

# The Next Generation Cost Containment

nexgenRx



- Demonstrate How We Can Save Your Organization Between 10 & 20% on Health Care Costs Without Cutting Benefits.

# RFP Performance Metrics Not Aligned with Current Needs

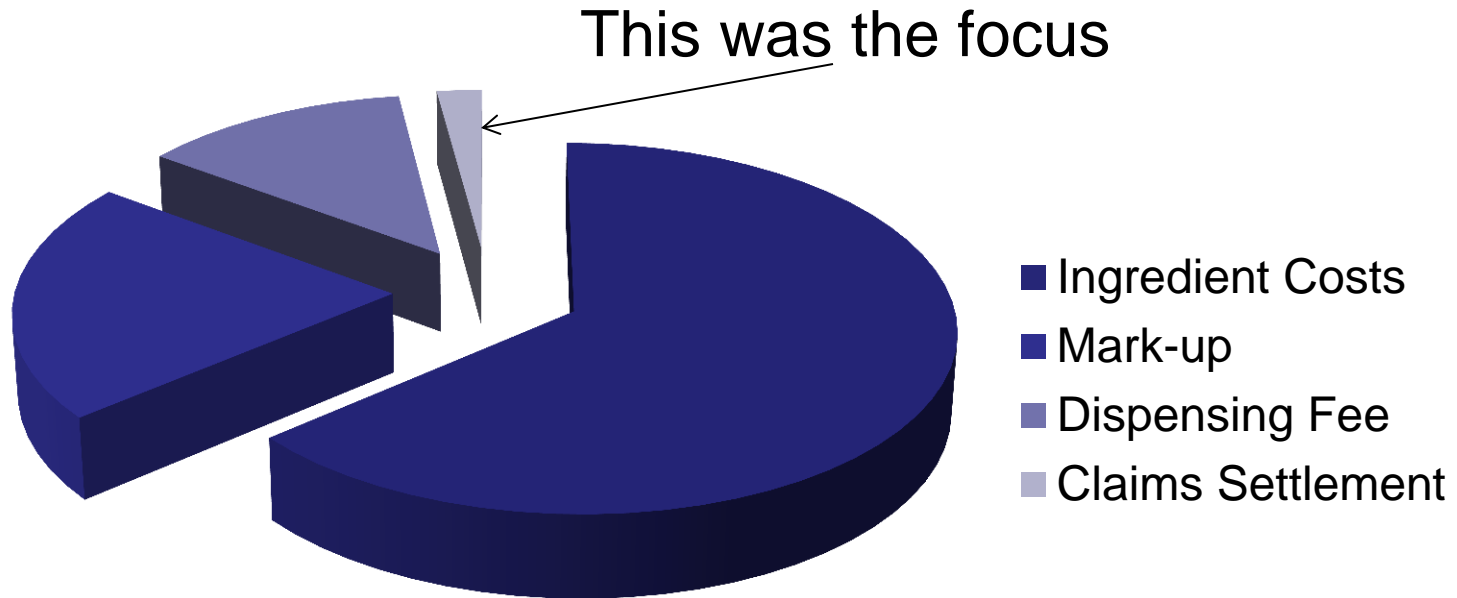


Today 's Question Should Be.....

Forget ***current rates and claims utilization patterns***.....show how we can reduce the costs of our health plans today without impacting our employees ?

