



**SAINT LOUIS COUNTY SAVES MILLIONS BY PRIVATIZING PHARMACY SERVICES**  
***Study Shows Cost Savings Along with Increased Patient Convenience***

ST. LOUIS (Nov. 27, 2007) – [LDI Integrated Pharmacy Services](#) saved the [Saint Louis County Department of Health](#) more than \$1.5 million in pharmacy expenditures in 2006, says a recently released study conducted by David Stokes of the [Show-Me Institute](#), a non-partisan policy think tank.

According to Stokes' 2007 [case study](#), "Saint Louis County, Drugs, and Competitive Bidding: A Privatization Success Story," the rising costs of managing the county's three health clinics led to a decision to partner with a private company to manage pharmacy services starting in 2003. LDI won the contract for 2006, resulting in:

- A \$1.5 million reduction in pharmacy expenditures – a 28 percent decrease in costs from 2005, and the largest one-year reduction since the Department of Health privatized its pharmacy system in 2003.

In addition, LDI has also provided:

- A more comprehensive prescription order system that combines phone, mail and online capabilities; and
- A prescription plan that is accepted at more pharmacies than prior service providers.

"This has been a very successful partnership. In addition to a significant cost reduction, working with LDI has also resulted in improved convenience and increased accessibility for clinic patients," said Dr. Dolores J. Gunn, director, Saint Louis County Department of Health

"LDI was founded by pharmacists and continues to be guided by pharmacists. Therefore, we know the importance and long-term benefits of providing high-quality service for plan members, while also managing costs for the companies and organizations we serve," said Leonard S. Dino Jr., Pharm. D., CEO of LDI Integrated Pharmacy Services.

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David Stokes, author of the study and policy analyst for the Show-Me Institute, hopes this model will serve as an example for other county and state governments.

“Careful study of the county’s pharmacy system demonstrated unequivocally the benefits of the move to privatization. This decision has benefited all involved parties – the county government, patients of the health clinics and taxpayers.”

From 2002 to end-of-year 2006, the county saw an overall 34 percent decrease in pharmacy costs. Before privatization, the county consistently spent much more than it had budgeted each year on pharmacy services. Since 2003, though, the county has spent less than it budgeted every year, even as those budgeted amounts continue to decrease in response to the significant cost savings. The county’s contract with LDI was renewed for 2007, but new cost savings data is not yet available.

#### **About LDI Integrated Pharmacy Services**

Founded by pharmacists in 1967, LDI Integrated Pharmacy Services provides a comprehensive portfolio of prescription plan services to help self-insured organizations and companies, health maintenance organizations (HMOs), and indemnity insurers manage their health care costs. These services include risk management, specialty pharmacy, generic drug education, migration programs, step-therapy and formulary design.

In addition, through its online Health Envelope program, LDI provides easy-to-access plan information, education and wellness programs to increase the health and well-being of prescription plan members. For more information, please visit <http://www.ldirx.com/>.

#### **About Show-Me Institute**

The Show-Me Institute is a non-profit, non-partisan think tank based in Missouri. The Institute’s scholars study public policy problems and develop proposals to increase economic opportunity for ordinary Missourians. It then promotes those solutions by publishing studies, briefing papers and other educational materials, which help policymakers, the media and the general public gain a better understanding of the issues. To access the full case study, please visit [www.showmeinstitute.org](http://www.showmeinstitute.org).

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