EPIC
Insurance Brokers & Consultants

Stopping a High-Cost Specialty Claim Before it Becomes a Long-Term Drain

How proactive monitoring uncovered a PBM oversight and cut speciality spend in half for one drug.

Executive Summary

An employer with fewer than 2,500 covered lives relied on standard PBM reporting to monitor high-cost pharmacy activity. While utilization management edits were in place, a newly initiated specialty medication costing more than $20,000 per month went unnoticed by traditional reporting until it was identified by EPIC Pharmacy consultants on behalf of the client. Using Artemetrx, EPIC Pharmacy Solutions' comprehensive platform for drug cost management, the issue was found early, reviewed clinically, and corrected within weeks. The result was minimal disruption for the member, reimbursement to the plan for a PBM error, and an ongoing 50 percent reduction in monthly cost for the drug identified.

About the Organization

The client is an employer with a relatively small population size, making individual high-cost claims materially impactful to overall pharmacy spend. Like many employers of this size, the organization depended heavily on PBM oversight and standard reporting cadences to surface potential issues.

Unplanned High-Cost Specialty Drug Utilization

The client usually reviewed high-cost claims through traditional PBM reporting methods, raising questions months after issues appeared. Historically, once the PBM confirmed utilization management edits were in place, the review process stopped there. Deeper clinical or formulary validation did not typically occur.

On behalf of the client, our pharmacy benefit consultants identified a new specialty medication utilization exceeding $20,000 per month. This was done during proactive, routine monthly monitoring using EPIC's Pharmacy Solutions' proprietary data and analytics platform, Artemetrx. This utilization represented a new claim that had not been present in the prior six months and therefore carried elevated risk. Standard PBM reporting would have lagged, catching this at least a month later or, more likely, it only would have surfaced quarterly or semi-annually.

The core risk was clear. Without early intervention, the plan would continue paying for a high-cost specialty medication until it was uncovered much later by traditional PBM reporting.

Early Identification and Supporting Expertise

EPIC leveraged the Artemetrx New High-Cost Member report to identify members with claims in the selected month who had no claims in the previous six months, a clear red flag of outlier activity. The report allows configurable thresholds for determining outliers, ranging from as low as $250 to as high as $250,000.

Unlike PBM reporting, which often follows a fixed cadence, EPIC proactively reviews this data monthly. This enabled early flagging and immediate outreach to the PBM once the new specialty claim was identified.

Upon review, EPIC determined that the medication was excluded under the plan and that a generic alternative was available. The claim had been approved under the assertion of medical necessity. EPIC conducted a clinical review of the PBM documentation and found that the member could take the generic alternative. This information had been missed by the PBM during its review process.

Plan Reimbursed for PBM Reporting Error

EPIC worked directly with the PBM to correct the error. Changes were implemented in the weeks following, and the plan received reimbursement less than a month after the issue was identified.

The intervention delivered both financial and member experience benefits. EPIC provided clinical backing and documentation review to ensure the member had access to appropriate therapy without unnecessary disruption. Outreach was handled carefully, with direct guidance to support the transition.

From a financial perspective, the plan was reimbursed over $50,000 for the PBM error, and avoided ongoing overpayment of approximately $10,000 per month. Also, monthly costs for the medication dropped by about 50 percent once the generic alternative was implemented.

EPIC continues to support the client by using monthly high cost and new utilization reporting to identify emerging risks earlier. This process has shifted the organization from reactive questioning to proactive management, with EPIC acting as a clinical and analytical guide.

Why it Matters

For middle market employers, a single high-cost specialty claim can materially impact annual spend. This case illustrates the value of proactive, monthly monitoring paired with clinical review rather than reliance on delayed or high level PBM reporting alone.

~$10K
pharmacy savings per month

$50K+
reimbursed to the plan

If your organization relies solely on PBM reporting to identify high-cost claims, consider how earlier visibility and clinical validation could change your outcomes.

Proactive monitoring can mean the difference between asking questions after the fact and preventing avoidable spend altogether.