



# How Embracing Innovative Bid Strategies Drives Deeper Savings in Specialty Costs and Overall Pharmacy Contract by 22%

## The Facts

Company:  
**Food Preparation,  
Packaging, and  
Distribution**

Lives Covered:  
**2,700+**

Annual Drug Spend:  
**\$3,200,000**  
(43% specialty)

Solutions:  
**truveris  
marketplace**

Projected  
3-Year Savings:  
**\$2,243,000+**  
(~22%)

## The Problem

Recognizing that specialty costs had climbed to 43% of overall pharmacy costs, a food manufacturing and distribution company wanted to explore new strategies to manage their pharmacy program costs. The organization was seeking innovative options to pinpoint the best go-forward cost containment plan, without compromised coverage.

In turn, the company's broker partner opted to engage Truveris to run a comprehensive pharmacy benefits procurement process and new approach to bid strategy with the goal to find new savings opportunities for their client without significant adjustments to plan design or benefits.

## The Solution

### The Process



Analyze historical claims data to understand utilization trends



Truveris experts work with client and broker to establish plan's pharmacy needs and RFP goals



Truveris launches a comprehensive multi-round RFP, inviting bids from full-service PBMs and expanded pharmacy solutions



Truveris reviews offers with client and broker to compare plan value and impact to inform ultimate award selection

After gathering a complete understanding of the client's pharmacy plan needs, including the source of high-specialty costs and other utilization trends, Truveris determined the appropriate bid strategy to meet the client's goals.

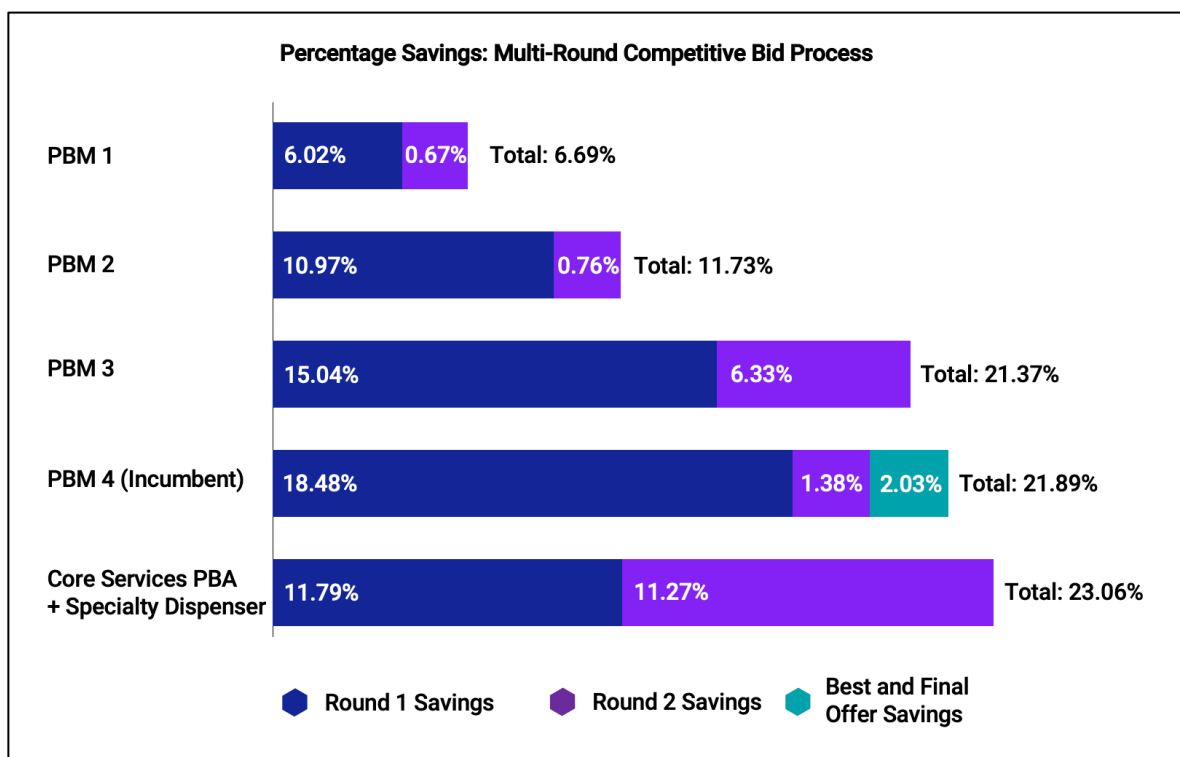
Truveris then engaged a variety of vendors through the **Truveris Marketplace™**, including a **specialty dispenser and formulary and rebate aggregator**, to identify ideal bid candidates who would drive competition and enhance the most impactful areas of the contract.

Over the course of a multi-round bid, Truveris helped review offers for overall deal improvement and impact to the plan. The client reviewed four full-service PBMs (including the incumbent) and a combination PBA + specialty vendor to determine the best rates and terms for the plan.

## The Results

Following two rounds of bidding followed by a best and final offer (BAFO) from the incumbent, the client was presented with two competitive pharmacy benefits providers to choose from.

In round one (as pictured in the graphic below), the incumbent offered the most savings. As we layer in round two and the innovative options, we see each PBM offered incremental value. For instance, PBM 3 improved its pricing by 6% compared to the rest of the competition. However, the incumbent improved its original offer with more aggressive savings to defend the account. Over the course of the procurement process, **the client saw pharmacy bids reflecting savings of more than 23%** of their spend compared to their existing contract. In particular, the PBA + specialty vendor's highly competitive offer pushed other vendors to significantly increase their bids' savings potential.



Beyond the financial savings potential, each bid was also reviewed by Truveris' clinical team to consider other variables and favorable (or unfavorable) terms in the contract.

The bidding process came down to two finalists: the PBA + specialty vendor and the incumbent provider.

Ultimately, **the client chose to award the contract to their incumbent provider**, opting to retain a carved-in approach with their medical provider and mitigate any plan disruption caused by switching providers.

By leveraging the **Truveris Marketplace™** competitive procurement process, the employer achieved final pricing improvements projected to save about 22% on their pharmacy spend over the life of the new contract.

The final agreement achieved the client's new savings goals, while adding new favorable terms such as a market check and an early termination clause. Both the employer and broker partner were thoroughly impressed by the end-to-end procurement process and the savings achieved through customized competition.



Truveris is a pharmacy benefits procurement and insights platform, combining technology and expertise to revolutionize access and affordability of prescription drugs. For more information or to speak with a representative, please contact us at: [info@truveris.com](mailto:info@truveris.com)