Driving In-House Utilization for a Large Health System

**THE CHALLENGE**
Mercy Health, the largest health system in Ohio, wanted to optimize channel management and increase in-house utilization of their owned pharmacies. Channel management limitations reduced control over Mercy’s pharmacy spend, hindering the opportunity to benefit from their owned pharmacies’ acquisition costs across specialty and traditional drugs.

**THE SOLUTION**
Mercy partnered with MedImpact — a PBM with specialized hospital and health system experience — to create aligned pharmacy solutions that maximize Mercy’s use of their owned delivery channels. Under Mercy Health’s custom pricing model, MedImpact implemented a multi-faceted approach to dramatically increase in-house utilization and deliver significant savings, including:

- Restricting non-Mercy retail pharmacies and excluding one major retailer from their network
- Carving out mail order and specialty away from PBM and redirecting to Mercy’s in-house mail-order and specialty pharmacies
- Implementing evolving channel management solutions to increase in-house utilization and drive mail-order use with 90-day fills to improve adherence
- Working with Mercy to improve transparency and optimize pass-through pricing

**THE RESULTS**
Mercy realized $10.5 million — $19 PMPM — in savings from MedImpact’s comprehensive pharmacy benefit solutions, which included optimizing plan design, formulary alignment and delivery channels as well as controlling specialty spend.

**Driving In-House Utilization Results**

- **77% increase** in utilization of Mercy’s in-house pharmacies
- **$4.4 million** saved annually over typical PBM pricing*

*Estimated savings

MedImpact, an independent, trend-focused pharmacy benefit manager (PBM), is the nation’s largest privately held PBM, serving health plans, self-funded employers and government entities. Our unique business model aligns us with our clients. We focus on effectively managing pharmacy benefits to promote Lower Cost and Better Care through One Source.

**Can a PBM truly be your partner if it is competing for fulfillment at its own pharmacies?**

Unlike other PBMs, MedImpact’s unique fulfillment model allows us to align with hospitals and health systems to help lower costs through flexible channel management, in-house utilization solutions and rigorous formulary control and utilization management.

MedImpact’s flexible business model gives us the freedom and independence to work with hospitals and health systems so they can leverage in-house pharmacies as their primary dispensing sites and optimize savings. Our flexible, tailored approach allows us to structure benefit design and incentives to promote your pharmacies.

MedImpact’s clinical programs can be tailored to the needs of hospitals and health systems. We are experienced in working and consulting with Chief Medical Officers and understand how a strong partnership between Human Resources and Pharmacy Services can lead to greater employee satisfaction.

MedImpact does not compete with hospital and health systems. Instead, we help you promote in-house utilization to improve member satisfaction, increase adherence and improve care.

Learn More
To see how MedImpact’s hospital and health system expertise and channel management strategies can help drive in-house pharmacy utilization, contact your sales or account executive, email info@medimpact.com or visit pbm.medimpact.com.