



COALITION PBM CASE STUDY

Employers' Advanced Cooperative on Healthcare/Employers ChoiceRx

Beating the Status Quo Results of Traditional PBMs

Coalition Profile

Contacts: Keith Weigand (kweigand@eachmember.org) and Bob McCollins (bmccollins@eachmember.org)

The Employers' Advanced Cooperative on Healthcare (EACH), a not-for-profit 501(c)6, was founded in 1996. Headquartered in Fort Smith, AR, EACH is a multi-state employer-led resource cooperative representing the voice of employers and their investment in the healthcare supply chain.

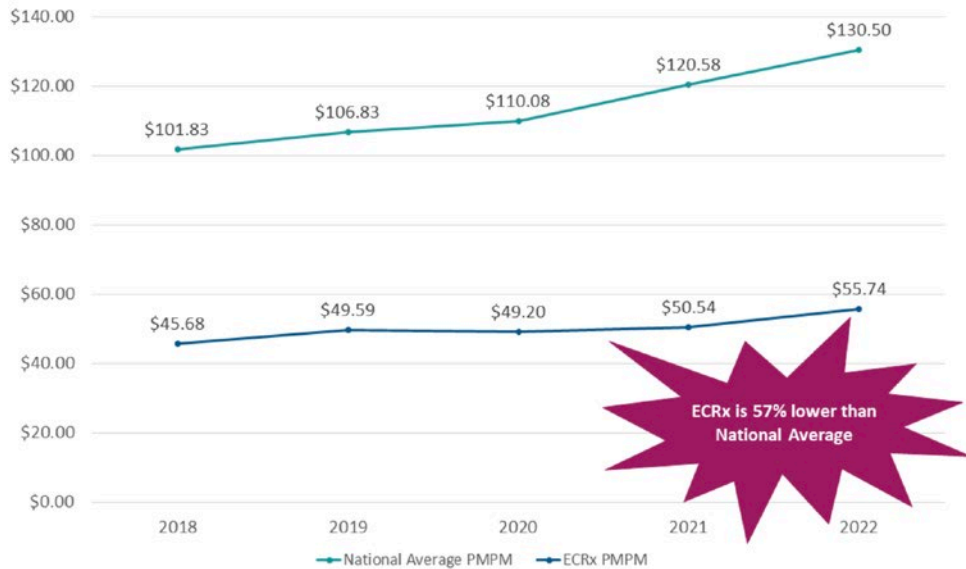
About Employers' ChoiceRx (ECRx)

In 2011, EACH founded ECRx as the first pharmacy benefit solution built to be a fiduciary transparent/cost-plus program focused on therapeutic equivalent generics to achieve the lowest net cost reference price, always focusing on both the plan and plan participant best interest.

In creating ECRx, the EACH Board took deliberate steps to address potential conflicts of interest and misalignment by creating a system of clear accountability. This included separating the responsibilities and decision-making powers among the PBM, specialty drug management, and rebate processes to promote transparency and serve the best interest of the plan members. This advanced thinking has led to these results:

ECRx Historic and Current Results	2010 Pre-ECRx	2011 ECRx Started	Results through 2022
Avg Member Paid/ Rx	\$12.04	\$11.49	\$8.71
ECRx Employer Paid Book of Business PMPM*	\$60.21	\$44.74	\$46.59
ECRx Book of Business TOTAL PMPM	\$72.25	\$56.23	\$55.74
* ECRx passes on 100% of eligible pharmacy rebates to the employer			

5-Year Total Net Cost PMPM Comparison



Lessons Learned

- ▶ Evaluate high-cost claims to identify potential alternatives, such as therapeutic equivalents, generics, or other cost effective, high value options that maintain safety and efficacy. If suitable alternatives are available, consider removing high-cost brand-name drugs from the formulary and have the PBM engage patients early to preempt potential concerns and ensure a smooth transition to maintain medication adherence and support health outcomes.
- ▶ Do not chase rebates. Rebates often do not translate to actual savings for employers; instead, they may contribute to higher drug prices overall by incentivizing PBMs to favor higher-cost drugs with larger rebates rather than prioritizing the lowest net cost options
- ▶ Select PBMs that put customer service/patient care first by identifying potential problems as early as possible. For example, are they reviewing claims daily and flagging rejections for follow up with the pharmacy and patient?
- ▶ Follow the prescription fulfillment process to reduce pharmacy costs and increase medication adherence by:
 - Assess current drug utilization and pricing to identify immediate savings opportunities,

utilizing tools such as a pharmacy savings calculator using the pharmacy savings calculator for targeted cost analysis.

- Identify wasteful, low-value, high-cost drugs and document potential savings and recommendations.
- Ask for proactive member outreach to talk about appropriate treatment options that can enhance health and improve outcomes.

National Alliance Resources

- [PBM Placemats](#)
- [PBM Vendor Engagement Template](#)
- [Playbook for Employers](#)
- [Playbook on Biosimilars](#)
- [Employers Beware: Alternative Funding Program](#)
- [Fox Guarding the Henhouse](#)
- [Shawn Gremminger's Statement for the Hearing: 340B Drug Pricing Program](#)
- [Pharmacy Savings Calculator](#)

Learn more



MEDICAL AND PHARMACY DRUGS



340B PROGRAM