

Delivering Cost Management Solutions and Market Insights through RxOps

Connecting Pharmacy Operations with Business Practices

HM Insurance Group (HM) recognizes the positive impact that pharmacy review and collaboration can have on high-dollar claim outcomes. We've seen it in action. To better serve partners and clients through strategic assessments, insight on improved cost management practices and valuable educational opportunities, HM was one of the first Stop Loss/Specialty Reinsurance companies to introduce Pharmacy Operations (RxOps) to its business model.

Applying the Insight of Senior Pharmacists

HM has two on-staff PharmDs who watch the market – and our book of business – to better anticipate how current and future advancements may impact the financial risk levels of HM's client base. Their work includes reviewing, auditing and collaborating on the content of current policies, monitoring developments and trends and implementing appropriate cost-savings techniques. They review specialty medication claims to ensure FDA-approved use and to assess volume, frequency, costs and the potential for ongoing use. They also work to deliver educational materials on new gene and cell therapies and other high-cost specialty pharmaceutical treatment options so that partners and clients can gain a clearer understanding of what may contribute to financial risks and how that risk might be better managed.

"HM's pharmaceutical expertise is invaluable to our Stop Loss and Reinsurance options. As pharmaceuticals continue to grow as a percentage of health care costs and with the complexities associated with new drugs and therapies, the pharmacists on our team are critical to evaluating risk, understanding claims and providing best-in-class service and knowledge to our customers."

— Eric Berg, Senior Vice President,
Reinsurance, Partnerships & Operations

Focusing on Three Primary Areas

RxOps currently focuses on three primary areas: (1) risk assessment (2) cost containment and (3) education. Each area plays a significant role in identifying potential opportunities for clients interested in better managing their claims expenses without compromising care and helping to ensure that patients are receiving the right therapy at the right time and the right cost.

1. Risk Assessment

RxOps assesses risk at several different levels, including conducting an objective review that helps to determine the baseline impact of a medication regimen in the current plan year and projects that utilization into the next plan year. An enhanced assessment by RxOps enables discussions related to the stratification of the risks of certain members for high-cost gene and cellular therapies that are now (on average) \$2 million to \$3 million¹ for one-time infusions. When self-funded groups can gain a better understanding of potential costs, they can work with their brokers to help ensure they are properly protected by their Stop Loss plan.

2. Cost Containment

There is less angst about high-cost claims when the costs are predictable, but prediction is not always possible. However, a strong understanding of the block, its members and their current claims can help in understanding the potential use of various medications and treatment options. Clients benefit when standards of care and best practices are in place for their members. HM's pharmacists can discuss the predictability of a treatment regimen as well as share experience and knowledge of industry trends when medication costs, quantity, frequency or duration may not follow FDA-approved guidelines; this information can empower the plan administrator to engage in opportunities that may help to improve care and costs, leading to greater client satisfaction.

3. Education

The education provided by RxOps is focused on high-cost treatments like gene and cellular therapy and those related to hemophilia, oncology and rare disease states (i.e., mucopolysaccharidosis — all types, sickle cell disease, etc). Therapies associated with genetic disorders currently play a significant role in health care.

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It is important to identify clients with services that differentiate who is and who is not eligible for these therapies in order to share our knowledge and industry experience with our TPA partners. This can help to reduce the use of ineffective, high-cost therapies.

The RxOps team also works to provide useful resources that can enable our partners and clients to gain a greater understanding of industry trends and the new treatment options being anticipated or approved. To do so, we publish educational resources that focus on pharmaceutical developments, issues and challenges facing the market. Those resources, including Pharmacy Focus articles, a Quick Reference Guide and other cost containment resources, can be found on [hmig.com](https://www.hmig.com).

Working Together for Successful Outcomes

The pharmaceutical industry continues to keep everyone — carriers, brokers and employers alike — on their toes. HM's attentiveness to specialized pharmaceutical developments demonstrates the company's focus on working with our partners and clients to better manage the business challenges associated with high-cost claims now and into the future.

About HM's Pharmacists

Erin O'Mara, BS, PharmD, received a Bachelor of Science degree in Biochemistry from Allegheny College and a Bachelor of Science in Pharmaceutical Sciences and Doctor of Pharmacy with an area of concentration in research from the University of Pittsburgh. She has an extensive background in research, which started during her undergraduate studies at Allegheny College and continued with a focus on immunology during her time in pharmacy school. Her experience includes retail pharmacy, home infusion pharmacy and ambulatory care in an outpatient cardiac clinic in Pittsburgh.

Amanda Kunkle, PharmD, earned her Doctor of Pharmacy degree from Duquesne University in Pittsburgh. She has been a practicing pharmacist for more than 15 years. Her interest in the field began when working for her hometown independent pharmacy during high school. She has a long background in community pharmacy as well as specialty pharmacy, specializing in oncology. She has participated in many quality initiatives to improve specialty pharmacy practices.

About HM Insurance Group

HM Insurance Group (HM) works to protect businesses from the financial risk associated with health care costs. A recognized leader in Employer Stop Loss, the company delivers protection for a range of group sizes. HM also offers Managed Care Reinsurance, including Provider Excess Loss and Health Plan Reinsurance, as well as accident and health specialty reinsurance.

HM Life Insurance Company, HM Life Insurance Company of New York and Highmark Casualty Insurance Company are all rated "A" (Excellent) by AM Best Company.* Through its insurance companies, HM Insurance Group holds insurance licenses in 50 states and the District of Columbia and maintains sales offices across the country.

For more information, please contact HMParmacyServices@hmig.com.



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MX2983779 (R9/23)

*AM Best Company, September 2023

¹Drug costs are derived from HM Insurance Group client paid data and/or from information obtained through the Advanced Medical Strategies (AMS) PredictRx tool, August 2023.

Coverage is underwritten by HM Life Insurance Company, Pittsburgh, PA, in all states except New York under policy form series HMP-SL (08/19) or HMP-SL (06/20) or similar. In New York, coverage is underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HMP-SL (06/20) or similar. The coverage requested may not be available in all states and is subject to individual state approval.