International Sourcing: How to Stop the Specialty Spiral

Toledo Manufacturer

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The Challenge

The Specialty Drug Death Spiral

A Toledo manufacturer had a self-funded plan that worked for years, until specialty drug costs became a runaway expense. Just eight members were driving $4 out of every $5 spent on meds. This created a death spiral: as claims spiked, the stop-loss carrier hit them with lasers, making it almost impossible to cover the sickest people. The company was left paying million-dollar claims out of pocket, which made it impossible to reinvest in the business.

The Strategy

Stability Over Shortcuts

A cheaper quote wasn't the fix. We needed to move the company into a stable market position. By auditing pharmacy claims and transitioning to a transparent, fiduciary model, we used International Sourcing to buy the same specialty drugs for a fraction of the price. We updated the plan, but we made it perform with precision by mitigating the risk the employer owned.

The Mechanics

What We Did

International Sourcing

We re-engineered the pharmacy path to get expensive specialty meds through lower-cost international channels without cutting care.

Risk Elimination

We used our sourcing strategy as leverage to force the stop-loss carrier to remove the lasers. This shifted the catastrophic risk off the company's bottom line.

White-Glove Concierge

We set up a concierge team to handle the specialty prescriptions automatically. It took the administrative weight off the client and made the process seamless for the employees.

Health Insurance Services inc.

The Result

Turning Risk into a Predictable Asset

86% Specialty Spend Reduction

We extracted the waste from the plan in the first year.

$2,000 PEPY Savings

This put cash back into the company's budget immediately.

$0 Member Copay

The employees driving the highest costs now have zero out-of-pocket expense for their life-saving meds.

Risk Shielding

We stopped the cycle of aggressive shock claims by building a system that protects the employer.

The Bottom Line

Specialty drug costs were pushing this plan into a death spiral that most brokers don't know how to stop. We broke that cycle by taking the administrative weight off the client and reengineering the pharmacy path. Their plan now protects the business with a $0 copay that makes the internal team look like heroes to their employees.