



# *BCN Finance Update*

May 2010  
UOP, LLC  
Committee

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## **BCN Data Reveals Pharmacy Savings Opportunity For The 2010 Contract Year**

Dear Colleague:

In an effort to avoid a repeat of the \$3,748,481 deficit in the 2009 UOP- Blue Care Network Contract, we have examined the 2009 BCN financial data and have identified network savings opportunities in pharmacy expenditures.

Even though the BCN financial data clearly indicated that the most significant factor causing the 2009 deficit was a 44% increase in the cost per admission at Oakwood Healthcare System Hospitals from 2008 to 2009, reducing pharmacy expenditures is something we can directly address in order to improve our financial outcome in 2010. (As for the increased hospital costs, the UOP Contracts Committee has requested a meeting with William Isenstein, Oakwood's Vice President for Managed Care in order to request a hospital rate adjustment for UOP-BCN patients.)

The specific pharmacy savings opportunities are as follows:

- Tricor/Fenofibrate substitution – potential savings \$93,000
- Prevacid/Omeprazole substitution – potential savings \$142,00
- Effexor XR/Venlafaxine ER – potential savings \$54,555

Please be assured that we will continue to examine BCN financial data in order to maximize our 2010 performance.

Sincerely,

UOP Utilization Management Committee