

# MacroHealth Optimizes Pharmacy Spend for an Ohio Regional Health System

## Case Study

### Background

The Payer was facing escalating pharmacy costs and had limited visibility in their true net pharmacy spend. The traditional PBM model this Payer had in place had an opaque rebate structure and rigid formulary, preventing the Payer from utilizing their in-house pharmacy and contributed to a PMPM of \$192 - well above market benchmarks. Their limited transparency with their PBM made it difficult to align their benefits with their clinical strategy and form a management plan around rising specialty costs.

- Opaque Rebates and Rigid Formulary
- Rising PMPM
- Inability to Fully Leverage In-House Pharmacy

#### Client Info

- Regional Health System
- ~2,600 Total Covered Lives
- Leveraging Traditional PBM Model

### Resolution

MacroHealth analyzed this Payer's pharmacy spend then compared multiple PBMs to find their best-fit partner. The PBM recommended and selected was a transparent PBM offering full pass-through pricing, real-time visibility and a collaborative clinical model. Criteria observed included:

- **100% Pass-Through Pricing and Rebates:** Pass-through pricing and rebates lowers Payer's costs by ensuring cost leakage does not occur in opaque environments and spread pricing practices.

- **Clear, Auditable Financials:** Transparency increases visibility in the true net pharmacy spend and helps Payers evaluate their true pharmacy benefit performance
- **Flexible Formulary:** A flexible formulary allows pharmacy benefits to align with the Payer's goals, preferences and clinical strategies.
- **In-House Pharmacy Allowed:** Willingness to integrate with in-house pharmacies helps give Payers greater control over member satisfaction, adherence, and cost.



## Key Outcomes



32%

Reduction in Plan's Cost  
(inclusive of fees)



\$192 ▶ \$130

PMPM in Year One



\$3.20

Less PMPM than RFP Results

## Outcomes

Driven by transparent pricing, improved formulary alignment and increased dispensing through their in-house pharmacy, the Payer was able to realize a 32% decrease in PMPM spend in just one year. The ability to utilize their in-house pharmacy helped the Payer influence the formulary, utilization management and clinical strategy, improving their member experience and increasing medication adherence.

Working with MacroHealth has also positioned this Payer to optimize medical drug optimization including specialty drugs, infusion therapy, site-of-care strategies and medical pharmacy integration.

- Immediate, Measurable Savings
- Better Alignment with Goals
- Stronger Clinical and Operational Integration
- Long-Term Strategy for Managing Specialty and Medical Drug Spend