



EMPLOYER PBM CASE STUDY

Neiman Enterprises Lowers Wasteful Pharmacy Spend by 75.8%

Employer Profile

[Neiman Enterprises](#), a family-owned timber operation for four generations, opened its first sawmill in 1936 in Upton, Wyoming. It now runs five sawmills in Colorado, Oregon, South Dakota, and Wyoming. Its commitment to forest-first decisions ensures the long-term stability of the company and to future resources through a cycle of renewal.

“We take pride in our ability to provide health benefits to our employees and their families,” says Sherri Stinson,



a company owner who manages benefits. “We’ve undertaken several initiatives to control costs without sacrificing the richness of our benefits. One of my easiest successes was removing wasteful drugs from our coverage policy.”

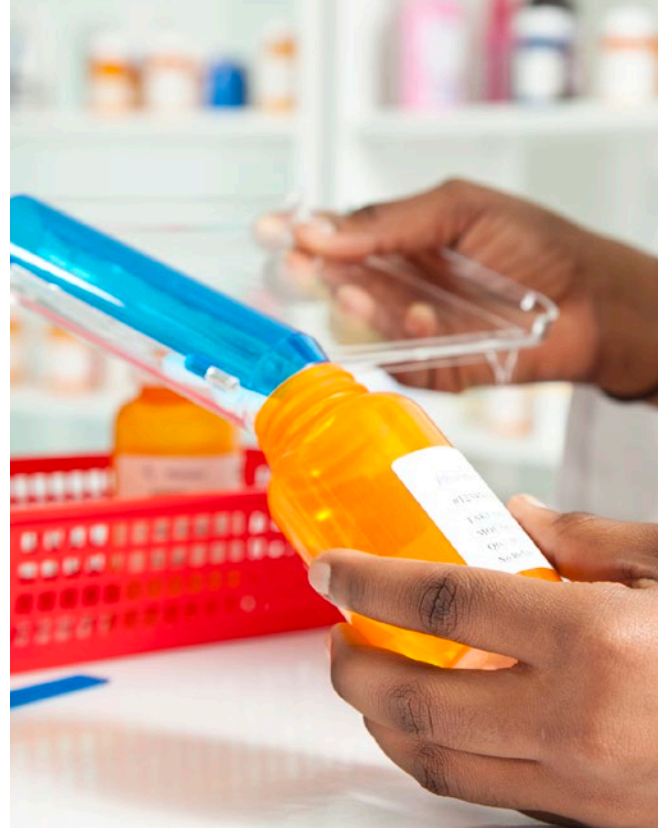
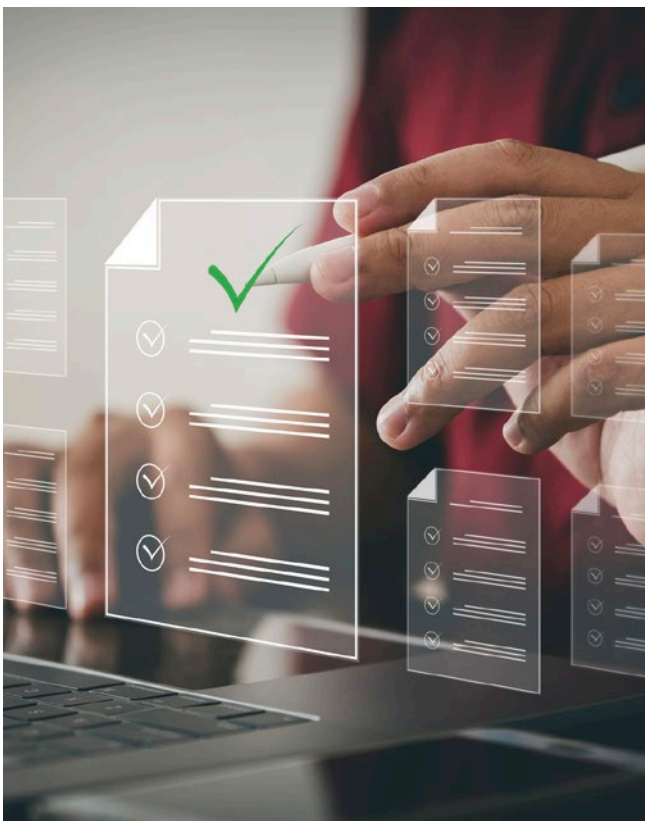
Employer Situation

Sherri and her team evaluated several and settled on a PBM designed with a separation of powers to eliminate the misaligned incentives that result in chasing rebates and spread pricing.

The new PBM took over on August 1, 2019, one month after the new plan year began. In addition to taking wasteful drugs off the formulary, the Neiman family agreed to switch all appropriate prescriptions to lower cost therapeutic equivalents. Since then, the cost of non-specialty pharmacy claims dropped 20% for the company. Because the plan allowed for a 3-month transition to the new, non-wasteful medications, their spend on wasteful drugs was down 75.8% one year after the switch.

Key Learnings

- ▶ Question PBM practices, even when there is a good relationship with the current vendor, using helpful resources like the [National Alliance Vendor Engagement Template](#).
- ▶ Evaluate several PBMs, focusing on those that deliver a separation of powers to eliminate misaligned incentives that result in chasing rebates and spread pricing.
- ▶ Switch all appropriate prescriptions to lower cost therapeutic equivalents.



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