ABARCA

CASE STUDY

SEEING STARS

A struggling Medicare program has a stunning turnaround.

THE CHALLENGE

When a Medicare plan performs poorly in CMS audits, problems follow. Sanctions, fines, low Star Ratings, increased CMS plan oversight, and a weak competitive position in the market are usually just the beginning. Add to that skyrocketing specialty drug costs and a high dual-eligible population with chronic conditions and special needs, and you have a prescription for near disaster. For the plan to continue serving this population, it needed to achieve Star Ratings that would unlock bonus performance payments. Without funding to pay for rising costs and investments in services to attract new members, the future would be uncertain. Yet, this was precisely the situation a regional Medicare plan was facing when it partnered with Abarca. Previously, the plan was working with one of the largest PBMs in their market, but as its problems mounted, it was forced to make a change.

THE APPROACH

Abarca started where it always does—with an in-depth analysis of the data. The team then worked closely with the client to develop solutions that combined rock solid pharmacy benefits management with outside-of-the-box thinking, including approaches that had never been tried before. This included three primary strategies:

1) Building a pharmacy network based on quality and rewarded for quality. Abarca identified pharmacies that were willing and able to perform interventions that would improve drug adherence in the drug categories included in Star Ratings. Pharmacies were incentivized based on results—measurable improvements in drug adherence—and not just the number of contacts they made. This allowed pharmacists in the community to use their judgment and familiarity with their beneficiaries to change behavior.

2) Using our proprietary predictive analytics platform to identify high-risk, impactable members, and increasing the number of targeted touch points to improve adherence. This included personalized member services, and the use of a smart interactive voice recognition program that made outbound calls and routed in-bound calls much more efficiently, including to the member's provider or the pharmacy when needed.

3) Optimizing 6 formularies to 2 to lower net costs. We achieved this through increased rebates that included inflation protection, a preferred generics tier to incentivize use of lower cost generics, and leveraging a dynamic MAC list that covers over 98% of generic scripts to mitigate the impact of rapidly rising drug costs.

> " **I have been in this industry for years, and I have never worked with a better PBM partner."**

THE RESULTS

In less than two years, the plan made a significant turnaround that included:

- Improvement from 2.5 stars to a 5-star rating in Part D
- Drug adherence measures increased 4% annually
- Financial performance improved by $40 per member per month including $40 million in additional star bonuses
- Enrollment increased by 15% due to a better benefit offering and reputation in the marketplace

★★★★★
5-star rating in Part D

$40+
Per member per month

+4%
Annual drug adherence

+15%
Member enrollment