

Case Study - Rebate Recovery Program Gets \$16 million for PBMs

Setup

- A mid-sized PBM was looking for an edge over their competitors and saw value in understanding whether their 340B rejected claims were correctly validated by the drug manufacturers. This PBM had limited tools to challenge drug manufacturer rejections.
- As a result, drug manufacturers had been rejecting a sizeable amount of rebate claims as 340B, reducing the PBM's rebate yields. RxParadigm was brought in to have a look at the rejections and help identify opportunities to reclaim eligible rebates. The PBM saw rebate recovery as a potential differentiator to maximize rebate returns for their plan and payer clients.

Outcome

- RxParadigm loaded 6 months of claim rejections into Tungsten+ PLUS. Within 4 days, RxParadigm identified 15% of the claims were not 340B, with evidence, and provided them to the PBM. Using the data provided, RxParadigm worked with the PBM to resubmit the claims in the following quarter and support communications with the drug manufacturers throughout the process.
- As a result, 80% of the rebate claims were recovered, totaling \$8.2 million. RxParadigm now provides this service on an ongoing basis to the health insurance company. We estimate that the PBM will be able to recover over \$16 million in rebates annually for their clients.

Customer Quote

“We think this service will help us retain more of our clients as our competitors do not have this capability yet. Thanks to you for a good outcome and our burgeoning partnership.”

**Vice President,
Rebate Operations**