



Taking Control of Specialty Pharmacy Spend Through Specialty PBM Carve-Out

**An Employer Case Study:
Six Month Update**

ARCHIMEDES™

Background

Landscape

For most employers today, managing the specialty pharmacy benefit has become an overwhelming and frustrating challenge. Employers want to provide groundbreaking therapies to enrollees who need them, but the pace of cost growth is simply not sustainable and threatens the financial viability of the entire health care benefit. Case in point, the average cost per person for specialty drugs exceeds that for hospitalizations¹. This case study reviews the experience of Wayne Farms, an employer who was able to take control of their specialty drug spend through a specialty PBM carve-out program.



Employer Overview

Wayne Farms is one of the largest poultry producers in the U.S. with annual sales exceeding \$2 billion. They own and operate facilities throughout the Southeast and provide prescription benefits for more than 12,000 employees and their dependents. With a specialty drug spend at \$30 per member per month (PMPM) in 2019, they began seeking a solution that could both reduce their costs and offer a positive member experience, tailored to the unique needs of patients taking specialty medications.

Specialty PBM Carve-Out

In August 2020, Wayne Farms implemented a specialty PBM carve-out solution with Archimedes. This program is based on an aligned business model in which 100% of all Archimedes' revenue comes directly from fees paid by the client and the specialty pharmacy network is independent of the PBM with no financial ties that could create conflicts of interest. The aligned business model is the foundation on which a value-based management program was implemented, including a coverage model based on lowest net cost, a robust prior authorization program, a copay assistance program, and a high cost case management program for specialty patients.

Methodology

This analysis evaluated Wayne Farms' specialty drug spend under pharmacy for the first six months following implementation of the program (August 2020–January 2021). The spend was compared to the following:

- 1) Actual plan spend for the same six months in the prior year (August 2019–January 2020)
- 2) Projected plan spend without the Archimedes program for the post-period year (August 2020–January 2021)

“The Archimedes implementation was the easiest of my career. They managed every aspect of the member experience with a very positive outcome”

Jeff Higgins, Director Compensation and Benefits, Wayne Farms

Results

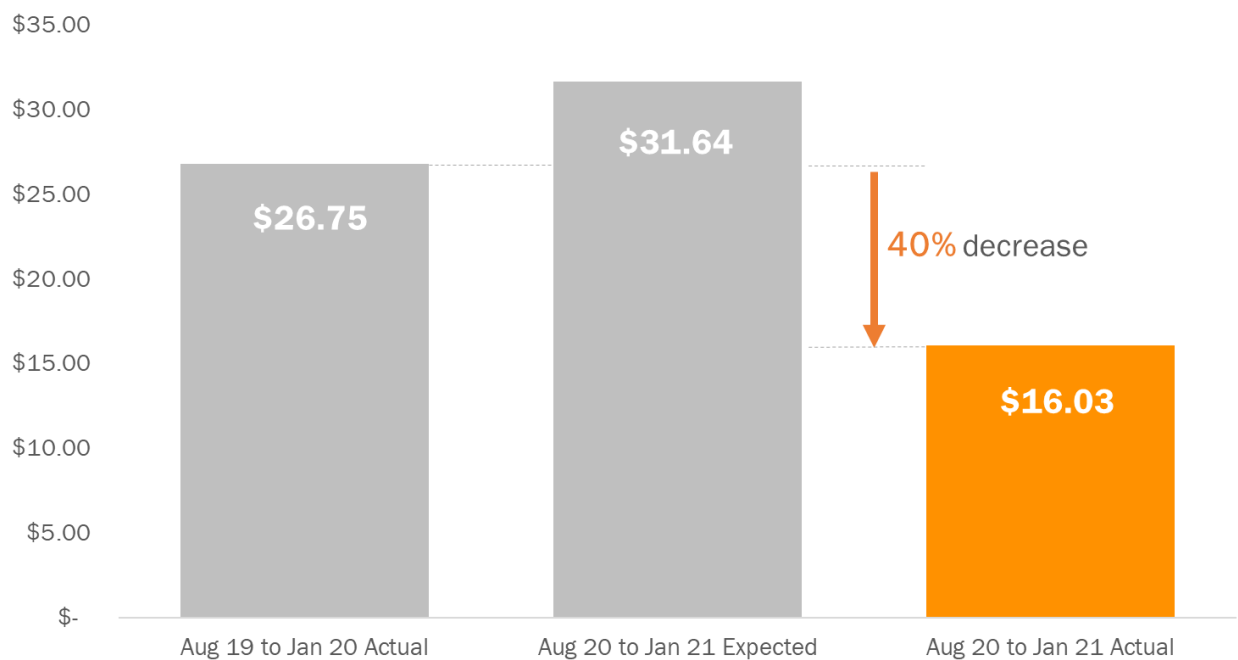
The program yielded a
40% YOY reduction in spend

Savings Overview

When comparing the first six months of the specialty carve-out program implementation with Archimedes to the same time period in the year prior, Wayne Farms' claims plan paid decreased from \$26.75 to \$16.03 PMPM, representing a 40% decrease in plan spend. When we look at the expected spend for the post-period without Archimedes' program, we find that actual spend was 46% lower than expected.

