

Fortified Rx Claim Monitoring

How HDS launched an innovative payment integrity solution and realized **\$12.3M in savings** for their client in just two years

Line of Business
Medicaid

Lives Covered
900,000

AT A GLANCE



A national health plan partnered with HealthPlan Data Solutions to implement a pharmacy payment integrity and PBM oversight program using the continuous claim monitoring product: **Claim Scan**.

Through weekly review of 100% of pharmacy claims, the implementation of Claim Scan has resulted in \$12.3 million in savings through two plan years. The partnership has provided huge improvements in access to data and now serves as a differentiator for this MCO during the RFP process.

BACKGROUND



Prior to engaging with HealthPlan Data Solutions (HDS) to support their pharmacy payment integrity efforts, this client primarily relied on their current PBM's pharmacy systems to help them maintain visibility into their annual drug spend and contract performance. To provide added oversight, multi-year pharmacy benefit audits were also implemented to help ensure the PBM was performing up to the terms of their contract.

While PBM-developed data systems and annual audits serve as the cornerstone of benefit monitoring for many health plans, they are not a silver bullet and carry many limitations when used in isolation. The client understood this, and knew **there must be a better way**.



The Product:

HDS Claim Scan, the industry leading continuous pharmacy claims monitoring platform



The Challenge:

Solve data limitations to identify errors and differentiate RFP bid from competitors



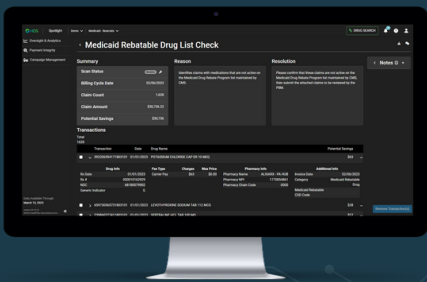
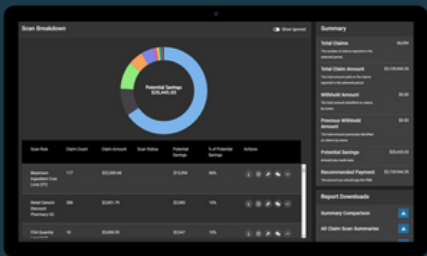
The Solution:

Implement ongoing pharmacy claim monitoring and third-party validation of PBM performance



The Result:

\$12.3 million in realized savings, unparalleled benefit oversight, and differentiation in the managed Medicaid marketplace



CHALLENGES



1

Limitations with Traditional Solutions

This client relied on traditional methods like PBM audits to curb pharmacy spend. As a retrospective tool with limited scope, it was clear that claim errors were slipping through the cracks between audit cycles.

2

Timely Access to Pharmacy Data

Prior to 2020, the client's team became increasingly frustrated with access to data housed within the PBM. They had limited ability to ensure custom networks, pricing, and plan design were being properly adjudicated.

3

Marketplace Differentiation

When one of the client's largest customers issued an RFP, this health plan decided they needed a new approach to ensure their PBM was abiding by their negotiated contract and deliver differentiated value to their clients.

SOLUTIONS



Following the initial engagement as a key vendor for their RFP, the client implemented HDS's ongoing pharmacy payment integrity product, Claim Scan, across all their pharmacy lives in mid-2020.

HDS and Claim Scan have since become integral for the client and have helped deliver on their promise to drive greater visibility into pharmacy spend and ensure their PBM is performing to contract.

RESULTS



In the first full year of the client partnership with HDS, Claim Scan helped identify over \$13 million in savings opportunities with their PBM that ultimately translated to over \$5.8 million in recoveries during the 2021 plan year. The addition of Claim Scan has helped the client identify several plan design coding errors in real-time including a setup error for NADAC 340B pricing and improper DAW processing logic that together resulted in the recovery of \$1.1 million in erroneously billed pharmacy claims. Additionally, HDS was able to flag another custom coding issue that was allowing the PBM to reimburse HICL pen needles over the contract specified OTC maximum cost limit.



20
21



\$13M

Opportunities



\$5.8M

Realized Recoveries



TOP 3

Issues Resolved

NADAC/340B
Lesser-of-Logic

Dispense as Written
Plan Design Limitations

High Cost NDCs
Formulary Optimization

RESULTS (CONTINUED)



Claim Scan continued to deliver tremendous value for this client in 2022 driving an additional \$6.5 million in realized pharmacy cost savings in its second year of use. A key issue that HDS helped identify for the client in 2022 was a processing logic error relating to coordination of benefits (COB). Claim Scan was able to detect that the client's Medicaid line of business was being improperly billed as the "payer of last resort" for several members that were covered by a separate primary insurer that should have been billed prior to the Medicaid program. This specific coding error led to more than \$4 million in recovered costs in 2022 alone. Now in its third year of use with this client, Claim Scan continues to augment the pharmacy team's ability to drive value and accountability in their pharmacy benefit.

20
22



\$17M
Opportunities



\$6.5M
Realized Recoveries



TOP 3
Issues Resolved

MAC List Pricing
Market Competitiveness

COB Application
Plan Design Setup

Cost Exceeds Max
Plan Design Application

CONCLUSION



Over three years HDS has helped our client identify over \$30 million in savings opportunities with their PBM and continues to serve as a key differentiator for their organization in RFPs. HDS's Claim Scan solution is a key tool to help their pharmacy teams:

- Maximize efficiency
- Drive additional cost-savings and
- Gain greater visibility into PBM performance.

The client continues to derive value from their partnership with HDS and the implementation of our ongoing pharmacy monitoring solution, Claim Scan. To learn more about HealthPlan Data Solutions, our suite of payment integrity products, or to schedule a demo, please visit our website at hds-rx.com.

ABOUT HDS

HealthPlan Data Solutions (HDS) is an industry leading pharmacy analytics company that specializes in providing pharmacy payment integrity solutions, campaign management, and pharmacy claims insights. HDS's technology platform, Spotlight, leverages over 400 proprietary claim scanning algorithms and AI, matched with clinical expertise to provide actionable pharmacy benefit intelligence.

Founded by a team of pharmacists and IT professionals, HDS helps its customers identify, fix, and continuously monitor prescription claims data to maximize the value of their pharmacy benefit plans.

GET IN TOUCH

Contact the HDS Business Team today to learn how payment integrity can augment your claim review and benefit oversight operations.

