



Employer Perspectives on Prescription Drug Management

New Research on What's Working, What Needs Fixing

October 31, 2017



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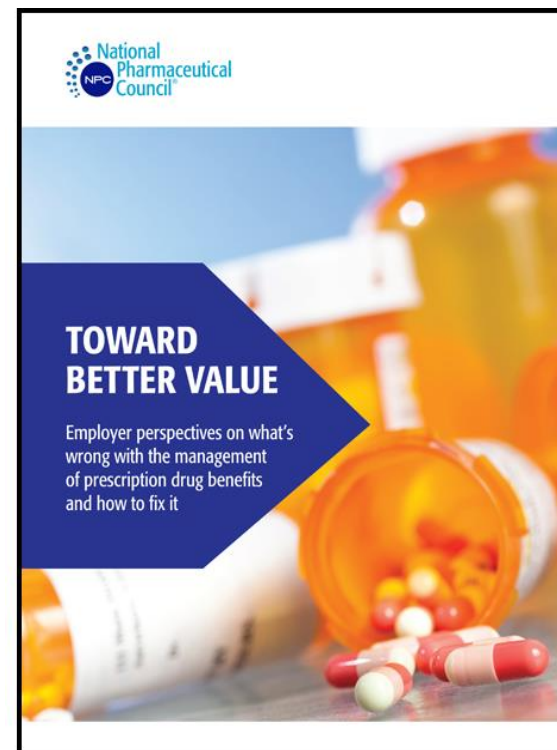
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Today's webinar is being co-sponsored
by the National Pharmaceutical Council



Today's Discussion

- Introductions
- Survey: Background and Methodology
- Research Results
 - Participant Profile
 - Employers Value PBM and SPM Functions
 - Concerns about Management of Prescription Benefits
 - Three Key Issues at the Root of Employer Concerns
 - Need For/Gaps In Strong Consulting Support
 - Toward Better Value
 - Key Points Summary
- Educating and Equipping Employer Stakeholders
- Q&A



Today's Speaker & Panelists

Chuck Reynolds

*Benfield, a Division of Gallagher
Benefit Services, Inc.*
Consultant



Reactor Panel:



Lauren Vela
Senior Director, Member
Value, Pacific Business
Group on Health

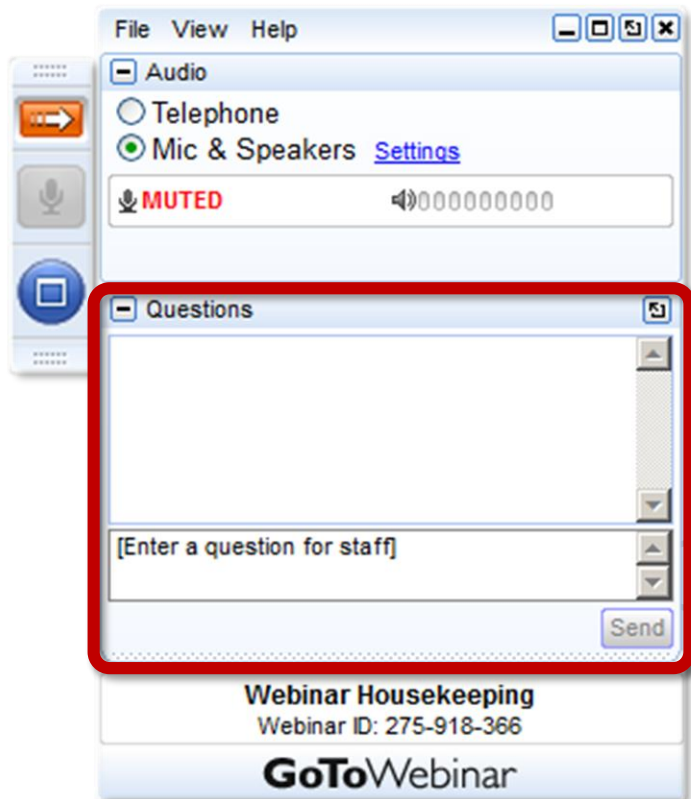


Cheryl Larson
Vice President, Midwest
Business Group on Health



Linda Davis
Consultant, Minnesota
Health Action Group

How to Ask a Question



To Submit Questions

Submit questions and comments via the Questions section in the Control Panel

We will get to as many as questions as time allows



2017 Survey on Employer Perspectives Prescription Drug Management *Background and Methodology*

Research Context

How Can Employers Become More Engaged and Move Toward Better Value?

