

## Q&A with Alex Schmelzer, Founder and CEO of Mesa Rx Innovations a Pharmaceutical Cost-Savings Consultancy and Proprietary Software Solution helping Self-Insured Employers Eliminate Unnecessary Drug Spending



Alex Schmelzer  
Founder & Chief Executive Officer

Mesa Rx Innovations  
[www.mesarxinnovations.com](http://www.mesarxinnovations.com)

Contact:  
Alex Schmelzer  
212.935.6698  
[alexs@mesarxinnovations.com](mailto:alexs@mesarxinnovations.com)

Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine

**CEOCFO:** *Mr. Schmelzer, would you tell us about MesaRx?*

**Mr. Schmelzer:** MesaRx is a pharmaceutical cost-savings consultancy that offers an innovative proprietary software solution to help self-insured employers face the financial pressure of rising drug costs. We identify cost savings by analyzing employer pharmacy claims data and we leverage our industry knowledge and expertise to eliminate unnecessary drug spending. We make sure self-insured employers are not paying more than necessary for medications their employees need.

**CEOCFO:** *Would you work with a self-insured organization on an ongoing basis?*

**Mr. Schmelzer:** The first thing we would do is we would ask the self-insured employer for their pharmacy claims data, which is every single claim that the client has used over the last year. We would run the comprehensive data through our software algorithm and it would come up with various ways that the employer can save money.

**CEOCFO:** *Would you give us a couple examples of what you pick up that might be missed by others?*

**Mr. Schmelzer:** Some of the cost-savings opportunities include, the use of generic substitution over branded drugs and the removal of expensive prescription drugs that are available Over-the-Counter for less. We will also make changes to an employer's formulary and help the employer change their rebate structure. For example, many employers will pay hundreds of dollars per claim for prescription Nexium, which is used to treat acid reflux. Nexium can be purchased for about \$30 on Amazon, CVS or Walgreen's, and is about 80% cheaper. We will suggest removing prescription Nexium from the formulary and we will suggest the employees purchase Nexium Over-the-Counter for much less. There is a drug called Diclegis®, which is a combination of an antihistamine and Vitamin B6, and these are both available for less at your local drug store. Generic drugs are cheaper than branded drugs and employers hire pharmacy benefit managers to offer them the best possible benefit plan, at the lowest possible cost. Unfortunately, the economic interests of the pharmacy benefit manager often does not align with the economic interests of the employer. Often a pharmacy benefit manager will generate more profit the more an employer spends on drugs. They will not always provide transparency to the employer, leaving them operating in the dark. Many self-insured employers today are spending millions of dollars on drugs and they need to find ways to generate savings.

**CEOCFO:** *Do you find it a concern that employees will not be happy with generics or does the savings just trump that consideration?*

**Mr. Schmelzer:** Yes, I do find employers that are very concerned that employees will push back if employees are told to use generic drugs. I firmly believe if a pharmacy benefit manager gave a complete drug list to the employer and an

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