Workers' Comp

How to Strategically Develop a Strong PBM Partnership

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3 MIN READ

Building a strong partnership with your pharmacy benefit manager is vital to creating better outcomes.

A business can take two main approaches to its relationship with its workers' compensation pharmacy benefit manager (PBM): as either a vendor or a partner.

How Does a Partner Differ from a Vendor?

Dictionary.com defines vendor as "a person or agency that sells" and partner as "a person who shares or is associated with another in some action or endeavor." Vendor relationships tend to be more transactional: a service or product exchanged for payment. A business partnership, on the other hand, is strategic and focuses on being mutually beneficial. If you consider your PBM to be a vendor, you are more likely to take the dollars and cents approach: how much are they charging for particular medications? What is their dispensing cost? How few out-of-network bills get through the PBM? A vendor relationship is a simple exchange, but it may not provide the biggest benefit to your business.

What Are the Benefits of a PBM Partnership?

Considering your PBM as a partner can provide many long-term opportunities to enhance your business beyond a simple vendor relationship. A PBM partnership takes a more comprehensive and cooperative approach to understand the company's unique needs, challenges and opportunities for improvement.

> The right strategic PBM partnership delivers much more than just the lowest cost prescriptions. This partnership should help you drive better results and deliver better outcomes the injured workers you serve.

When thinking strategically, a true PBM partnership is focused on better outcomes as a whole, not just on an individual transaction. For example, a proactive approach to management may include formulary exceptions on opioids and pre-ordered wheelchairs for an injured worker going into surgery. A holistic program may also include a risk monitoring to alert adjusters to monitor patient safety and ensure that the injured worker gets the

support they need before they have a more serious issue. Other partnership-focused PBM hallmarks include:

- Programs that monitor risk patterns
- Interventions that help drive better results
- Regulatory monitoring and support
- Ongoing analysis of your book of business to continually bring new offerings that will that not only help reduce cost, but improve health outcomes for injured workers

The more information you share with your PBM partner, and the more you take advantage of the programs they offer, the better they can serve you and the injured workers you serve.

Developing a PBM Partnership

When choosing a PBM, evaluate the PBM based on what they offer. A focus solely on cost can cause some of these equally important considerations to be overlooked. Understanding how your PBM operates and the services it offers beyond cost reduction is crucial in a PBM partnership and will allow you to integrate your services more effectively. Some questions to discuss with your PBM:

- What kind of unique or proprietary services do they provide?
- What kind of integration with other software and services to they offer?
- How in-depth are the programs over the lifecycle of the claim?
- What kind of clinical programs do they offer?
- How extensive is their network and how to they drive out-of-network capture?
- What are their formulary capabilities?
- How thorough and effective are their fraud, waste and abuse programs?
- How safe and secure is their data and technology?
- What kind of implementation support do they provide?
- What kind of account management and partnership will you receive?
- What are their regulatory support programs?
- Are they a thought leader in the space?
- What kind of investments are they making in their business? Are they a stable partner?
- Do they foster a culture of constant innovation and improvement?

As we addressed earlier, the right strategic PBM partnership delivers much more than just the lowest cost prescriptions. This partnership should help you drive better results and deliver better outcomes the injured workers you serve.



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