

SRX Customer Profile

Multi-Regional Operator

Case Study

Details:

21 Facility Operator

Avg. 42 Facility-Billed Residents
(Medicare Pt A / Managed Care)

All information represents actual results though the operator name and associated identifying information is confidential.

Multi-Regional Operator Case Study*



21 Facility Operator
Avg. 42 Facility Billed Resident (Medicare Pt A / Managed Care)

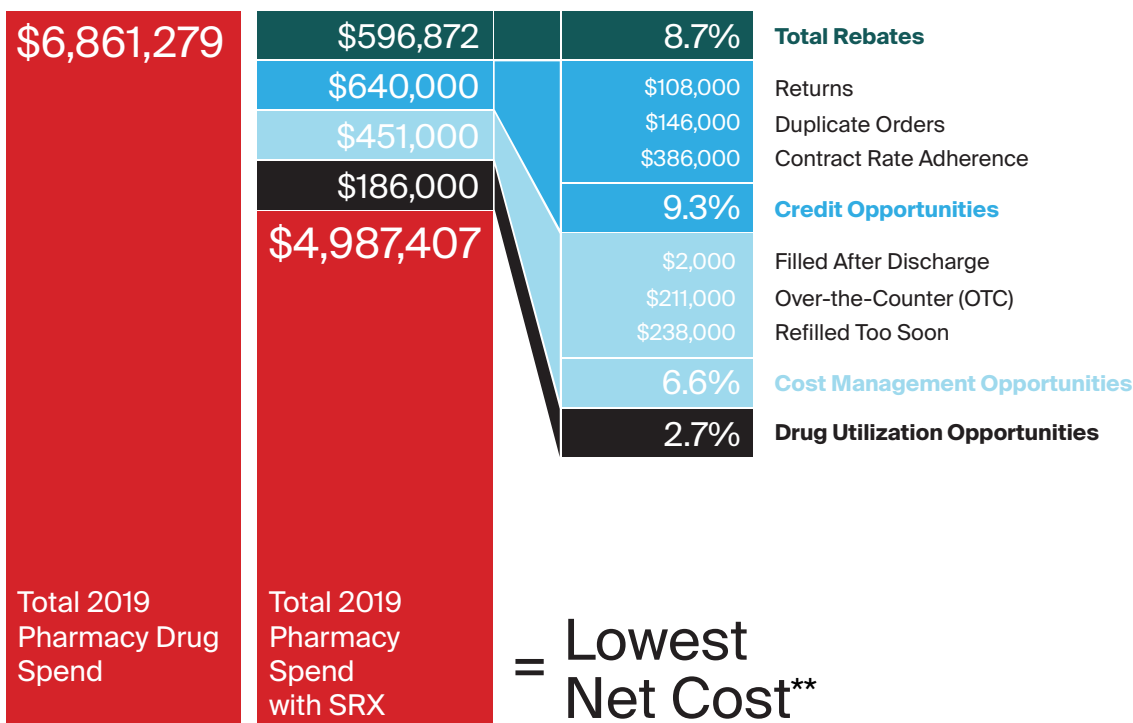
- o 2019 rebates increased 2x after contracting with SRX
- o 2020 rebates on track to increase an additional 25%+
- o Identified over 18% in additional cost management opportunities
- o Successfully helped client negotiate better terms on their pharmacy contracts
- o Developed custom, automated, real-time reporting & analytics

Operator transitioned all facilities to SRX for full suite of services including rebate administration, formulary, reconciliation and reporting. Real-time adjudication was implemented in many facilities for proactive drug utilization management and additional savings. Rebates and cost savings have improved significantly.

“Not only were our rebates significantly higher [when we switched to SRX], but the insight and resulting savings were both unexpected and unparalleled in my experience.”