- Prevailing approach perceived as overly complex and opaque, setting up perverse incentives that work against health care value goals
- Understanding of employer engagement is limited
 - Experiences and satisfaction?
 - Perspectives on the PBM model?
 - Priority objectives?
 - Ideas for improvement?

Research Goal

Assess employer experiences and perspectives to inform a constructive conversation among employer stakeholders about how to move toward a more value-focused approach to pharmacy benefit management

Methodology

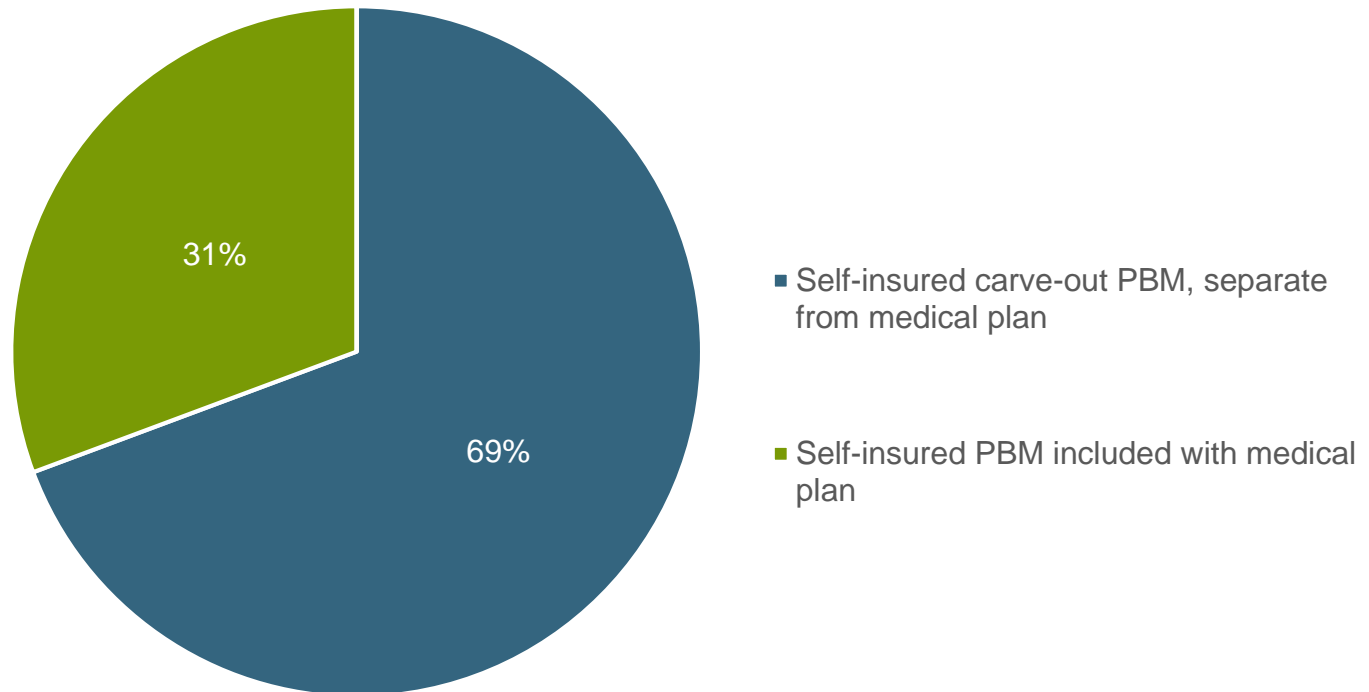
1. Interviews with Subject Matter Experts
 - Purpose: To gather background information and guide content of the survey
 - The eight interviewees included: Employers, pharmacists, and consultants
2. Employer Survey
 - 88 U.S. employers with 5,000 or more employees participated
 - Participants represented multiple industries and states
3. Follow Up Interviews
 - Purpose: Provide context to the survey findings
 - Eight interviews, based on survey responses
4. Analysis
5. Market Education/Dissemination

Research Results

Participant Profile

The majority of respondents (69%) use a self-insured carve-out PBM that is separate from the medical plan.

