



CLARKE & COMPANY
BENEFITS LLC

Strategic Planning Example



In this case study we are describing events associated with a project to reduce claims costs specifically prescription drugs. This client is self-insured and has 350 total employees. This client is in the health care provider industry. Prior to hiring Clarke & Company as broker of record, the client had only been receiving and reviewing aggregate claims data from their Third Party Administrator. We recommended for the client to spend time with us reviewing data analytics results out of our Decision Maker Warehouse (DMW) program. Our first step was to work with their TPA to data dump into our DMW program. Once the data dump is completed we were able to run a data overview which benchmarked their medical and prescription claims against industry and demographic norms. We were then able to drill down into claims history and identify areas where specialty drugs were being filled through different Pharmacy Benefit Managers. Clarke & Company suggested working with a single PBM, which gave the group the ability to make plan design changes, drive engagement to utilize in-network physicians, and fully take advantage of 340b reimbursements that were available to them. By implementing the secondary network within the carrier network, Clarke & Company has been able to save the client on their overall prescription drug spend, save claims from being filed with using in-house physicians, all while increasing the reimbursements available with 340b Drug Pricing.

This specific client is self-funded and has multiple locations in SC with over 500 employees. Among other things, Clarke & Company was hired to drive employee utilization in manner that took advantage of 340b drug pricing.

Project Outline

- **Evaluate Cost Saving Strategies**
 - Run Data Analytics on paid medical and prescription claims
 - Our partnership with Decision Master Warehouse allows us to evaluate medical and RX claims that are above or below the industry and demographic norms
 - Run Ad-hoc reports that pinpoint where the needle can be moved to improve claims costs
 - This particular client had an ER usage that was 30% over the norm. By implementing a \$300 ER copay and lowering the Urgent Care copay to \$20, we were able to lower the ER usage to 20% below the industry norm within 12 months.
 - In comparing the total spend of the top 25 prescriptions filled and Pharmacy Benefit Manger used, we were able to identify savings by using a single PBM rather than multiple access points.
 - When comparing these top 25 prescriptions, the total savings if run through 340b were more than \$200,000.

- **Educate Employees on the savings for both employer and employee when using 340b pricing**
 - In-person group benefit meetings
 - Getting in front of your employee population offers an opportunity for us to explain what how the savings of using in-network physicians helps control costs.
 - Personalized Benefit Guides
 - Leaving your employees with guides that offer further explanation of the cost savings opportunities helps drive better usage.
 - Customized online webinars, pod casts, and videos of plan highlights and changes help explain the concept for those not able to make the group benefit meetings as well as new hires moving forward.

- **Incentivize employees to drive higher usage of 340b**
 - Implementing a \$0 copay for using In-house physicians on covered employees and dependents.
 - Using a 4 tier drug formulary, employees can use any pharmacy they like for copays of \$15/50/70/300. Should the employee use the chosen PBM pharmacy, the copays drop to \$4/25/50/300.
 - For employees living outside of the physical locations, orders made before 12pm are delivered to their home or work location next day.
 - For employees that use an in-house physician for care, the specialty copay drops to \$50 from \$300.
 - All of these cost discounts are managed by the PBM at the point a prescription is filled.

In conclusion, Clarke & Company was able to assist this particular client in implementing a process that helped them fully maximize the fact that they are a primary care medical facility by using our data analytics capabilities. Clarke & Company was able to help them tailor their Employee Benefit programs and plan designs to take full advantage of their internal physician network. This aided in preventing claims from hitting the claims system, and it helped them increase savings in there prescription drug benefit by utilizing the 340b drug program to maximize savings.