

Responsible for a nine-figure drug spend for its member groups, a national coalition conducted a pharmacy claims audit to ensure its PBM was adhering to contract terms — and recovered \$5.5 million in misapplied pricing and claims.

The challenge

A national coalition and group purchasing organization, overseeing pharmacy benefits for more than 200 participating member groups and nearly \$800 million in annual drug costs, needed to make sure its pharmacy benefit manager (PBM) was following the rules set out in their contract.

With a duty to protect its member groups, the coalition wanted an independent, data-driven review to check pricing and spot any missed or out-of-cycle claims. The challenge wasn't just the size of the program, but the tricky details — like making sure brand and generic drugs were priced right, and exclusion rules were applied correctly over a five-quarter contract period.

Even small mistakes could mean big losses.

Our solution

Segal's Benefit Audit Solutions (BAS) team ran a thorough financial claims audit designed for the coalition's complex, multi-entity setup.

Leveraging deep experience in pharmacy audits, the team recalculated average wholesale price discounts, dispensing fees and rebate guarantees based on the contract's brand/generic rules, checked exclusion rules and evaluated how claims were measured and reconciled — including the extra quarter that can skew or miss claims.

The audit involved a 100 percent claims analysis and an iterative evidence exchange with the PBM, sharing samples and making sure everyone agreed on the methods and findings.

This independent approach — led by the BAS team, which has expertise in technical analysis and data validation — ensured that every dollar was accurately tracked and every contract term was fully honored.

The results

The PBM acknowledged the majority of errors and updated its financial guarantees based on Segal's review.

The audit documented misapplied brand/generic methodology and claims excluded without proper indicators, leading to a \$5.5 million settlement for the client.

Beyond the recovery, the coalition is initiating ongoing financial monitoring to keep savings and accountability on track. This work didn't just bring back lost money — it set a new standard for careful oversight and contract compliance in pharmacy benefits.

The coalition now has a clearer view of its pharmacy spend, stronger controls and a process for catching issues before they grow.

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