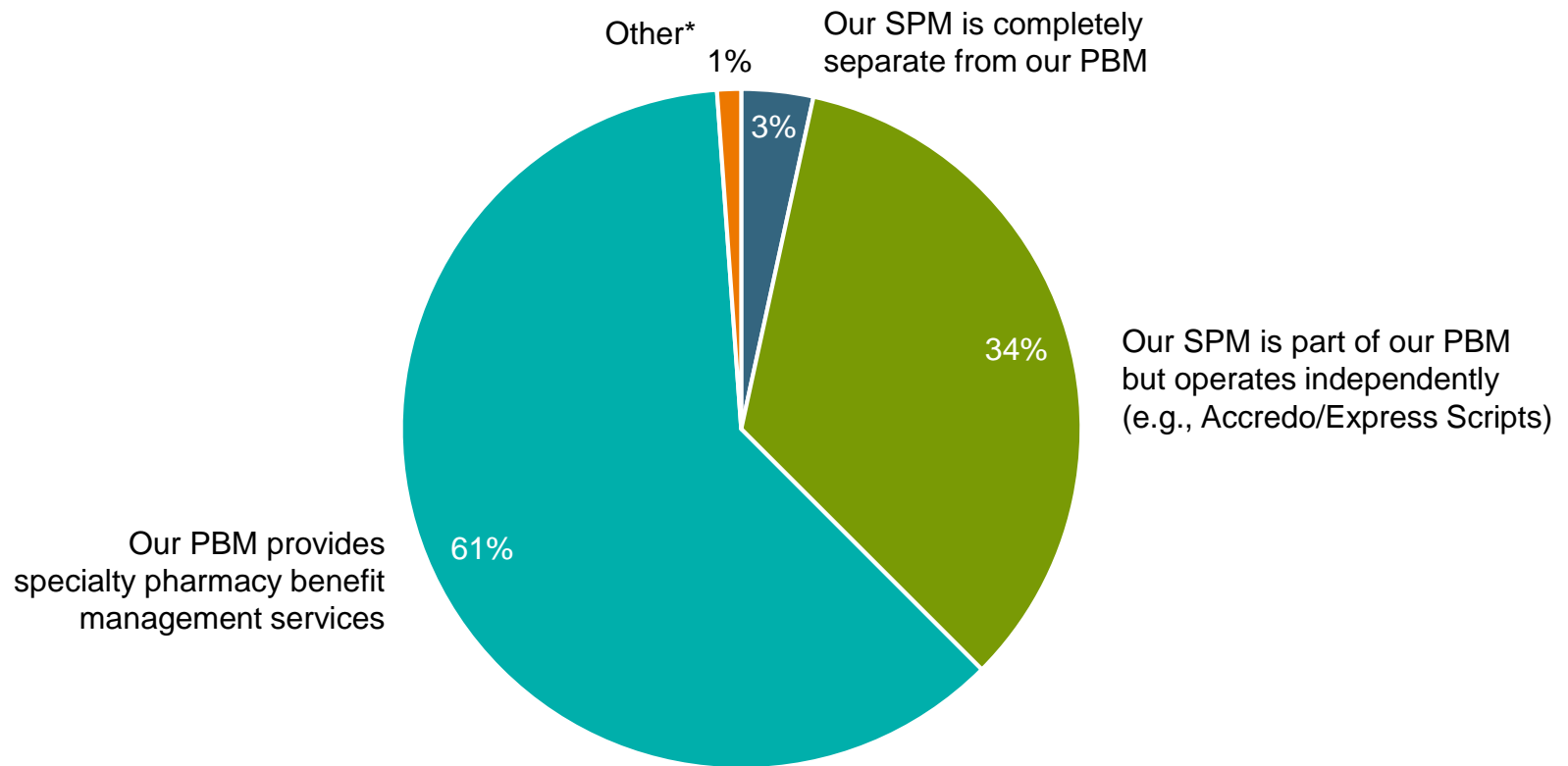
Please indicate the PBM arrangement that applies to most of your employees.



n=88

Just 3% of respondents have a SPM that is separate from their PBM. 34% use an SPM owned by their PBM, and 61% receive specialty management from their PBM.

Does your organization have a separate PBM and SPM, or do you rely on your PBM to provide specialty pharmacy benefit management services?

