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## TAMPA BAY Business Journal

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# PBMs grow by cutting employers' paperwork

Tampa Bay Business Journal - by [Margie Manning](#) Senior Staff Writer

The first of what will eventually be 700 workers are on the job at **WellDyneRx Inc.**'s new facility in Lakeland.

WellDyne — a pharmacy benefit management company that administers drug benefit programs, processes claims and operates a mail-order pharmacy — opened the \$20 million, 66,000-square-foot operation in March. It will provide 100 jobs by the end of this year and another 578 jobs through the end of 2010.

It is one of two mail-order facilities for WellDyne, which fills more than 35 million prescriptions a year.

The company, headquartered in suburban Denver, needed an East Coast location, and Damien Lamendola, owner, president and CEO, liked Lakeland's accessibility to major airports in Tampa and Orlando as well as the quality of workers in the area.

Lamendola expects to work with **University of South Florida** in both Tampa and Lakeland on pharmacogenomics, or the combination of genetic analysis and drug development. Using genes to identify which drugs will work best for individuals will reduce adverse side effects and cut health care spending, he said.

### Eliminating paper

WellDyne relies heavily on automation and has a robotic system that allows greater flexibility in developing programs to meet customer needs. The privately owned company, which competes in the small self-funded employer market and also works with third-party administrators, can offer lower prices and margins than its publicly traded competitors and puts a high priority on services, Lamendola said.

Streamlining operations for clients is key for **Matrix Healthcare Services Inc.**, a PBM in Tampa that uses myMatrixx as a brand name. Matrix concentrates on niche markets, mostly workers' compensation and auto insurers, said Steven MacDonald, CEO.

"Instead of the [payer's] operation getting a lot of individual charges on pieces of paper billed directly from the pharmacy, we compile it all into electronic data and submit it to insurance companies, so they pay it all in one check," MacDonald said. "If a company spends \$1 million a year on pharmacy, they eliminate processing 15,000 pieces of paper by going through a PBM."

Health plans and their members save money by using PBMs, because PBMs have systems, programs, procedures and personnel with specific expertise in the management of pharmacy benefits, said Lowell Sterler, VP of pharmacy programs for **Blue Cross and Blue Shield of Florida**. "By partnering with a PBM, the health plan does not need to replicate all of these pharmacy specific services and maintain all of these resources themselves," Sterler said.

Blue Cross and Blue Shield of Florida is one of several Blues plans nationwide in agreements with Prime Therapeutics LLC, a PBM headquartered in St. Paul, Minn. The Blues have equity stakes in Prime Therapeutics and also use its management services. Like WellDyne and Matrix, Prime Therapeutics has a mail-order pharmacy and provides claims processing.

### Aging boomers

Although the economic downturn and rising unemployment has cut workers' comp claims because fewer people are working, MacDonald said the impact has been small and the company historically has grown at 40 percent to 50 percent a year.

WellDyne also is growing and expects more demand as baby boomers reach their 60s, when the use of medications increases, Lamendola said.

However, the last vestige of what was at one time one of the larger PBMs in the United States, **Eckerd Health Services**, operated by the former **Eckerd Corp.**, disappeared from the Tampa Bay area earlier this year, when **CVS Caremark Corp.** (NYSE: CVS) closed its operations in Largo on March 31, leaving 230 people without jobs. The mail service facility closed due to integration activities related to the 2007 merger of **CVS Corp** and Caremark Rx Inc.

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KATHLEEN CABBLE  
 Chuck Gall, customer service rep, speaks with Steven MacDonald, CEO of Matrix Healthcare Services.

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