

The Way Through Complex, Costly, and Challenging Areas of Healthcare

Pharmacy Consulting Services Overview

Prescription drug prices are expected to rise year over year and continue to outpace other areas of healthcare spend; especially as the pipeline of specialty drugs continues to grow at a rapid pace. While less than 5% of members use specialty pharmacy benefits, they typically account for more than 50% of an organization's pharmacy spend. This is why it is more important than ever to have guidance and oversight of pharmacy spend to effectively control this area of claim cost.

Founded in 1998, Axia Strategies is a healthcare consulting organization serving a wide range of customers with a strong history in providing unique services and solutions with a meaningful cost control impact. Axia's pharmacy management team has expertise delivering customized, consultative solutions across every facet of pharmacy spend.

With significant and proven skills, our consulting team will provide solutions that will help drive results across all areas of your pharmacy spend.

PBM Audit Capabilities - How We Can Help

Axia recommends that you audit your PBM on a regular basis to ensure financial and operational accuracy and improve efficiencies. The pharmacy benefit market has become increasingly complex year over year. Given this complexity, Axia's auditing team has found that even with the best intent and partnership,

PBMs will make errors that can be costly for you. Problems or errors identified through the audits often uncover interconnected issues for resolution that can span multiple areas of the operational, benefit, financial, and program set up.

Having an audit plan in place conveys the level of standard of performance you expect of the PBM and demonstrates the need for accuracy and attention.

An auditing structure has benefits across the spectrum, including:

- + Improved operational efficiency
- + Enhanced member experience
- + Positioning the plan for continued negotiations
- + Increasing the level of partnership with the PBM
- + Identifying issues with compliance

Our Capabilities



Pharmacy Benefit Manager Contract Benchmarking



Request for Proposals, Renewal, or Market Check Evaluations



Contract Negotiation



Utilization Management Review and Independent Reporting



Clinical Management/ Formulary Review



Auditing Services

Types of Audit Services Available

Financial/Pricing Audit

Reviews 100% of claims for all financial guarantees – discounts, dispensing fees, and rebates. This is used to confirm the performance of financials, as well as the accuracy of applying reconciliation methodology, inclusions/exclusions for guaranteed terms, and definitions contained within the PBM agreement.

Rebate Audit

An on-site review performed of rebate manufacturer agreements is done to verify that you have received all guaranteed rebate payments. Invoices are also reviewed and reconciled to confirm accurate methodology was applied.

Pre/Post Implementation Audit

Validates benefit/plan design set up prior to “go live” or shortly after to ensure a smooth transition. The audit will confirm the PBM has accurately documented benefit design and formulary, as well as interpreted everything according to your intent.

Benefit/Plan Design Audit

Reviews plan design programming to confirm the accuracy of administration across all member contributions and clinical edits.

Case Study – Financial Audit

Background

The health plan had partnered with the same PBM for many years. Although they engaged consulting support for RFPs and renewal negotiations, they always relied on the PBMs annual reconciliation process for guarantee payout and to ensure the PBM updated the systems with the new financials from an RFP process that was conducted.

As a part of due diligence efforts, the client decided to have Axia perform a formal financial audit of the 2019 calendar year.

Problems Identified

Axia identified an issue where the PBM was incorrectly bucketing single source generic claims into the brand discount calculation. In addition, the PBM was not accurately applying exclusions on OTC claims and subrogation claims.

Actions Taken

Axia presented findings to the PBM citing the contract provisions where the PBM was not aligned in their original reconciliation. The PBM performed an updated reconciliation process to apply the contract language found in error.

Results

The audit found that an additional \$850,000 was due back to the health plan due to the miscalculation, equating to 10% of drug costs for the customer.

Case Study – Benefit Design Audit

Background

The health plan had experienced many issues at a member level concerning out of pocket expenses at the pharmacy. In an effort to identify all underlying issues, they engaged Axia to perform a benefit audit including all areas of clinical and plan design.

Problems Identified

Axia identified errors with the processing of non-covered drugs, PA, step therapy edits, and member overpayment/underpayment according to the plan design.

Actions Taken

Axia provided sample claims to the PBM in order to uncover the programming issues that existed. Once the errors were agreed to, the PBM reprocessed the claims and where a member overpaid for a drug, the member was reimbursed.

Results

Recoveries due to the plan amounted in \$515,000 or 0.75% of total plan costs. Even more important, the programming is now accurately updated for future plan years.

Ready to find your solutions? Let's chat.

Laura Birkel

*Vice President and Managing Director,
Pharmacy Management Services
(952) 945-3535
lbirkel@axiastrategies.com*