



**Validation**Institute

# 2020 Validation Report

**Review for: EmpiRx Health**  
**Valid through July 2021**



# Company Profile

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<b>Category:</b>	Pharmacy Benefit Management
<b>Website:</b>	<a href="http://www.empirxhealth.com">http://www.empirxhealth.com</a>
<b>Public or Private:</b>	Private
<b>Year Established:</b>	2014
<b>CEO:</b>	Karthik Ganesh
<b>Company contact:</b>	info@empirxhealth.com



## Description:

**EmpiRx Health** is a healthcare company that provides a full suite of pharmacy benefit management (PBM) services and specializes in very effectively bending the pharmacy benefits cost curve. In an oversaturated PBM market dominated by some large Fortune 50 players, **EmpiRx Health** differentiates itself by being the only risk-bearing PBM with a highly innovative set of cost containment solutions. Leveraging a differentiated clinical strategy based on tailored population health management and deep physician engagement, EmpiRx Health offers guaranteed savings, a 24x7 white-glove service experience, and market-leading Rx benefit trend. The result is a 5-year old company with 250K+ members, 30% YOY membership growth and 98% client retention rate, with a stellar reputation for cost containment, clinical excellence and customer intimacy.

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# Claim Assertion for Validation

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**EmpiRx** manages pharmacy benefits and bears some of the risk for achieving cost savings. The EmpiRx program uses data from the health plan to find patients whose medication needs can be met at a lower cost. High-cost patients and chronic disease patients are reviewed. **EmpiRx**'s pharmacists then reach out to the prescriber to discuss the new medication approach, and to coordinate the change with the patient.

## Intervention link to outcome

- **State the outcome being measured**

Per member per month cost for pharmacy benefits, including rebates and the member's copayments will be lower with **EmpiRx**.

- **Detail the intervention**

**EmpiRx** uses claims data to identify patients whose medication can be optimized at a lower cost while maintaining or improving quality. **EmpiRx** staff then coordinates with the prescriber and patient to make the recommended changes. **EmpiRx** also takes responsibility for lowering the plan's pharmacy spending, by sharing in the risk.

- **Does the applicant discuss published literature or other credible source demonstrating correlation between intervention and outcome?**

In this case, the intervention is simply to shift patients to lower cost, equally effective drugs. Lower spending on drugs is the logical result. Literature is not required.

# Method / Calculation / Examples

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The analyst calculated the per member per month cost including rebates and the member's copayment for a nine-month period before **EmpiRx** program was implemented and a nine-month period after implementation. The plan covered 16,020 members.

## Data Source

- **Describe the data source**

The measure uses two data points: the number of member months and the pharmacy costs (including rebates and member co-pays). Member months come from the plan's eligibility system. The source of the pharmacy costs for the pre-EmpiRx vendor was not described. EmpiRx provided the pharmacy costs for the time period its program was offered.

- **Did the applicant have adequate data from a credible, reliable source?**

Yes, though we cannot verify that the pre-EmpiRx data was correctly queried and reflected.

- **How is the data source appropriate for the outcome being measured?**

The final cost – after rebates and setting aside the member's copayments – is what matters to the employer. The data reflected what is important to the purchaser.



## **Methodology**

- **Describe the evaluation methodology**

The analyst compared a pre-intervention period to a post-intervention period for the same group of plan members.

- **Did the applicant collect and manage data in accord with standard evaluation methodology?**

We do not know how the pre-intervention figures were gathered.

Generally, pharmacy benefit managers do not disclose their net costs after rebates. A description of this process would have strengthened the application.





# Findings & Validation

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The per member per month (PMPM) spending was \$90.08 from January through August of 2017 with the previous pharmacy benefit manager. For the period January through August 2018 under EmpiRx's program, the PMPM was \$71.33. For the nine-month periods, the client spent 21% less PMPM on pharmacy costs.





# Validation and Credibility Guarantee

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**EmpiRx Health** achieved level 3 validation for Metrics. Validation Institute is confident that **EmpiRx Health** performs as they state they are willing to provide up to a \$10,000 guarantee as part of their Credibility Guarantee Program\*.

## Level 1 - Savings

Can produce a reduction of health care spend including the cost of the provider. Product/solution has produced, and replicated a lower cost for healthcare overall or a specific component of healthcare

## Level 2 - Outcomes

Product/solution has measurably “moved the needle” on an outcome (risk, hba1c, events, employee retention, etc.) of importance.

## Level 3 - Metrics

Claim is made that – with sourced, overridable assumptions linked to peer-reviewed or government sources

## Level 4 - Contractual Integrity

No outcomes or savings has been shown, but vendor is willing to put a part of their fees “at risk” as a guarantee



# Limitations

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The application has parts of a description of a group of 6,000 members and a comparison of one baseline year to two post-implementation years. We could not find this group in the Success Stories attachment. The application mentions that catastrophic claimants had been removed from the baseline year, and included in the two post-implementation years; but since we could not find the group in the Success Stories, we also do not know how catastrophic claimants were handled in the groups that were shown. Ideally, it would be the same for all groups; we did not make that assumption, however.

Besides, the pre- and post-MPPM figures were based upon nine months; generally, twelve months would be preferred for calculating savings. However, the two nine-month periods were properly compared, as they covered that same months of the year.



**Validation Expiration: July 2021**

# CERTIFICATE OF VALIDATION

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**Applicant:**

**EmpiRx Health**

155 Chestnut Ridge Rd  
Montvale, NJ 07645

**Product:**

EmpiRX PBM Solution

**Claim:**

EmpiRx uses claims data to identify patients whose medication can be optimized at a lower cost while maintaining or improving quality

**Validation Achieved:**

**Level 3 - Validated for Metrics**

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**Linda K. Riddell, MS**  
**VP, Population Health Scientist**  
**Validation Institute**

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**Benny DiCecca**  
**Chief Executive Officer**  
**Validation Institute**



# About Validation Institute

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**Validation Institute** is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of healthcare.

To strengthen our offering and provide additional credibility around our service, the **Validation Institute** recently announced a Credibility Guarantee\* that offers customers of validated solution providers up to a \$25,000 guarantee. This guarantee confirms that a validated solution provider will, achieve what the validation language on a marketing claim says it will achieve.