– Operator CEO

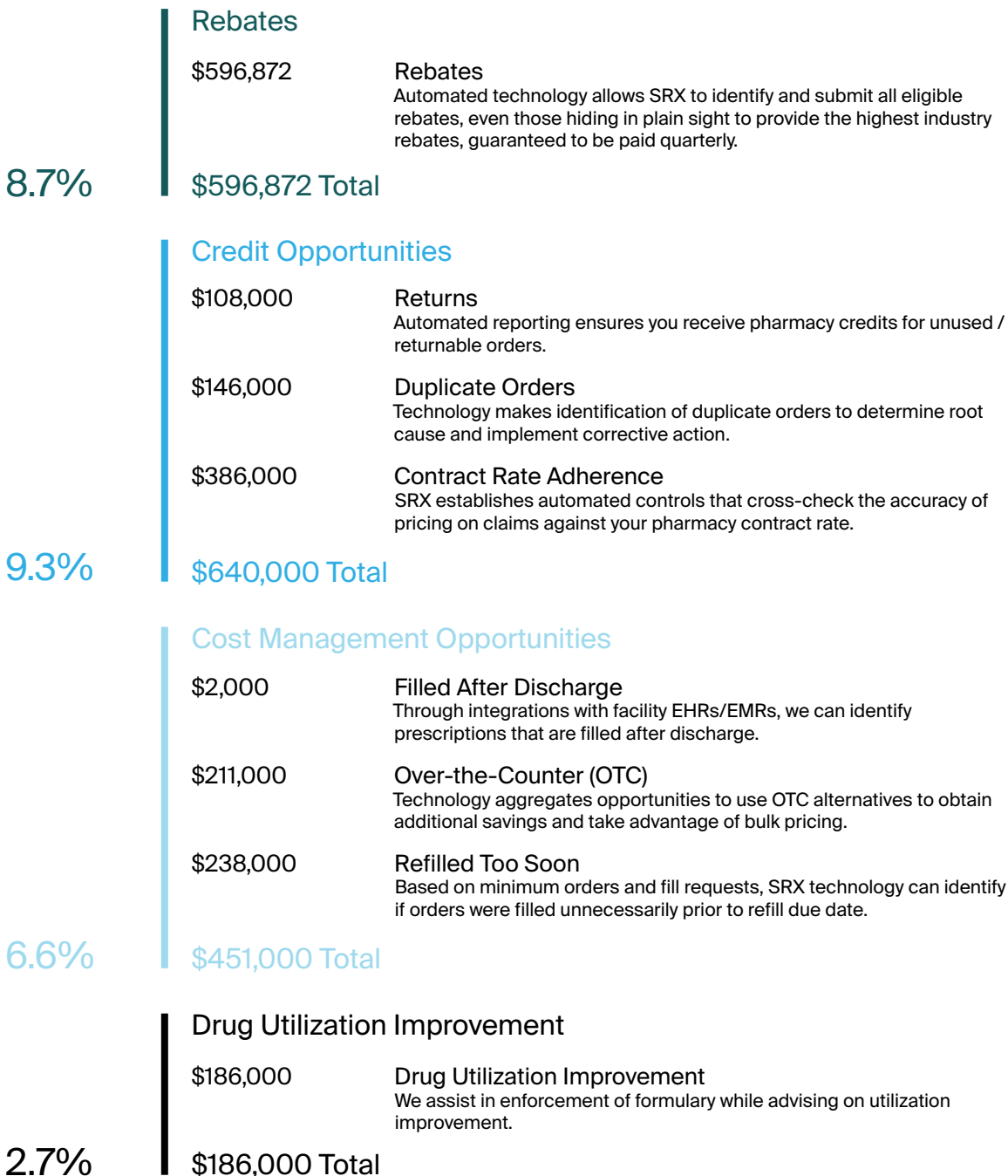
2019 Pharmacy Drug Spend



*All information represents actual results though the operator name and associated identifying information is confidential.
**Results vary based on number of facilities, patient Medicare populations, etc.

SRX technology closely examines each and every line item on a pharmacy invoice, providing greater insight and control into drug spend. By integrating with drug databases and EHRs, and building in cost and waste reduction parameters, SRX provides greater control over spending and helps operators realize the lowest net cost for medication. The following represents actual data and results from a valued customer.

