

MedTrak Contract Improvements

Contract Enhancements Beginning January 1, 2017



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Introducing new, improved MedTrak pricing

MedTrak, Wallstreet, and Vizient have partnered to provide best-in-class pricing to hospital and health care organizations.

Vizient has negotiated a new contract with MedTrak resulting in significant savings.

Contract improvements will provide savings beginning February 1, 2017 for a 3-year term.

What's new for 2017

- Administration fees have been reduced from \$2.50 per paid claim to \$0.50 per paid claim
- Discounts are improved and are now guaranteed
- Rebates are improved
- Dispensing fees are reduced to \$1.00 on 30-day retail claims, and reduced to \$0.00 on all 90-day retail claims

We anticipate average savings of 10-15% by moving to this contract effective February 1, 2017

Vizient-negotiated pricing yields significant savings.

Hospital Client A

	Current	Proposed
Ingredient Cost	\$278,367	\$254,015
Dispensing Fees	<u>\$5,769</u>	<u>\$3,373</u>
Prescription Expense Total	\$284,136	\$257,388
Administration Fees	\$9,614	\$0
Manufacturer Rebates	<u>\$30,030</u>	<u>\$33,475</u>
Net PBM Expense	\$263,720	\$223,913
<i>Proposed Annual Savings Over Current</i>		\$39,807

← 14.0% savings

MedTrak's new contract eliminates administration fees, increases discounts, lowers dispensing fees, and increases rebates.

Vizient-negotiated pricing yields significant savings.

Hospital Client B

	Current	Proposed
Ingredient Cost	\$223,932	\$204,338
Dispensing Fees	<u>\$3,501</u>	<u>\$2,577</u>
Prescription Expense Total	\$227,433	\$206,915
Administration Fees	\$7,731	\$0
Manufacturer Rebates	<u>\$7,893</u>	<u>\$8,820</u>
Net PBM Expense	\$219,540	\$198,095
<i>Proposed Annual Savings Over Current</i>		\$21,446

← 9.4% savings

MedTrak's new contract eliminates administration fees, increases discounts, lowers dispensing fees, and increases rebates.

Next Steps

New contracts is attached to this email.

Please review and sign by January 16th, 2017, and return via email to Cassie Laemmlli.

DRAFT

In order to take advantage of the new pricing, a new contract will be required.