

Five Keys to Managing Prescription Drug Cost

More and more, prescription drug costs encompass a larger share of an employer's medical spending plan. According to the Society of Human Resource Managers, prescription drugs accounted for a median of 21 percent of employers' health care costs in 2021, with more than half of pharmacy spend going to specialty medications.

So, what can employers do to better control these costs? To answer that question, here are five strategies Custom Design Benefits uses to combat the high price of prescription medications:

1. Strong Pharmacy Benefit Manager (PBM) Contracts

CDB recently renegotiated its contract with a PBM partner. This resulted in more than **\$1.5 million in savings** from preferential contract terms, aggressive guaranteed discounts, and rebates for our clients.



2. Specialty Drug Prior-Authorizations

CDB contracts with RxResults to administer prior authorizations on all pharmacy claims for specialty drugs. RxResults is an industry leader in evidence-based pharmacy risk management and ensures access to medications that are proven safe and effective, while providing cost control. This eliminates the conflict of interest that exists within PBMs when they provide precertification on specialty prescriptions from the specialty pharmacy they own. In 2021, **438 specialty drug reviews were conducted which resulted in \$3.1 million in savings.**



3. Copay Assistance Programs

CDB works with a variety of organizations that offer to help patients that cannot afford to pay co-pays for their medications or insurance. Copay assistance provided **\$583,174 in savings** in 2021.



4. Alternate Funding Programs

Making an alternate funding program part of a pharmacy benefit can help to offset the cost of specialty drugs so that employers can provide access to the drugs people need. These include commercial patient assistance programs, international wholesale, grants, and charities, some of which can be customized to meet the specific needs of employers and their employees. In 2021, 28 of our clients **saved more than \$3.2 million** using alternate funding for more than 125 members' specialty drug needs.



5. TrueCost Rx Reference-Based Pricing

CDB's TrueCost Rx utilizes a reference-based pricing model for prescriptions with non-specialty drug management. TrueCost Rx compares brand-name and generic medications to identify clinically appropriate lower-cost options for patients to select. The total **savings in 2021 was \$83,075** for our TrueCost Rx clients.

