



Pharmacy Benefit Performance Audit

A Performance Audit of your Pharmacy Benefits Manager (PBM) will reveal if your self-funded plan is receiving the appropriate Average Wholesale Price (AWP) discount and rebate guarantees as stated in your PBM contract.

Self-funded plans put tremendous due diligence into reviewing and selecting the right PBM for their organizations. Don't let that effort go to waste by not receiving the discounts off Average Wholesale Price and the rebates that your PBM has guaranteed in your contract.

Until now, it has been difficult to know if your PBM has been delivering on contract terms. For example, it's not always easy to get data from your PBM, full PBM audits can be costly, and the contract terms may be confusing. Seneca Consulting Group has the solution.

A PBM Review will Reveal Discrepancies

Seneca Consulting Group offers a Pharmacy Benefit Performance Audit that will reveal any discrepancies between the terms in your contract and the performance of your PBM. The results of the audit are presented in clear narrative analysis as well as chart and graph form, and will recommend what course of action, if any, you should take with your PBM.

A Pharmacy Benefit Performance Audit includes the following:

- Analysis of the language of your PBM contract, pointing out any terms that may not be in your favor or may lead to higher costs.
- Analysis of effective discount off AWP, including conditions that may artificially inflate your perceived discounts.
- Pharmacy network performance analysis, showing discounts at the top pharmacies your members use.
- Cost analysis of specialty medications, revealing opportunities to save money.

Key Benefits

- Get the most from your investment and due diligence in selecting a PBM
- Discover if your PBM is meeting contract terms regarding discounts and rebates
- Identify contract language that is not your favor and should be changed
- Avoid the cost of a full PBM audit if it isn't needed

Seneca Consulting Group

Founded in 1994, Seneca Consulting Group, Inc. provides quality, cost-effective health benefits consultation to employer organizations, Third Party Administrators, unions and municipalities through clinical expertise, benefits design, and advanced technology systems.

As a client of Seneca Consulting Group, you will be able to better understand and manage the issues and risks related to medical and pharmacy claims costs. You will gain more control over pharmacy costs without compromising appropriate therapy for plan members.

Key Components of the Performance Audit

PBM Contract Review

Is there pricing or language in your PBM contract that does not benefit your plan? If so, Seneca Consulting Group will find it. We will review your existing agreement for how it presents effective discounts, zero-billed claims, and mail order pricing. These are all areas where discounts can be artificially inflated.

For example, if your plan has high co-pays, you may have a high number of zero-billed claims because the member covers the entire cost of a medication. Your PBM may have language in the contract that calculates zero-billed claims as 100% discount claims because your plan is not charged for the claim. This will artificially increase the average discount over time.

Effective Discount Analysis

The effective discount analysis determines the true discount off the AWP that your plan is achieving. It compares your actual discounts with the discounts and guarantees stated in your PBM contract. The report also identifies average dispensing fees, claims utilization, and claims costs.

The effective discount analysis is performed against Medispan or First DataBank, providing the AWP pricing for the date the medications were dispensed. The report also provides an estimate of potential damage settlements that may be worth seeking from your Pharmacy Benefits Manager.

Top Pharmacy Utilization

Included in your Pharmacy Benefit Performance Audit is a table identifying the top pharmacies your members used, ranked by the number of prescriptions dispensed. The Top Pharmacy Utilization report determines individual pharmacy compliance with your contract's discount terms.

The report segments utilization by pharmacy into generic and brand medications, with the effective discount off AWP calculated for each pharmacy. It is especially useful if you have a "pass-through" PBM contract, where you assume the risk when members use pharmacies with low discounts.

Please contact us at 631-577-4092.

Audit & Analytic Services

Claims Audit

- Duplicate claims
- No discount
- Eligibility
- Multiple procedures

Performance Audit

- Effective discount analysis
- Specialty drug analysis
- OTC opportunities
- Top 25 pharmacies
- Maintenance drug analysis

RFP Support

- Rx claims re-pricing
- Medical claims re-pricing
- Facility utilization
- Vendor analysis

