



AN EXPRESS SCRIPTS MARKET DEVELOPMENT REPORT

BUILDING A WINNING PHARMACY GO-TO-MARKET TEAM



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YOUR PHARMACY EXPERTISE IS NOT BEING CARRIED TO MARKET

Every health plan has an opportunity to improve their organizational structure. The inherent focus on medical and other ancillary benefits often leaves a gap in the pharmacy go-to-market team, which is either under-resourced, nonexistent, or not fully integrated with the organization. This limits their overall impact and leaves a significant upside opportunity if fully harmonized. For optimal results, you need a strategic, well-developed array of pharmacy sales resources, aligned to your objectives and integrated across your health plan.

While health plans who partner with Express Scripts are seeing increased growth and declining spend and trend, the market still hears statements like “Carving out gives more control. A standalone PBM is just better.” We know that’s not the case. Health plans provide the same level of pharmacy expertise and capabilities and offer additional value due to integration. The “standalone is better” perception persists because health plans are not optimizing their pharmacy teams and harmonizing them within the larger organization.

Whether you serve two million people or 20,000, **staffing the pharmacy go-to-market team with true expertise to ensure pharmacy is part of the broader market message and unique value proposition is critical.** You have a great story to tell, with evidence clearly showing an integrated medical and pharmacy benefit substantially reduces total cost of care and improves member health in comparison to a carve-out approach. It’s time to fully realize the potential of that story by dedicating focus to developing or refining your organization.



Last year, only 40% of plans said they had the pharmacy resources and support personnel they needed to meet their growth goals.¹

There are ultimately
three critical areas you
need to focus on to
reach your market
effectively

SALES
TEAM



FINANCE
TEAM



CROSS-
FUNCTIONAL
TEAMS



Let’s take a look at each area and how you can build teams that can clearly articulate your pharmacy value to the market.

SALES TEAM

Sales are the life-blood of any organization's growth. So, if the goal of your plan is to grow your pharmacy business, it's crucial to have a strong sales team in place.

To decrease costs and improve care, employers are putting heavy emphasis on pharmacy management. In fact, **companies with 5,000+ employees are 33% more likely to regularly speak with their pharmacy practice specialist and 11% more likely to look at their own data when making decisions about their pharmacy benefit.**² PBMs and coalitions have the time and the teams to sell their pharmacy capabilities every day. That's why your pharmacy expertise has to shine through during your entire sales strategy.

Having the right people in place to showcase your expertise and discuss pharmacy with current clients, perspective clients and brokers is critical to highlight your capabilities and get direct pharmacy feedback. Here's how the right staff can maximize your resources and your returns.



Your ideal pharmacy sales team

New Sales

- Focuses on carving in medical-only clients
- Builds relationships and discusses insights with medical-only clients

Broker

- Carries through critical messages on your pharmacy capabilities and the value of integration
- Leverages existing medical broker relationships
- Demonstrates the pharmacy value you bring to clients

Proposals

- Aligns RFP responses with the messaging from your broker relations and new sales teams
- Provides subject matter expertise and management of the proposal process
- Oversees, analyses and documents wins and losses from a pharmacy standpoint

Account Management/Retention

- Focuses on retaining existing integrated clients
- Nurtures relationships through regular touchpoints to discuss trends and insights
- Shares performance reports and presents new opportunities

If an entire team isn't possible for your plan, hiring a dedicated pharmacy sales executive is a great alternative. Responsibilities should be split among the necessary job areas with a heavy emphasis on broker relations and new sales. This is also an opportunity to identify internal talent who can develop into a pharmacy expert.



TIP: Funnel pharmacy knowledge and perspective into key areas of your organization. If you can't add or secure resources, this approach helps everyone learn more about your pharmacy plan and value proposition. At a minimum, your sales teams should have a 30-second pitch on your pharmacy capabilities and be comfortable discussing important and current pharmacy topics.

Building a team to tackle a challenge



Challenge

A Northeast regional health plan was losing Administrative Services Only (ASO) pharmacy lives each year.



Action

Created a robust pharmacy sales team including new sales, account management and broker relations.



Result

The plan secured its first pharmacy-only win and leveraged it to carve-in 15,000+ lives with medical.

FINANCE TEAM

Pharmacy accounts for approximately 1/5 of your health care spend. So, if your finance team doesn't understand pharmacy, it puts 20% of your plan's revenue at serious risk.

