



Pharmacy Benefit Management Institute, LP

Catalyst Rx- 2004 Rx Benefit Innovation Award

Problem Identification

Catalyst Rx estimates that prescription drug costs are rising at an annual rate of 15% to 18% with the average drug expenditure trend rate at 18% to 22%. Catalyst Rx recognizes that it must reduce the rate of increase in drug expenditures for its plan sponsors through a variety of tools in addition to plan design management and clinical initiatives. Catalyst Rx prioritized member education for all of its members as an essential element of an effective cost-control approach.

Target Audience

The target audience is plan sponsors and the members of Catalyst Rx prescription drug programs.

Objectives

Catalyst Rx's overarching goal is to help provide the most-effective drug therapies at the lowest net cost to its plan sponsor customers. To achieve this goal, Catalyst Rx developed tools to:

- Encourage the use of over-the-counter (OTC) medications when medically appropriate
- Increase the rate of generic dispensing
- Educate members about ways to reduce the amount of money they spend on prescription drugs.

Solution

Catalyst Rx developed and implemented programs to encourage the use of OTC medications and generic drugs as well as an integrated member education program for all of its clients to help members understand what steps they could take to reduce the overall cost of prescription drugs to them and their employers. A variety of education tools were developed to disseminate this information including:

- OTC coupons, provided by pharmaceutical manufacturers, distributed through direct mailings and Web site postings for employees.
- CD-ROM video on how employees can reduce total out-of-pocket dollars spent on prescription drugs by choosing OTC drugs when appropriate;
- Scripts for 11 Catalyst Rx pharmacists across the United States to use at clients' open enrollment meetings and health fairs to discuss cost-saving strategies with employees;
- Quarterly Rx Update newsletter for benefits professionals and plan participants;
- Lunch-and-learn presentations on conditions and diseases linked to therapeutic drug classes with high-dollar agents including anti-biotic resistance, asthma, diabetes, obesity, sleep disorders, and smoking cessation.
- Data analysis of member utilization patterns was conducted to ensure coupons were distributed to members who would benefit the most from OTC coupons in the non-sedating antihistamine (NSH) and proton pump inhibitor (PPI) classes.

Impact and Results

Providing \$1 and \$3 coupons for OTC NSHs yielded an average savings of \$0.49 PMPM. Use of prescription NSHs decreased by 28% as compared to national utilization data. The savings for promoting OTC PPIs through a \$10 coupon ranged from \$0.60 to \$0.95 PMPM savings. The use of prescription PPIs has decreased by 15%. Catalyst Rx is committed to continued education for plan sponsors, members, and physicians to ensure key economic metrics remain below national averages.

Catalyst Rx offers its educational tools to all of its clients. Copies of the member video have been distributed to every client. The impact of drug utilization management coupled with intense educational strategies has kept the key metrics for drug expenditures of Catalyst Rx clients below national averages. Overall trend results are summarized in the

table. These results are for three-tier benefit plan designs with \$10 copayment for generics, \$20 for preferred brand-name drugs, and \$35 to \$40 for nonpreferred brands. All plans use the Catalyst Rx formulary.

Table: Trend Results for Education-focused Program

Metric	2002 to 2003 Increase
Per member per month (PMPM) cost	7.1%
Generic utilization	3.1%
Total cost per Rx	7.2%
Plan cost per Rx	6.0%

For more information about integrating OTC education into your drug benefit program, contact Amy Hagood, PharmD at ahagood@catalystrx.com.