

Achieving Cost Savings and Regulatory Compliance



Addressing Plans Goals

Colorado Access, a nonprofit health plan with more than 500,000 members, wanted to rein in its pharmacy costs and to ensure regulatory compliance for its Medicare line of business. To achieve this goal, Colorado Access sought out a new pharmacy benefit manager (PBM).

Establishing Strategies for Success

Partnering with Colorado Access as its PBM, Navitus worked to transform barriers to savings and compliance into opportunities. After a thorough claims analysis and numerous discussions, Navitus created a strategic plan to help Colorado Access reach its goals. This plan focused on four key areas: formulary, rebates, benefit design and compliance.

Improving Formulary Performance

To build a strong foundation for Colorado Access' new pharmacy benefit plan, Navitus established a high-performance formulary designed to strike a balance between offering access to high-quality, clinically-effective medications and delivering the lowest net cost. Using a combination of low-cost brands and generics, Navitus put Colorado Access on the path to greater savings. For instance, it identified generic

AT A GLANCE

Colorado Access
500,000 MEMBERS

MORE THAN
50%

decrease in drug trend
in the first year

Achieved Negative Trend
3 OUT OF 4 YEARS

growth in the atypical anti-psychotics category and responded with tighter formulary controls, helping Colorado Access take advantage of generics to achieve a **10% reduction in atypical drug spend**.

Managing Rebates Effectively

Navitus also combined creative rebate management with agile benefit design changes to drastically reduce the cost of an expensive, high-volume drug. When the drug went generic, the plan took advantage of post-patent rebates to provide it at a price that was lower than the new generics. As prices for the generic became more competitive, it replaced the brand drug on the preferred copay tier. Through these actions, Colorado Access saw a **74% reduction in spend for this high-cost drug despite a 30% increase in usage**.

Achieving Compliance

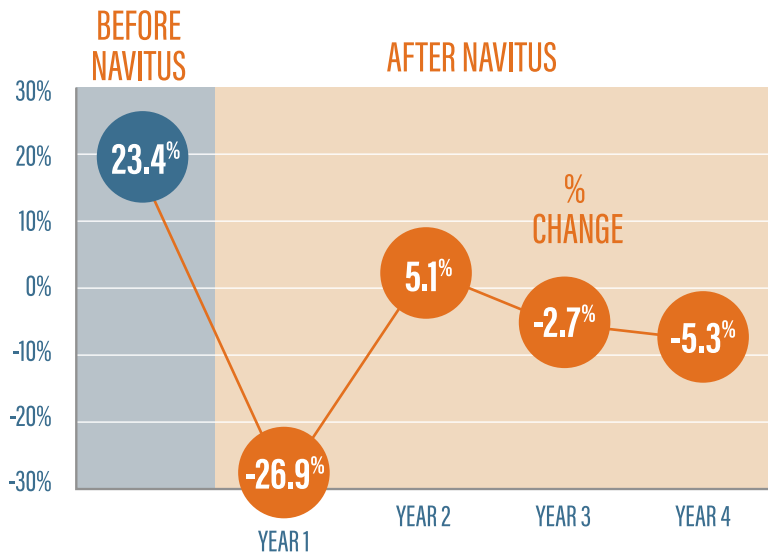
Navitus' regulatory experience helped Colorado Access realize significant improvements in Medicare compliance, especially in Prescription Drug Event (PDE) reconciliation. Every time a beneficiary fills a prescription under Medicare Part D, a summary record called a PDE is submitted to CMS. CMS uses these records to make reimbursements to plans and validate eligible drugs, benefit phase adjudication and low-income cost-sharing subsidy status. Higher reconciliation rates may lead to higher reimbursements from the federal government that plans can use to offset costs. With Navitus' in-house PDE tracking system and quality assurance and reconciliation processes, Colorado Access'

PDE reconciliation rate improved from 92% to 99.96%.

As a result, Colorado Access **saved more than \$1 million** because of the increased federal funding resulting from its improved PDE reconciliation rate.

Achieving Drug Trend Decreases and Million-Dollar Savings

Through these efforts, Navitus helped Colorado Access



achieve a negative (-) 26.9% drug trend in its first year, a dramatic improvement over the (+) 23.4% drug trend it experienced with its previous PBM. This amounted to a **more than 50% improvement in drug trend**.

These savings were not just limited to the first year: Colorado Access

achieved a negative trend in three of its first four years with Navitus as its PBM.

Through this collaborative partnership, Navitus was able to help Colorado Access meet its goals. By combining a high-performance formulary with agile benefit design, effective rebate management and strong compliance experience, Navitus put Colorado Access on the path of not only short-term savings, but also savings for years to come.

Getting Started

Are you interested in finding out how Navitus' transformative pass-through approach can work for you? Simply visit our website at www.navitus.com or contact us at sales@navitus.com to learn how you can start experiencing *Pharmacy Benefits Reinvented* today!