\$6,861,279 Total Pharmacy Drug Spend 2019



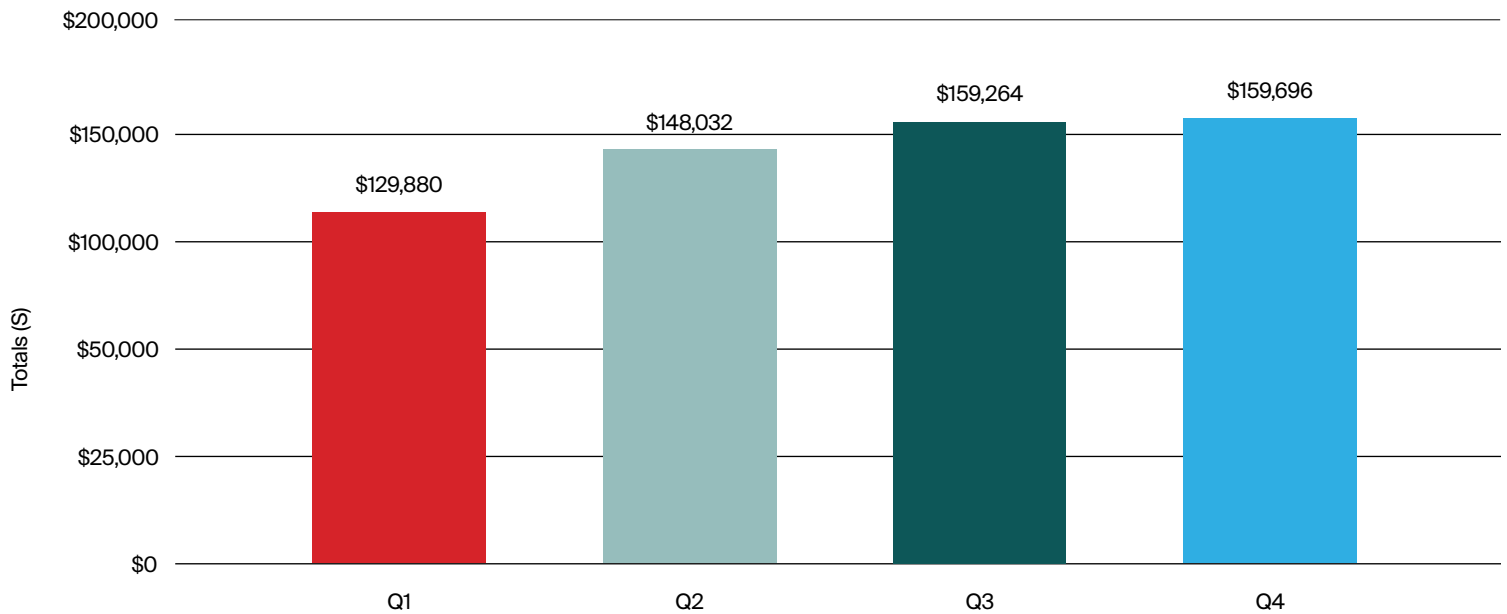
\$4,987,407 Lowest Net Cost on Pharmacy Spend

Rebates are a critical component of well-planned medication cost management efforts. SRX has significantly increased rebates for this customer through automation and expert analysis to ensure that every eligible medication is turned into a rebate--finding rebates that are often hiding from plain sight. When paired with a lowest net cost formulary, maximum savings are achieved. The results below show quarterly increases in rebate dollars, and in total represent an increase of 2x over what the operator was seeing prior to engaging with SRX.

2x Increase*

All Facilities – 2019

Summary



\$596,827

Total 2019 Rebates

8.7%

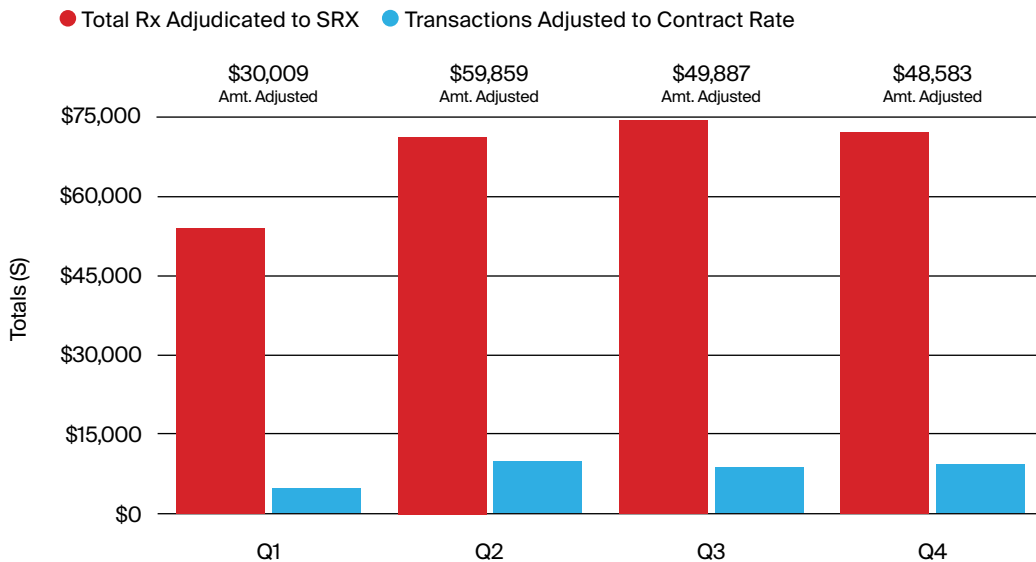
of Total Pharmacy Drug Spend

*After contracting with SRX (Q4 2018 to Q4 2019)

