

CASE STUDY

How one large employer  
identified 50 million  
in annual savings for  
specialty conditions



According to Forbes, health plans and pharmacy benefit managers that manage drug costs claim specialty drugs are accounting for more than 50% of the total prescription spending they manage. This spike in specialty drugs is being felt by employers too. Some organizations have specialty costs that account for more than 60% of their total drug spending.<sup>1</sup>

For over 40 years, we've been helping clients evaluate current spending and trends, impact of new-to-market drugs, and identify savings opportunities. With **Merative™ Health Insights**, we've seen great success combining our advanced analytics with our client's healthcare data to look at areas like biosimilars, therapeutic equivalents, appropriate place of service, and provider price variation.

One large employer came to us looking to understand why their specialty drug costs were so high. Our Applied Analytics and Consulting Services dug into their employee healthcare data and looked at what specific conditions were driving costs and recommended alternative options, such as:

- Rheumatoid Arthritis benefits were evaluated to assess whether step therapy guidelines were being followed and to determine the primary driver of spend increases. The study identified alternatives for high-cost products while simultaneously evaluating drug outcomes for quality, safety, and effectiveness.
- Multiple Sclerosis patients were evaluated for relapse frequency and disease progression rates to determine opportunities for improved care through value-based contracting. In addition to identifying key drug products with quality outcomes (e.g. reduced relapse rates), treatment plans were also evaluated for inclusion of key supplementary treatments including physical therapy, occupational therapy, and durable medical equipment (DME) services.
- Cancer patient treatment plans were evaluated based on disease progression to understand therapy trends across providers and locations. Using lab and medical claims data, outcomes were assessed to determine treatment effectiveness. Using clinical care guidelines and outcomes research, we helped identify key providers for value-based contracting.

**\$50m**

Identified approximately USD 50 million in annual savings for specialty conditions

**↓6%**

Identified opportunities to reduce specialty drug spend by 6%



Top priorities were use of therapeutic equivalents, reducing overbilling in the medical setting, and shifting infusions to the preferred office setting

Our team of healthcare analytics experts can help you get the most out of your data through a range of consulting services, based on your budget and strategic priorities. Gain access to powerful analytics and technologies built on a deep knowledge of the healthcare industry. Backed by five decades of experience, our advanced methodologies can help uncover trends in how employees use their health benefits, the state of employee health, and the cost of benefit programs.

[Let's talk about how to get the most out of your data](#)

## References

1. <https://www.forbes.com/sites/brucejapsen/2022/05/03/health-plans-brace-for-specialty-drugs-eclipsing-50-of-prescription-spending/?sh=29d8c041307d>

## About Merative

Merative is a data, analytics and technology partner for the health industry, including providers, health plans, employers, life sciences companies and governments. With trusted technology and human expertise, Merative works with clients to drive real progress. Merative helps clients orient information and insights around the people they serve to improve decision-making and performance. Merative, formerly IBM Watson Health, became a new standalone company as part of Francisco Partners in 2022. Learn more at [www.merative.com](http://www.merative.com)

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