



# Building Pharmacy Benefits That Deliver for Your Hospital

*Key components for a sustainable  
hospital pharmacy benefits plan*





## Hospital leaders require unique benefit plans built around their organization's specific needs

You know all about the intense financial challenges healthcare leaders face as they work to improve the health of their industry, communities, and employees.<sup>1</sup> You're pressured to meet your goals amid challenges with labor costs and shortages, increasing legislative restrictions, lower reimbursements, the end of federal pandemic funds, and possibly even hospitals around you facing bankruptcies and closures.<sup>2,3</sup> And all that is on top of regular issues many employers face, such as managing costs associated with the increasing specialty drug pipeline, poor service from benefit vendors, and rising expenses.

Hospitals rely on dedicated staff to provide care and can't afford to lose them. With well-informed employees who expect excellent benefits, you're challenged with offering comprehensive care access while staying within budget expectations. You're tasked with building a solid foundational employee health plan while monetizing your pharmacy and serving as a crucial healthcare resource for your community.

### In this eBook, you'll learn:

- ✓ The impact of an optimized pharmacy plan for stakeholders across the organization
- ✓ How to uncover 340B savings opportunities
- ✓ What a robust pharmacy plan can offer hospital leaders and employees

# How Balanced Benefit Priorities Can Make a Difference for Hospitals

Hospital operations rely on balance and collaboration between a variety of decision-makers and stakeholders. The needs of HR, finance, and pharmacy leaders must all be met within the scope of limited resources. Among them, they must be able to balance concerns including small talent pools, mergers, acquisitions, and cost containment while keeping employees engaged – and when that balance breaks down, the impact can be felt across the organization.

Burnout is a common issue among doctors and nurses, leading to high first-year turnover rates. In recent years, the pandemic has complicated matters, causing record-high turnover rates and challenges finding quality replacements. **Reducing turnover rates by just one percent can save over \$350K each year**, according to Beckers.<sup>4</sup>

Providing hospital employees with a robust benefit, including the service and oversight they expect and deserve, can help HR meet its goals. Optimizing the pharmacy plan, including leveraging the hospital-owned pharmacy and 340B programs, can align with the pharmacy team's objectives. Stabilizing medication costs is crucial for the financial team.



## HR Leader:

Tasked with designing benefits that attract and retain essential talent



## Finance Leader:

Must balance unpredictable costs within a tight budget



## Pharmacy Leader:

Manages critical and sometimes complex patient care issues while balancing costs and finding opportunities to create revenue

**Access to healthcare and robust benefits is more important than ever.** Despite this, controlling costs is often the top priority. The challenge for healthcare leaders is probably the greatest it has ever been, and benefit plans that align with everyone's goals are more crucial than they've ever been.

**On average, 75% of a hospital's plan members fill prescriptions each year – 25% higher utilization than typical commercial plans.**

# Hospitals Need a Tailored Solution

Cutting-edge health systems recognize the value of their organization's pharmacy expertise. **Collaboration between HR and pharmacy leaders can bring increased revenue, improve clinical outcomes, and provide other cost-saving initiatives.**

Understanding the medical conditions and drug therapy classes impacting plan spending enables hospitals to implement comprehensive strategies to control pharmacy costs. This knowledge can inform wellness programs that target certain conditions, guide hospital-owned pharmacy decisions, identify prescribing patterns that drive costs, and prompt meaningful discussions.

## To gain control over drug spending, hospitals and health systems need:

- More control over covered medications
- Independent pharmacists for utilization monitoring
- Regular evaluation of plan design
- An independent partner with hospital experience
- Flexible reimbursement options
- Support for monetizing pharmacy
- Promotion of hospital-owned pharmacy services
- Improved member services
- Benefits designed around goals of HR and pharmacy
- Support for 340B program management
- Management of copay and coupon programs
- Right of first refusal

These strategies can help hospitals and healthcare systems effectively manage pharmacy costs and provide better care to their employees.



# Bringing Much-Needed Flexibility to Pharmacy Solutions

Hospitals and health systems that directly contract with pharmacy benefit managers (PBMs) often struggle to achieve their pharmacy benefit-related goals. PBMs alone may not adequately address the unique challenges faced by the healthcare industry, including on-site resource optimization and utilization management.

Typical PBM contracts can result in limited savings due to inflexibility, complexity, and one-sided terms. RxBenefits, as a pharmacy benefits optimizer, works with employee benefit advisors to advocate on behalf of hospitals and health systems, helping them align contract terms with the desired reimbursement model.



Our aim is to maximize the use of a hospital's on-site resources and secure competitive rates and rebates.

## Client-aligned contract solutions through RxBenefits provide:

### Service

- Education on the value of pharmacy arrangements
- Data-driven consultative account management
- Award-winning customer service

### Contract

- Full transparency to measure market competitiveness
- Annual reconciliations to ensure contract meets or exceeds guarantees
- Yearly pricing updates for substantial savings
- Annual contract terms setting and reconciliation
- Contract value that isn't reliant on generating revenue through clinical programs or distribution channels

### Clinical

- Channel-agnostic alignment to drive the right products to the hospital-owned pharmacy
- Copay modeling that influences member behavior, increases domestic utilization, and helps utilize hospital resources effectively
- Improved formulary management and independent prior authorization review

These solutions are designed to help hospitals and health systems achieve their pharmacy benefit goals more effectively and efficiently.