According to a survey of brokers, price is a top factor in determining where they direct their business. Combine that with the fact that pharmacy deals are extremely complex and completely different from medical, and you can see why having a dedicated pharmacy underwriter on your finance team is crucial.



Your ideal pharmacy finance role

- Prices every deal under a set strategy that includes contract terms
- Manages a database to track industry trends and ensure competitive pricing
- Aligns with pharmacy broker relations to develop individualized pricing approaches and outreach
- Leverages analytics to discuss data and trends impacting plan spend

Regardless of your plan's size, you need a financial perspective when it comes to pharmacy. If a fully-dedicated pharmacy underwriter isn't an option, consider hiring a pharmacy pricing liaison who works directly with finance. If that's not feasible, a medical underwriter can train to become your pharmacy expert.

Dedicated finance resources help you set a strategy that's consistent, comprehensive and can adapt to both market conditions and broker feedback. Finance plays an integral role in the proposal and bid process so you're better prepared to analyze pharmacy cases from a financial perspective and turn learnings from past losses into future wins.

Dedicated finance resources in action



Challenge

A Southeastern plan was struggling with pharmacy being viewed as a cost center instead of a profit center. They were losing deals on price even though they passed through wholesale rates.



Action

The plan worked with their Market Development team to develop a strategy and gain support from internal stakeholders; they hired a dedicated pharmacy underwriter who built out pharmacy-specific SOPs and a comp deal database; and they used market-based pricing and pharmacy pricing guarantees to ensure value.



Result

The plan's pharmacy department earned more than \$30 million in the first year because the plan was allowed to price more competitively in the marketplace.² This approach also prevented numerous carve-outs. The plan used part of their new revenue to hire an additional pharmacy-dedicated sales lead.



The true value of teamwork



Challenge

A large Northeast health plan couldn't articulate their pharmacy financial value prop. They were constantly told they were behind on pricing, which slowed their growth.



Action

There weren't resources to hire a dedicated pharmacy underwriter, so the plan made an existing medical finance director their pharmacy expert. This gave them pharmacy pricing expertise, helped implement market-based pricing and further educated its account executives around pharmacy.



Result

The success led to 10.6% growth in two years and paved the way for two additional underwriters to work on the team who focus on pharmacy.²

CROSS-FUNCTIONAL TEAMS

Highlighting the true value of your pharmacy offering takes partnership from across your plan. It's essential to involve proposals, marketing, legal and data and analytics, because PBMs and coalitions have pharmacy-only support in each area. An ideal team would have dedicated, full-time employees in each department that are completely connected with the pharmacy team to ensure an aligned, end-to-end strategy.



Your ideal cross-functional teams

Proposals

- Expertly enhances RFP responses
- Tailors messaging to your plan's strengths
- Ensures the best pharmacy and value of integration messaging
- Captures RFP responses and maintains a database for future use

Marketing

- Tells the pharmacy and integration story through sales and member collateral
- Assists with solutions selling, prospecting and finalist materials
- Generates commercial insights that can be deployed during prospecting and renewals

Legal

- Well-versed in the PBM reseller business and contracting climate of the pharmacy business
- Structures pharmacy-only contracting to align with market expectations
- Provides much-needed contractual protection around pricing guarantees

Data & Analytics

- Leverages your data to tell your story
- Breaks down the data and makes it meaningful and actionable for pharmacy clients
- Proves the value of integration with statistics and proof points
- Shows commercial insights that prove you offer the same value as carve-out options



TIP: Leverage your online pharmacy training series from our Market Development team. These interactive trainings cover the full spectrum of critical pharmacy knowledge for your plan.

Organizational change seems overwhelming, but it doesn't have to be. By making consistent, intentional and strategic changes, small steps will compound over time. Build your business case now and steadily enhance it by incorporating your wins and learnings. Health plans who fail to create a robust pharmacy go-to-market team in sync with the rest of their organization will be at competitive disadvantage. These changes are key to unlocking the power of your pharmacy offering and making your plan an industry and market leader.

References

1. 2019 survey of Express Scripts Elevate conference attendees.
2. Express Scripts book of business data.

Talk with your Express Scripts
Market Development Director
about how to expand or redistribute
your team to meet your pharmacy goals.



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