



## MedMetrics Health Partners Case Study

### Neighborhood Health Plan Achieves New Levels of Economic and Clinical Value With PBM Services from MedMetrics

#### Client Profile

##### Neighborhood Health Plan

Neighborhood Health Plan is one of Massachusetts' leading managed care organizations, serving a population of more than 166,000 members. Through a network of more than 1,900 primary care physicians and 9,000 specialists at more than 40 teaching, community, and specialty hospitals, NHP delivers health care programs and related services to Medicaid (MassHealth) recipients, as well as hundreds of public- and private-sector organizations, including small business employer groups, and through the state's groundbreaking new health care reform initiative.

*MedMetrics' commitment to transparent dealings allows us to fully analyze and measure all aspects of our plan's performance. Their superior clinical depth to support P&T decisions, accessibility, flexibility, responsiveness, and customer service excellence, makes MedMetrics the PBM for public sector-focused health plans like ours."*

*Dr. Jim Gauber,  
Medical Director  
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#### Objectives

Although NHP's previous drug benefit program was fairly well-managed in the eyes of its administrators, the organization was still concerned with shifting industry dynamics and risks associated with escalating pharmacy costs. NHP recognized that a new PBM partner could add significant value for its members by achieving several important goals:

- Demonstrate the economic value of a fully transparent, full pass-through business model
- Elevate the quality, depth, and clinical integrity of its pharmacy management programs
- Drive enhanced control over drug expenditures, facilitate provider and patient education, and improve overall satisfaction level
- Deliver a superior level of hands-on customer service and responsiveness

#### Solution

Working closely with NHP's leadership, MedMetrics assessed current pharmacy management strategies, formulary processes, drug utilization trends, and clinical protocols. This led to the development and/or enhancement of a wide variety of programs. These strategies included:

- Refining P&T clinical support processes
- Streamlining drug formulary
- Enhancing prior authorization programs, using clinical protocols to guide evidence-based coverage determinations
- Expanding the depth, aggressiveness, and timeliness of existing generic drug MAC pricing
- Implementing automated step-therapy programs for more than 25 therapeutic categories
- Expanding OTC drug promotions within key drug classes
- Tightening dispensing limits for 200 branded drug products
- Strengthening RetroDUR activity in key therapeutic areas

#### Results

With MedMetrics, NHP's overall adjusted pharmacy costs have increased by an average of approximately 1 percent per year over a three year time frame – markedly below industry averages.

- NHP's generic utilization rate approached 78 percent, an increase of almost 10 percentage points since contract inception, and representing cumulative three year savings of more than \$29 million
- With MedMetrics's MAC program, NHP's effective rate of reimbursement for generic drugs increased from AWP minus 51 percent with the previous PBM vendor to AWP minus 67 percent with MedMetrics, yielding a year one savings of \$1.3 million, and year two savings of \$1.6 million
- An independent audit confirmed that MedMetrics beat aggressive cost savings performance targets by nearly 50 percent in the first year