# Optimize 340B for Your Pharmacy

A properly managed 340B plan can help drive savings and lowest net cost for covered entities, and it always makes sense for a hospital to explore its options and consider how it can maximize 340B savings for eligible prescriptions and patients – including employees.

RxBenefits' industry experts and pharmacy benefits veterans target that intersection of employee-eligible prescriptions and the hospital's benefits plan, delivering hospital-owned pharmacy and 340B program support to ensure the success of – and lighten the load for – key stakeholders.

Pharmacy managers know the value of significantly discounted medications, and drugs covered by the program can easily generate **savings in the area of 50%** below GPO prices.<sup>5</sup> As a covered entity, hospitals and grantees would be able to apply their 340B pricing to employee-eligible prescriptions.

Working with an expert partner who understands claim eligibility and the intricacies of 340B ensures the plan is compliant and can help achieve significant plan savings. Through our Optimize 340B solution, RxBenefits helps maximize the value of the prescription benefit for 340B hospital and grantee clients with pharmacies.

Learn more about our Optimize 340B solutions



 RxBenefits®  
Optimize 340B

# Finding Balance for Hospital Leaders

Drug spend is a growing concern for self-funded employers, and costs are expected to rise in 2024.<sup>6</sup> Creating a strategy to lower spending is challenging in healthcare, where hospitals serve as healthcare provider and payer.

Hospital pharmacy benefit strategies must carefully balance clinical and financial outcomes.



# Protect<sup>®</sup>

## Independent Clinical Support You Can Count On

RxBenefits offers independent clinical support through a team of clinical pharmacists who work closely with your healthcare teams. We provide data-driven insights into member utilization trends, including drug therapy classes and conditions, to ensure appropriate preventive medications are utilized and to help improve adherence. This includes sharing insights into clinical criteria and decisions for high-cost claims and reviewing claims where annual spend is projected to reach or exceed \$250K.

Learn more about our Protect solutions



# Key Takeaways for Hospitals and Health Systems

Hospitals are distinct employers with a dual role: providing healthcare to their community and supporting the health needs of their employees. Serving both of these roles presents unique challenges – challenges that the right pharmacy benefits plan can help solve.

## Hospital challenges include:

- 1 **Employee Retention:** Hospitals struggle to retain employees, especially given current shortages, increased burnout, and the impacts of the pandemic.
- 2 **Rising Prescription Costs:** Due to the growing prevalence of chronic conditions and expensive drugs, costs for prescription plans are surging.
- 3 **Financial Pressures:** Hospitals face financial pressures from lower reimbursements, rising expenses, mergers, and acquisitions. They need to maximize savings while improving employee health outcomes with benefits packages that prioritize their health and safety.
- 4 **340B:** Many hospitals can find savings opportunities when participating in 340B, but they often lack the 340B program resources and data transparency needed to maximize these.
- 5 **Future Needs:** While creating a comprehensive health benefit, healthcare leaders must also maintain community support while monetizing their pharmacies.

Hospitals need a pharmacy benefits optimizer who comprehends the unique challenges, essential objectives, and best opportunities for this industry.

If the challenges listed are familiar to you, RxBenefits is here to help. We can build a comprehensive and client-aligned pharmacy benefits plan with:

- Extensive Industry Expertise: Deep knowledge of the healthcare domain.
- Holistic Strategy Development: Crafting well-rounded strategies.
- Contracts Built to Fit: Pricing and terms that truly suit the needs of your organization.
- Optimized 340B Strategies: Maximizing savings opportunities.
- Data-Driven Decision-Making: Informed choices backed by full visibility into pharmacy performance.
- Enhanced Customer and Member Experience: Competitive service quality for clients and members.
- Independent Clinical Oversight: Minimizing disruption for members while enhancing clinical outcomes.

Our experts are ready to dive into these distinctive challenges and turn them into opportunities. We can provide data-driven insights to help determine how pharmacy benefit optimization can impact your organization. Talk to your employee benefit advisor about scheduling a meeting with one of our hospital pharmacy benefits experts.

If you don't currently work with a benefit advisor, we're happy to speak with you directly to discuss your organization's needs and possibilities.

Contact Us



## Fully Optimized Pharmacy Benefits

Employee benefit consultants and self-funded employers trust RxBenefits as a partner in maximizing the plan sponsor's pharmacy benefits budget while protecting the health and safety of their members. RxBenefits offers hospitals and health systems a superior alternative to traditional PBM arrangements by providing a comprehensive, multi-faceted suite of solutions for layered protection. These solutions include market-leading purchasing power and contract expertise, independent clinical oversight to ensure the pharmacy benefit remains both affordable and accessible, and a world-class service model that provides exceptional care to benefit advisors, employers, and plan members.

**employers.rxbenefits.com | 800.377.1614**

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