Net of post-period program fees, Wayne Farms experienced a 31% decrease in plan spend for the first six months compared to the same period the prior year.

Wayne Farms Specialty Spend (PMPM)



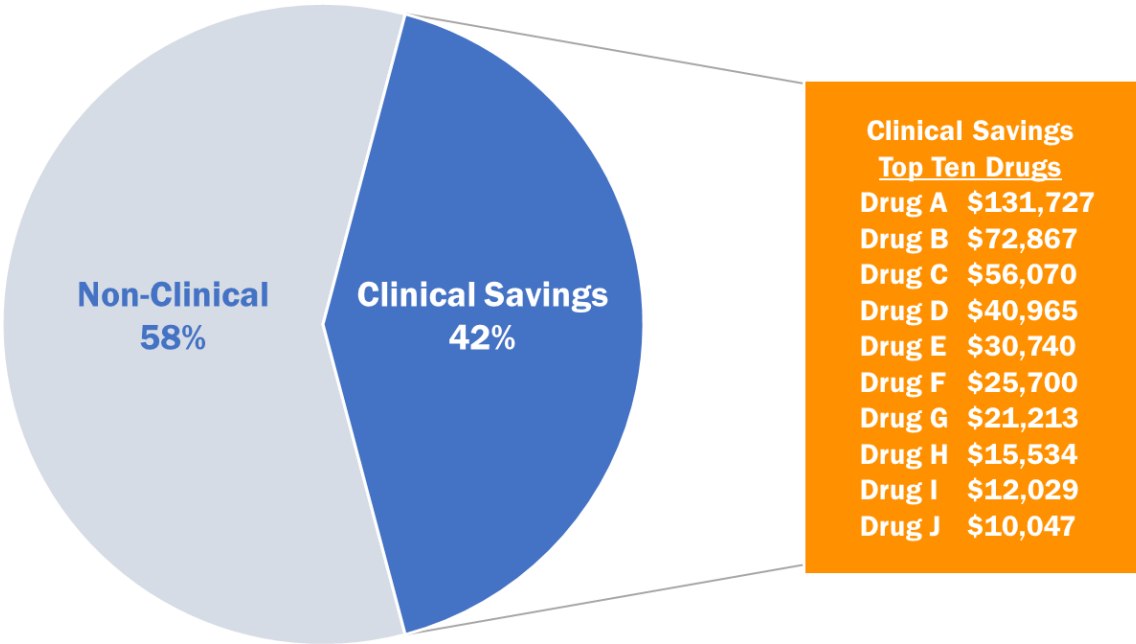
Wayne Farms' experience in the first six months closely mirrors the savings opportunity that Archimedes identified in the proposal stage. Pre-period fees were not available for this analysis, making net savings even greater. Future analyses will break out the drug mix and will include rebate savings dollars as the data becomes available.

When we compare key spend metrics across the two time periods, Wayne Farms' experienced a 46% reduction in average plan paid per rx with virtually no change in utilization.

	August 2019 to January 2020	August 2020 to January 2021
Average Allowed Amount per Rx	\$4,555	\$3,521
Average Plan Paid Per Rx	\$4,382	\$2,288
% of Members With Specialty Claim	1.1%	1.3%

Clinical interventions represent
more than 40% of savings

Savings Sources for Wayne Farms



Clinical Savings

Archimedes robust clinical programs contributed significant savings for Wayne Farms. In the first six months of the program, 47% of Prior Authorization requests resulted in a change in therapy or a denial, a figure that is well above the industry norms of 10% or less. These clinical interventions represent more than 40% of savings.

Also important to note, patients previously taking therapy were grandfathered, or allowed to continue treatment for 90 days upon implementation of the program. As such, the clinical savings, as a portion of spend, will continue to grow over time.

Member Experience

The high-touch approach offered by Archimedes’ program facilitated a smooth transition and positive member experience. Ninety-four percent of Wayne Farms’ specialty members successfully transitioned to the Archimedes program. Those who did not transition had already stopped treatment or did so after the Archimedes team conducted a peer-to-peer review with member’s physician.





Conclusion

For this employer, Archimedes' specialty PBM carve-out program yielded significant savings in the first six months with virtually no member disruption. Archimedes will continue to monitor the program success from both a clinical and financial outcomes perspective over the next six months.

Wayne Farms has expressed extreme satisfaction with the program. Given the success they are experiencing, they accelerated adoption of Archimedes' QALYiQ™ program as well as the management program for specialty drugs under the medical benefit.

“Implementing this program was one of the best decisions our team has made. The savings are exceeding projections and our members are extremely happy ”

Jeff Higgins, Director Compensation and Benefits, Wayne Farms

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References

1. Medical Expenditure Panel Survey for medical service data; Archimedes claims analysis for drug data. Specialty drug expenditures include both medical and pharmacy benefits.