

Specialty drug claim review saves millions in projected costs

Outpatient specialty drugs that treat complex and chronic diseases are one of the fastest growing healthcare expenses, increasing by 20% or more per year. Typically, about 50% of specialty drug costs are covered through the pharmacy plan. The remaining 50% of Rx costs are billed through medical plans and this can create issues with cost transparency as variances between sites of care and billing practices can significantly increase costs.

The challenge

Concerned about spiraling specialty drug costs, a major pharmaceutical company asked Buck's Pharmacy team to review outpatient specialty drug claims billed through their medical plan to determine potential savings opportunities and administration efficiencies.

Solution

We conducted an outpatient specialty drug claims review of all medical specialty drug claims submitted during a 15-month period. The review included:

- Identifying the top drug categories by cost
- Analyzing total spend by site of care
- Ranking top therapeutic categories and top drugs by cost

Using this information, the team calculated the cost per billing code for each claim to achieve the best “apples-to-apples” comparison. The cost per billing code unit was then compared across various sites of care.

Impact

The comprehensive review uncovered:

- \$7.5M of costs that could have been avoided during the 15-month review period
- \$1M in overpayments to an out-of-network home health provider

Future cost saving strategies

The review also recommended the following cost savings opportunities with a projected 5-year savings of \$45M+ for implementing recommended specialty Rx strategies:

- Redirect members to lower cost sites of care
- Medical plan changes to out-of-network provider coverage
- Rate negotiation with highly reimbursed providers

Contact us

Learn how our rigorous specialty drug claim review process can help you uncover savings opportunities without compromising member care. Contact us at **1 866 355 6647** or **talktous@buck.com** to get started.

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50%

of prescription drug costs will be for specialty medications by 2021