Three Tips to Guide a PBM Contract Review



Teaming Up for Better Results

Choosing a well-vetted vendor with intellectual capital and industry reach can make all the difference. 90 Degree Benefits leverages our nationwide presence to clients' advantage for increased negotiating power, crafting a Master Services Agreement that supports higher performance and greater savings for a larger book of business.

➔ **With 24 office locations nationwide, 90 Degree Benefits has the numbers to back up an enterprise-strength contract, allowing greater negotiating power for favorable pricing.**



Partnerships In Action

Additionally, PBM consulting experts equip clients with an advocate who can recognize competitive terms, assess rates, judge underperformance, and review contract language with a keen eye for loopholes.



AUDIT

A yearly audit of our Minnesota/Wisconsin office revealed that the PBM was underperforming in comparison to their contract guarantees. We contacted and held them accountable, ultimately **recovering \$65,878.90** to make up for the shortfall.



NEGOTIATE

Our partners reviewed contract language for one location, determined it could be improved, and negotiated a Master Services Agreement with the PBM. The changes yielded a better service fee and commission structure, as well as **lower pricing and added protections** for the client.



FOCUS

Focusing on the highest-cost target area, our specialty pharmacy containment experts utilize J-Codes to find and leverage the best prices in the marketplace, reducing clients' drug spend in one quarter by **\$932 per specialty pharmacy claim**.

➔ **New MSA contracts yielded a Savings of \$9,479,690 or 13%**



When it comes to PBM arrangements, complacency is not on clients' side. It is imperative that administrators get involved with the contract process to ensure groups receive the best prices and not fall prey to hidden fees and other disadvantages. The difference can be astronomical.

REFERENCES: <https://www.segalco.com/consulting-insights/2022-health-plan-cost-trend-survey> <https://pharmanewsintel.com/features/combating-specialty-drug-challenges-in-the-pharmaceutical-industry>

Reach out to 90 Degree Benefits today to join us in fighting back against high pharmacy costs.

■ ■ ■ The Right Turn For Your Benefits

90DegreeBenefits.com



A Turn For The Better