

ESMEC Experiences First Year Success with Keenan Pharmacy Purchasing Coalition (KPPC)

February 7, 2018 – In 2016, the Eastern Shore of Maryland Education Coalition (ESMEC) Health Insurance Alliance, comprised of six school systems, contracted with the Keenan Pharmacy Purchasing Coalition (KPPC) to provide their employees prescription drug coverage. An independent audit of contract compliance, identified a savings of \$2.135 million dollars during the first nine months of participation.

According to Milton Nagel, ESMEC Health Insurance Alliance Chairman, “It is no longer cost-effective to bid pharmacy services along with medical coverage, which is our largest budget item. Keenan enables cost avoidance by providing new and innovative approaches and programs that keep costs down. They also employ an independent watchdog. Under KPPC, prescription claims are audited independently rather than in-house, which provides additional credibility.”

MABE partnered with Keenan Pharmacy Purchasing Coalition in 2014 to offer member school systems a new pharmacy benefits initiative that would provide much-needed fiscal relief from escalating prescription drug coverage.

Pharmacy expenses are a major driver of increasing health care costs. Between 2015 and 2020, annual drug expenditures are expected to increase over 40%. The Keenan Pharmacy Purchasing Coalition (KPPC) is an innovative pharmacy program that delivers cost savings and the most advanced prescription management capabilities for a school system’s employee benefit offering. KPPC allows them to take advantage of volume discount pricing and the most generous manufacturer rebates, while providing guaranteed improvement in drug cost management without changing your existing plan design.

Because school districts do not have to alter the design of current prescription plans to participate in this new program, KPPC’s savings are available to districts that are currently under contract with employee bargaining units. As total enrollment in KPPC reaches specified thresholds, all participating districts automatically receive reduced pricing.

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