# RFP Performance Metrics

## Cost of Drugs Today

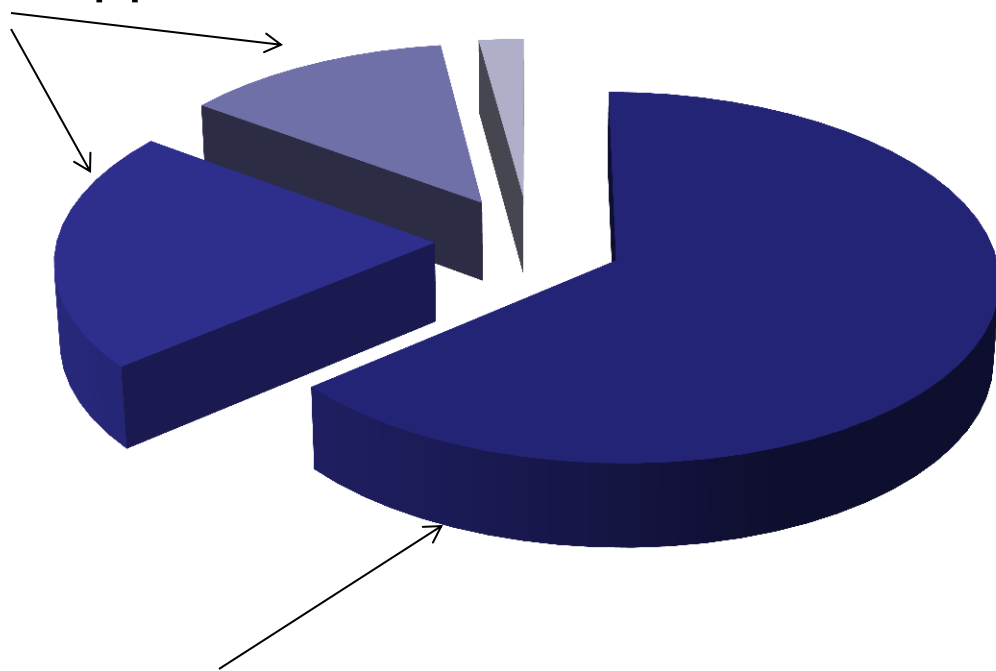


# RFP Performance Metrics

## Cost of Drugs Today



Missed Opportunities



- Ingredient Costs
- Mark-up
- Dispensing Fee
- Claims Settlement

Biggest Opportunity

# Physician Writes Same Prescription (Lipitor) to 2 Employees on Same Day



- **Variables By Pharmacy**
- Mark-up Charged
- Dispensing Fees
- Dispensing Frequency
- Formulary Choices
  - Brand
  - Generic

# Physician Writes Same Prescription to 2 Employees on Same Day



## Variables By Pharmacy



•Brand # 1		LIPITOR 20mg -	\$2.45/Tablet
•Generic		ATORVASTATIN 20mg -	\$0.80 /Tablet
•Brand # 2 (No Generic Available)		CRESTOR 20mg -	\$1.97/Tablet
•Dispensing Fees	\$4.11		\$18.00
•Mark-up	8%		25%
•Days Supply	7 Days	30 Days	90 Days
•Monthly Price Ranges	\$25.37		\$91.83

# Physician Writes Same Prescription to 2 Employees on Same Day



- Mary's Cost: Brand Drug MLP + 18% Mark-up
- x 30 Days Supply
- + \$12.99 Dispense Fee
- = **\$91.83 Monthly Cost**



- Jane's Cost: Generic Drug MLP + 0 Mark-up
- x 90 Days Supply
- + \$4.11 Dispense Fee
- = **\$25.37 Monthly Cost** (90 days divided by 3)



# NexgenRx Adjudication Controls Specific to client



## Prescription Drug Benefits 99% Variability

### •NexgenRx Adjudication Controls

- ✓ Price Files For Client **Controlled**
- ✓ Dispensing Fee Negotiated **Controlled**
- ✓ Frequency Limit 1 x mo. **Controlled**
- ✓ Formulary Management **Controlled**
- ✓ Mandatory Generics **Controlled**
- ✓ Prior Authorization **Controlled**
- ✓ COB **Controlled**
- ✓ Narcotic Limit **Controlled**



# NexgenRx Cost Containment Strategies Around Variables

1. Pharmacy Choice PPO List
2. Drug Formulary "Client Formulary
3. Allowable Mark-up MLP + 10% (or Less)
4. Dispensing Fee Maximum Fee
5. Dispensing Frequency Max. 1 Dispense Fee / Drug / Month
6. Coordination of Benefits Spousal Claims to Spouse's Plan
7. Narcotic Abuse Limit Use to \$2,000 /year – Prior Authorization

# Summary & Next Steps



## Suggested Next Steps.....

- *Engagement*
- *Order Data From Manulife*
- *Plan Performance Review*
- *Show Actual Savings Available*