

Health Plan's PBM Upgrade Lowers Costs, Improves Member Services.



A major regional health plan sought to streamline its pharmacy benefits to improve affordability, enhance pharmacy program offerings and deliver better claims processing. The health plan had been using two different pharmacy benefit managers (PBMs), but wished to transition to just one.

Problem to Solve

As health care costs continue to outpace inflation and the demand for medical services grows, health plans are leading efforts to curtail health costs and improve care outcomes. One method of cost containment is to coordinate medical benefits with managed pharmacy coverage, which is vital as drug costs comprise a substantial part of total health care costs.

A major regional health plan sought to streamline its pharmacy benefits to improve affordability, enhance pharmacy program offerings and deliver better claims processing. The health plan had been using two different

pharmacy benefit managers (PBMs), but wished to transition to just one. This move would also enhance the health plan's retail, mail order and specialty pharmacy network management and improve online pharmacy services for members.

This migration of PBM vendor services, affecting nearly 3 million health plan members, needed to be completed within a single calendar year to meet the health plan's member contracts and long-term business needs. Lacking the in-house capacity and experience to manage this massive transition on its own, the health plan engaged Freed Associates (Freed) as a partner to support the execution of its PBM transition goals. Freed's considerable end-to-end delivery and pharmacy operations expertise proved to be a significant aid to this initiative's successful completion.

Strategy and Tactics

The health plan's goals for the planned PBM transition included:

- Improved affordability, via pharmacy program savings, for current plan members
- Improved digital tools, to increase provider and member access and engagement
- Greater efficiency and scalability of pharmacy operations
- Greater integration across the health plan's pharmacy program
- Expanded pharmacy program offerings, to help increase Medicare and self-funded business growth

Achieving the health plan's operational and business goals for this effort would require considerable effort by Freed to partner with health plan and PBM leaders, gather project requirements, resolve issues and drive toward a timely delivery to meet the health plan's cutover date. Transitioning operations from one PBM to the other would require a smooth transition and likely considerable post go-live project stabilization.

Freed dove into this initiative by parsing the work into five distinct components: planning, requirements-gathering, building and testing, vendor management and program management:

1. **Planning** – Besides planning and facilitating all health plan and PBM communications related to this project, Freed developed timelines for all facets of the initiative. Because this ongoing work coincided with the health plan's open enrollment and go-live business events, Freed also organized all key activities, deliverables and scope items related to these needs.
2. **Requirements-gathering** – Freed supervised all roles and efforts related to requirements-gathering, ensuring proper execution without gaps or overlaps. This included requirements-gathering not just to meet this initiative, but also for enhanced future-state practices.
3. **Building and testing** – During this phase, Freed focused on supporting high-risk tracks and issues, particularly around CAG data and BIN/PCN values. Freed also ensured smooth data flow between the plan

and PBM data exchanges.

4. **Vendor management** – Freed facilitated alignment between the health plan and PBM, particularly to ensure that the PBM fulfilled its implementation guarantees around end-to-end testing, disaster recovery and prior authorization loading and recovery. Freed’s presence also directly contributed to more harmonious and productive relationships across all key team members from the health plan and PBMs.
5. **Program management** – Throughout this effort, Freed delivered a complete range of program management services around the transition and single-PBM implementation. This included developing a cutover playbook, planning the PBM go-live and handling post go-live needs.

Results

The health plan’s transition to a single PBM was completed successfully with Freed’s assistance, meeting the client’s go-live date. The thoroughness of Freed’s program management, coupled with its pharmacy operations expertise, resulted in minimal provider- and member-facing issues and a smooth post go-live transition period.

Through this PBM transition, the health plan is poised to achieve considerable long-term operational and business successes, including enhanced pharmacy program offerings, improved clinical quality goals and significantly enhanced claims processing. Plan members are already seeing the benefits of this transition in terms of superior pharmacy network performance across all platforms, retail, mail order and specialty pharmacy products, and a superior online pharmacy experience.