

CASE STUDY

CARVING OUT PRESCRIPTION BENEFITS

A skeptical employer gains control of its prescription benefits and protection from rising prices.

THE CHALLENGE

A division of a Fortune 200 company relied on a respected health plan for both medical and pharmacy benefits for several years. But as the group grew and the cost of drug benefits increased, they considered contracting separately, or carving out, PBM services. A carve out would give the company greater control over benefits and costs. It could also give them a better view into the utilization of its employee population and, in doing so, shed light on ways to bend the cost curve down. But on their HR team, there were skeptics. Would this add to their workload? Were they inviting administrative headaches? How would they handle employee/member phone calls about exceptions, denials and other problems? Could the labor involved in prior authorizations alone derail other essential initiatives? Carve out proponents in the company prevailed. After considerable due diligence and a competitive process, the company selected Abarca.

THE APPROACH

Abarca assigned an account team with the skills and resources to provide the benefits of a carve out without the burdens. The new solution was implemented seamlessly in only 45 days. Abarca was able to limit the employer's exposure to the high rate of inflation in prescription tests. The Abarca call center handled member services, so responding to questions from employees, providers and pharmacies, which could have been a distraction for the client, was managed professionally and flawlessly by trained experts.

THE RESULTS

The HR department received detailed financial analyses through an easy to understand dashboard and business intelligence tools. And through a combination of formulary management, network design, and MAC list management, inflation was kept at 3% or less for the next two years. The skeptics were won over. Managing the program was as easy as ever, and savings and satisfaction grew thanks to better tools and a partner that was 100% committed to finding a better way.

