# Reversing Pharmacy Cost Growth for a **Multi-State Hospitality Employer**

## Story Overview

A large hospitality and restaurant management employer with roughly 4,200 eligible employees and operations across 31 states faced rising pharmacy costs, growing specialty drug spend, and a poor member service experience from its pharmacy benefit manager. With a dispersed workforce, nontraditional work hours, and bilingual service needs, the client needed a more effective pharmacy strategy for the 2025 plan year.

## Challenge

The client's pharmacy trend had become a meaningful cost and service issue. In addition to overall spend increases, specialty drug costs were climbing, and the existing PBM experience was not well suited to a hospitality workforce that needed support beyond standard business hours. The timing also mattered: the client was coming off a three-year PBM contract at a time when the pharmacy market was changing quickly, making the status quo both financially and operationally unattractive.

> Pharmacy strategy should be proactive—not tied to renewal timelines.

## IMA's Strategy and Actions

IMA's employee benefits and pharmacy consulting team acted to support the client by:

- Taking the PBM arrangement to market well ahead of renewal, beginning roughly nine months in advance to create room for evaluation, negotiation, and implementation.
- Running a full pharmacy market review across eight vendors, narrowing the field to three finalists, and helping the client compare options beyond headline pricing.
- Partnering with pharmacy consulting specialists to guide PBM analysis, pricing negotiations, and contract terms in a rapidly changing market.
- Recommending plan controls and formulary cleanup to remove higher-cost drugs that were not clinically preferred.
- Implementing a specialty pharmacy solution and strengthening prior authorization and service support to improve both cost management and the employee experience.

## Why It Worked

This engagement worked because IMA combined subject-matter expertise with disciplined change management. The team started early, communicated transparently throughout the process, and leaned on pharmacy specialists where deep technical knowledge mattered most. That approach helped the client make a significant change with confidence and achieve a smooth implementation rather than a disruptive one.

## Key Takeaways

This story demonstrates that IMA can help clients challenge pharmacy cost trends through proactive planning, expert-led market testing, and practical implementation support. Other teams can apply the same lessons here: start earlier than feels necessary, use specialist expertise where complexity is high, and keep looking for savings opportunities outside the traditional renewal cycle.

### THE RESULT:

For the 2025 plan year, the client's pharmacy spend decreased by 5.7% year over year, while rebate return increased 117.2%, representing a $846,000 increase over the prior PBM arrangement. The specialty pharmacy strategy alone delivered more than $100,000 in savings, and the client also saw a markedly better employee service experience through improved support channels.