PBM Saves Millions of Dollars Annually via Specialty Pharmacy Process Improvements & Shipping Optimization

AgileThought Successfully Takes on Roles of Advisor & Technical Partner with BPI Projects

Results

Millions of dollars saved annually

Three-month project turnaround

Development of system enhancements

System automation increase to 50% across multiple areas

Zero impact to operations and patient services

Solution

The world's largest pharmacy benefits management organization (PBM) hired AgileThought to assess their specialty pharmacy processes. AgileThought found a major cost saving potential in optimizing shipping methods. The PBM knew that they could save on shipping costs, but had been hesitant to pull the trigger on such a project as it involved enhancing their main ERP system, updating patient profiles, and impacted multiple processes. They required the right expertise to make systematic upgrades without affecting operations.

AgileThought, having extensive knowledge of specialty pharmacy processes, optimized shipping methods without impacting patients or operations, and saved the company millions of dollars in annual postage costs.

The Assessment

AgileThought was an established partner with a ten-year track record of discovering and enacting systematic changes to lower costs. A team was assembled to conduct a ten-week assessment of the customer's existing platform handling customer service, order processing, and fulfillment.

In an effort to position themselves for a digital transformation, the PBM was measuring their system costs, and wanted to find out:

1) What a transformation would mean from a cost-reduction perspective.

2) How much they could lower costs by adjusting existing environments.

The AgileThought assessment included the following criteria to recommend action:

- Reduce waste
- Increase automation
- Drive costs out of their ERP system

LOOKING AHEAD TO DIGITAL TRANSFORMATION

Increasing automation was a focal point of cost reduction. AgileThought, having been a trusted partner for over a decade, was able to nurture profitability and growth through process automation and system enhancements. The assessment also mapped a digital transformation path, showing how the PBM could optimize processes and technologies for a seamless transition

Determining the Most Impactful Projects

The assessment identified sixty projects that met the criteria for improvement. AgileThought worked with PBM business leaders to choose the five most impactful projects, focused on the fastest return, or where the lowest investment met the fastest return. The organization quickly greenlit the projects, and the assessment team switched gears to execute automation and business process improvement (BPI).

> The customer never had to figure out what to focus on to drive costs out of their system. AgileThought took care of everything from discovery to implementation, and measured cost savings with data.

Once the AgileThought team executed the projects, they used the same data to demonstrate improvements. As a result, system automation increased to 50% in multiple functions.

USING BUSINESS PROCESS IMPROVEMENT AS A ROADMAP FOR DIGITAL TRANSFORMATION

Automation is part of business process improvement (BPI). When considering a major system or tech upgrade, try BPI first. Avoid starting with an old application and a ten-step process that involves four systems. A revised application is focused with optimized processes and automation already built in, and has all steps in the same location.

Imagine now, bringing those systems together for a single purpose. A manager calls up any information

under a single category. With unified processes, companies end up with a clear path to transform their technology.

Your Digital Strong transformation partner should become familiar with systems and processes and go right to the data, offering an extra set of eyes to independently discover ways to improve.

Specialty Pharmacy Shipping Optimization

One of the most impactful projects was a postage cost reduction. The majority of specialty pharmacy medication is shipped via next-day-air or two-day ground. The medication, above all, must reach patients on time.

AgileThought, during the assessment, found that shipping providers like UPS and FedEx have next-day shipping with a savings qualification that was several dollars less than the default shipping method; a next-day morning arrival.

The team found that, while the medication would arrive later in the day, it still:

1) Met the commitment to patients

2) Would save millions of dollars per year

SOLUTION AT A GLANCE

AgileThought, through a business process assessment, found opportunities for the PBM to save millions of dollars annually by reducing shipping costs without switching carriers. The project involved:

- Upgrading the profiles of millions of patients

- Developing PBM ERP system enhancements

- Patient Care Advocate process improvements

Project Execution: Patient Profile Upgrades, System Enhancements, Process Improvement

The initial solution seemed simple at first; change all shipment defaults from next-day air to next-day air saver — which lowers the cost of postage by guaranteeing that the package will arrive at any time the next day, as opposed to a specific time — usually in the morning. The time of day would not affect medications dispensed, which is why the excess cost was unwarranted. The execution, however, required specific enhancements to the PBM ERP system, updates to all patient accounts, and insight into pharmacy processes to ensure operations would not be negatively impacted. AgileThought completed the project within three months, and the PBM did not have to switch carriers.

PATIENT PROFILE UPGRADES:

Patient profiles on the main ERP system had a default preferred shipping method attached to them. AgileThought found that profile preferences were overriding the opportunity to change the preferred shipping method.

In order to change the default shipping method from next-day to next-day saver, the team:

1) Identified the affected population — those who did not need their medication delivered at a specific time

2) Systematically updated patient profiles through database scripts

SYSTEM ENHANCEMENTS:

During the three-month turnaround, AgileThought developed enhancements within the ERP system so that it would select next-day air saver while patient care advocates (PCAs) were scheduling orders. In cases where patients did need their medication at a specific time (i.e. they forgot medication during a trip and needed it the next morning) the PCA would have the option of selecting a faster shipping method.

As part of the process, AgileThought ensured compliance with all pharmacy practice standards, making sure that system changes were not going to inadvertently impact any patients. The project was completed on time and the customer has saved millions of dollars per year on shipping.

Hold the Phone. Actually, Don't Hold the Phone...

Another project identified by the initial assessment involved customer service calls and order process improvements.

The ordering process required PCAs to access different kinds of information, which was separated within the application, itself, or in other systems. As they accessed the information, customers were often placed on hold. The PBM recognized an opportunity to provide better service, and spend less time filling more orders.

AgileThought designed a faster process. They consolidated steps and developed system enhancements to show necessary information on one screen. Due to the intuitive nature of the changes, additional training requirements were minimal.

Today, any information that representatives need for ordering is always at their fingertips. The PBM has reduced each call and handle time by approximately 10%.

Imagine, as a customer, getting a real person on the phone faster, and having your issue resolved in less time. Customers are willing to spend 13% more with companies they believe provide an excellent experience.

ORDER PROCESS SOLUTION AT A GLANCE

Speed: A faster ordering process, reducing call times by 10%

Reliability: More one-on-one customer service

AgileThought as Trusted Advisors

It's one thing to claim that you can help a company save money, it's an entirely different thing to predict that you can save them a million dollars, and come out the other side, demonstrating with data, that you've accomplished (or surpassed) it. As trusted advisors, AgileThought are not just developers and programmers. The team has pharmacy business process expertise, and walk the line between business consultant and IT partner.

The path to digital transformation involves a large investment and technology changes. AgileThought ensures customers are prepared to meet those changes by optimizing their current systems and processes so that, when they do upgrade, they know exactly what to expect without interrupting ongoing operations.

About AgileThought

AgileThought has become one of the fastest-growing success stories in healthcare digital transformation across the Americas. The Tampa, FL headquartered company designs, develops, and implements software and solutions, from advanced analytics and big data to omnichannel commerce and cloud services.

Contact:

Phone: 877.514.9180
info@AgileThought.com

www.AgileThought.com

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