Contract Rate Adherence + Drug Utilization Improvement

SRX technology provides customers with automated tools that ensure pharmacy compliance with contract rules and pricing. This prevents price discrepancies and off-formulary medications from ending up on your bill. The following demonstrates the results achieved by adjudicating contract rates on the front-end of the pharmacy relationship, and potential savings that can be realized through drug utilization improvement.

2019 Contract Rate through Adjudication



Example

Pharmacy submitted a claim in the amount of **\$161.96**.

The established contract rate, however, was **\$114.61**.

Front-end adjudication prevents the overcharge of **\$47.35** from being billed.

Price Difference

Bill Rate	\$161.96
Contract Rate	\$114.61
Overcharge	\$47.35

Projected Drug Utilization Improvement Opportunities through Adjudication

2 Therapeutic Categories

Medication	Potential Annual Savings	
	Dollar Amount	Percentage
Rapid Acting Insulins	\$72,000	-25%
Select Inhalers	\$114,000	-52%
Total Potential Savings	\$186,000	

SRX can assist with drug utilization improvements that can be enforced through adjudication and reduce costs. The table shows significant savings opportunities that were identified and that can be enforced through front-end adjudication.

\$188,339

Total Contract Rate Adjudication*

\$186,000

Total Potential Savings from Drug Utilization Improvement

*Amount prevented from being billed by adjudication

Cost Management Tools

SRX reports help customers identify opportunities for cost management and reduction. In working with this customer, they identified a need for a daily spend report that included all total daily billings, claims, cost per claims, etc. After developing this custom report, we were able to build this into our reporting process in order to offer this same valuable information to all our customers.

Data-driven reports include:

- o Daily spend (below)
- o Split bills
- o Returns eligible
- o Refills too soon
- o Filled after discharge
- o Waste
- o Over-the-counter usage

“I have always followed and managed trends on a daily basis. The daily pharmacy report SRX created for us provides me with the information I need to maintain this hands-on approach to managing the pharmacy spend across all our facilities.”

– Operator CEO

Daily Spend Report

02/02/2020

Facility	Total Paid		Claims		Cost/Claim		Cost/Day
	Daily	Month-to-Date (MTD)	Daily	MTD	Daily	MTD	Avg MTD
F1	\$1,151.62	\$38,037.27	26	962	\$44.29	39.54	\$1,584.89
F2	\$529.18	\$34,576.49	36	1,685	\$14.70	20.52	\$1,440.69
F3	\$85.25	\$28,201.06	17	1,189	\$5.01	23.72	\$1,175.04
F4	\$1,073.36	\$17,964.97	31	525	\$34.62	34.22	\$748.54
F5	\$390.30	\$25,548.15	23	1,114	\$16.97	22.93	\$1,064.51
F6	\$825.73	\$1,031,390.22	60	1,536	\$13.76	671.48	\$42,974.59
F7	\$154.90	\$19,375.58	9	529	\$17.21	36.63	\$807.32
F8	\$214.79	\$23,665.60	6	804	\$35.80	29.43	\$986.07
F9	\$321.64	\$7,485.16	16	397	\$20.10	18.85	\$311.88
F10	\$836.02	\$19,653.87	21	539	\$39.81	36.46	\$818.91
F11	\$1,111.70	\$28,524.40	57	1,130	\$19.50	25.24	\$1,188.52
F12	\$542.39	\$30,693.55	11	1,030	\$49.31	29.80	\$1,278.90
F13	\$440.80	\$11,875.32	35	868	\$12.59	13.68	\$494.81
F14	\$1,465.79	\$32,477.89	42	1,660	\$34.90	19.56	\$1,353.25
F15	\$1,956.09	\$62,100.22	35	861	\$55.89	72.13	\$2,587.51
F16	\$1,333.54	\$24,641.16	49	1,089	\$27.22	22.63	\$1,026.72
Total	\$12,433.10	\$1,436,210.91	474	15,918	N/A	N/A	N/A

*Reports also show facilities with the highest amount of unrecouped credits and percentages of credited returns with 12-month averages.