

Taking Greater Control of Pharmacy Benefit Costs With Formulary Management

Navigating Complex Pharmacy Benefits

Self-Insured Schools of California (SISC) was diligent about keeping benefit costs affordable and stable by pooling the resources of its over 400 member school districts in 43 counties across California. All benefit decisions were in the best interest of the school districts and members. Despite its actions to lower pharmacy costs, SISC grew tired of its efforts having little impact.

SISC had become skeptical of the advice from the incumbent PBM that always emphasized maximizing rebate income and driving members to switch prescriptions from retail to mail order. SISC knew it needed a new perspective with more transparency and clarity to enhance its pharmacy benefits strategy.

Lowering Costs and Adding Value

In an industry that often adds cost without adding value, SISC desired a PBM partner that had its best interest in mind. Instead of increasing its spend by covering more expensive drugs to get higher rebates, SISC wanted to establish a high-performance formulary with clinically-effective alternatives at the lowest net cost.

With the help of its consultant, SISC decided to partner with Navitus, a pass-through PBM that has proven success in providing full transparency, delivering the lowest net cost and combating waste.

AT A GLANCE



Self-Insured Schools of California

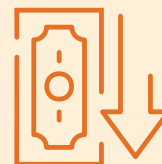
262,000 MEMBERS



Eliminated over

600 UNNECESSARY DRUGS

from the formulary with minimal member impact



Achieved an initial decrease PMPM

FROM \$87.35 TO \$75.67

and kept costs nearly flat for 5 years



Uncovering Significant Savings Opportunities

Navitus worked with SISC's consultant to implement a custom formulary that eliminated waste and generated significant savings without sacrificing clinically-effective care.

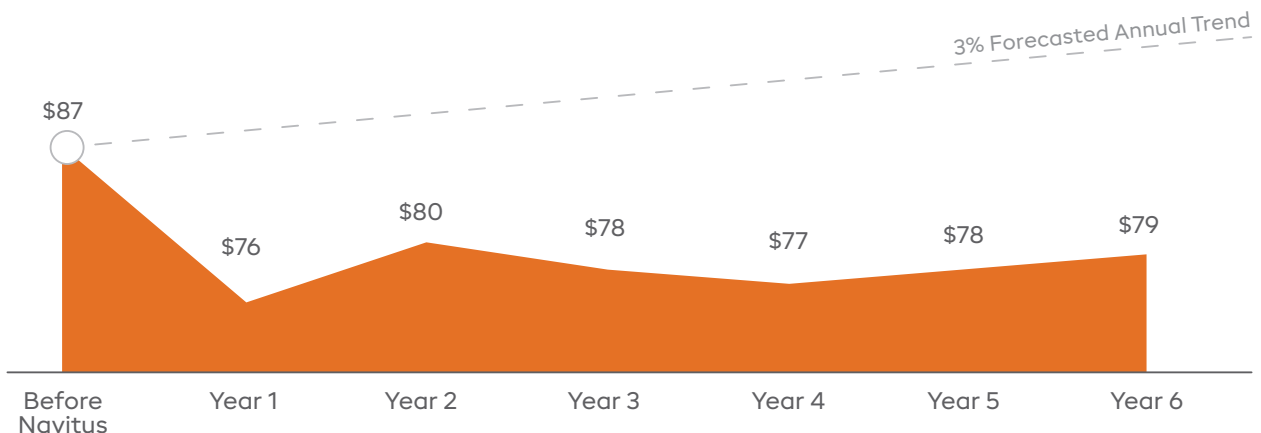
It started by evaluating the member disruption based on formulary initiatives in play. A small subset of changes were implemented and analyzed as a test to ensure a smooth member transition. SISC met with some of the member districts to discuss aligning to one formulary for all groups. The savings spoke for itself, and all member districts transitioned to the new lowest-net-cost formulary approach. Navitus continued to collaborate with SISC and its consultant to implement monthly formulary changes to ensure members received the best benefit offerings at an affordable cost.

By making these changes, SISC has been able to maintain strong benefits that allow members to continue to have affordable access to the therapies they need. The SISC copays average \$4.30 for generics and \$26.54 for brand and specialty.

Reducing Costs and Maintaining Member Access to Care

Throughout the transition, SISC removed over 600 unnecessary drugs from the formulary. It also implemented a comprehensive prior authorization (PA) process and step-therapy program to support lower cost alternatives. SISC was able to eliminate waste and lower costs while ensuring members received the most clinically-appropriate, safe and cost-effective medications.

The transition took place over time to minimize any member disruption, and it was easy to see the impact of these changes. Despite the release of new high-cost medications, SISC saw a significant decrease in total net cost PMPM, from \$87.31 to \$75.67 in the first year. In addition, SISC has maintained nearly flat costs in each succeeding year.



Getting Started

Want to make a greater impact toward lowering your pharmacy benefits costs? Visit our website at www.navitus.com or contact us at sales@navitus.com to find out how you can take back control and start saving on your pharmacy benefits today.