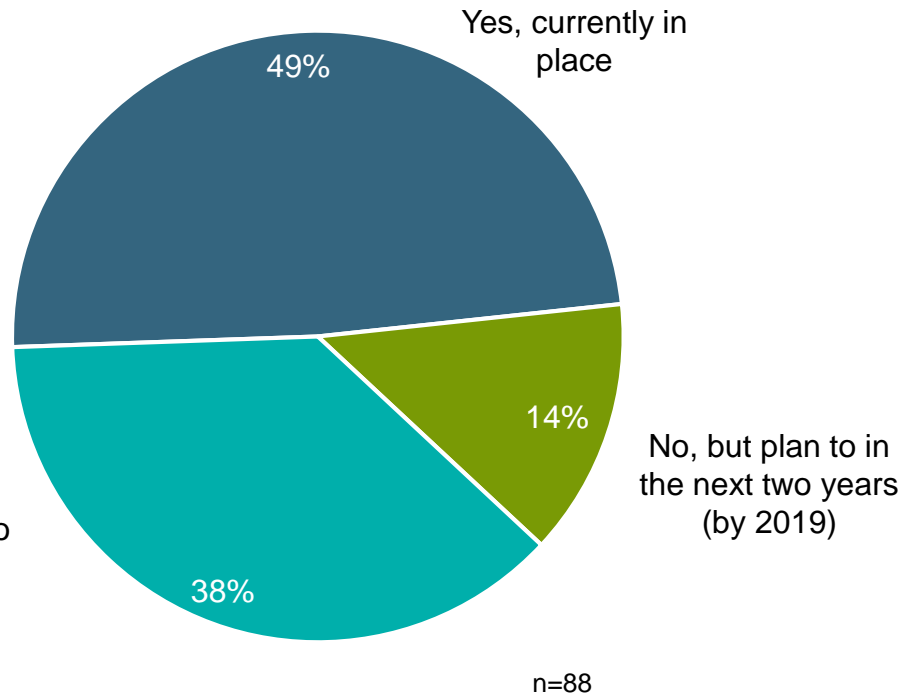


*Other includes: All thru Cigna

n=88

Initially, half of respondents indicated they use a transparent PBM...

Does your organization use a transparent (or pass-through) PBM arrangement?*



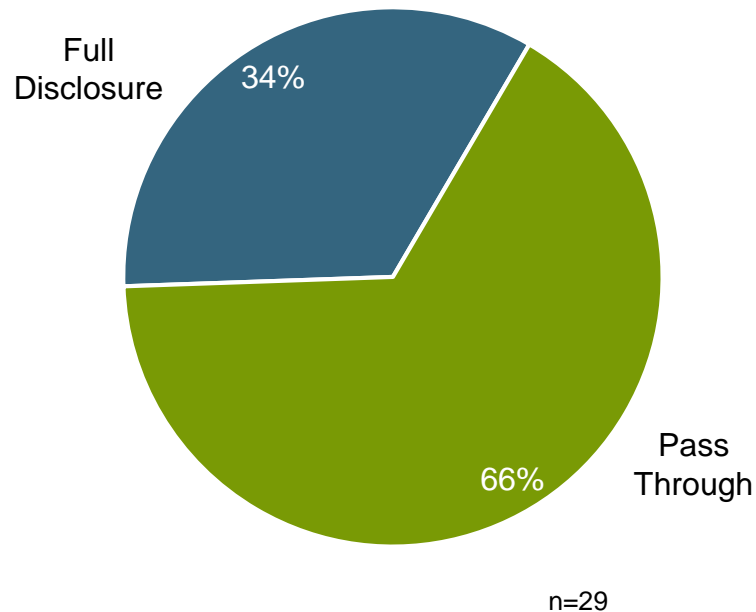
* For clarity, the question included this definition:

“In a transparent PBM arrangement, the rates negotiated with dispensing pharmacies and manufacturer rebates pass through directly to the plan sponsor in exchange for a higher administrative fee.”

...but that didn't seem right, so we followed up

Of those who responded to our follow-up, just two thirds of those who had indicated they have a “transparent” PBM actually have a pass-through arrangement.

What response best describes the type of transparent PBM you are using?



In the follow up, we asked participants to differentiate between full-disclosure and pass-through:

Full disclosure: “Through our arrangement, our PBM discloses all their revenue streams.”

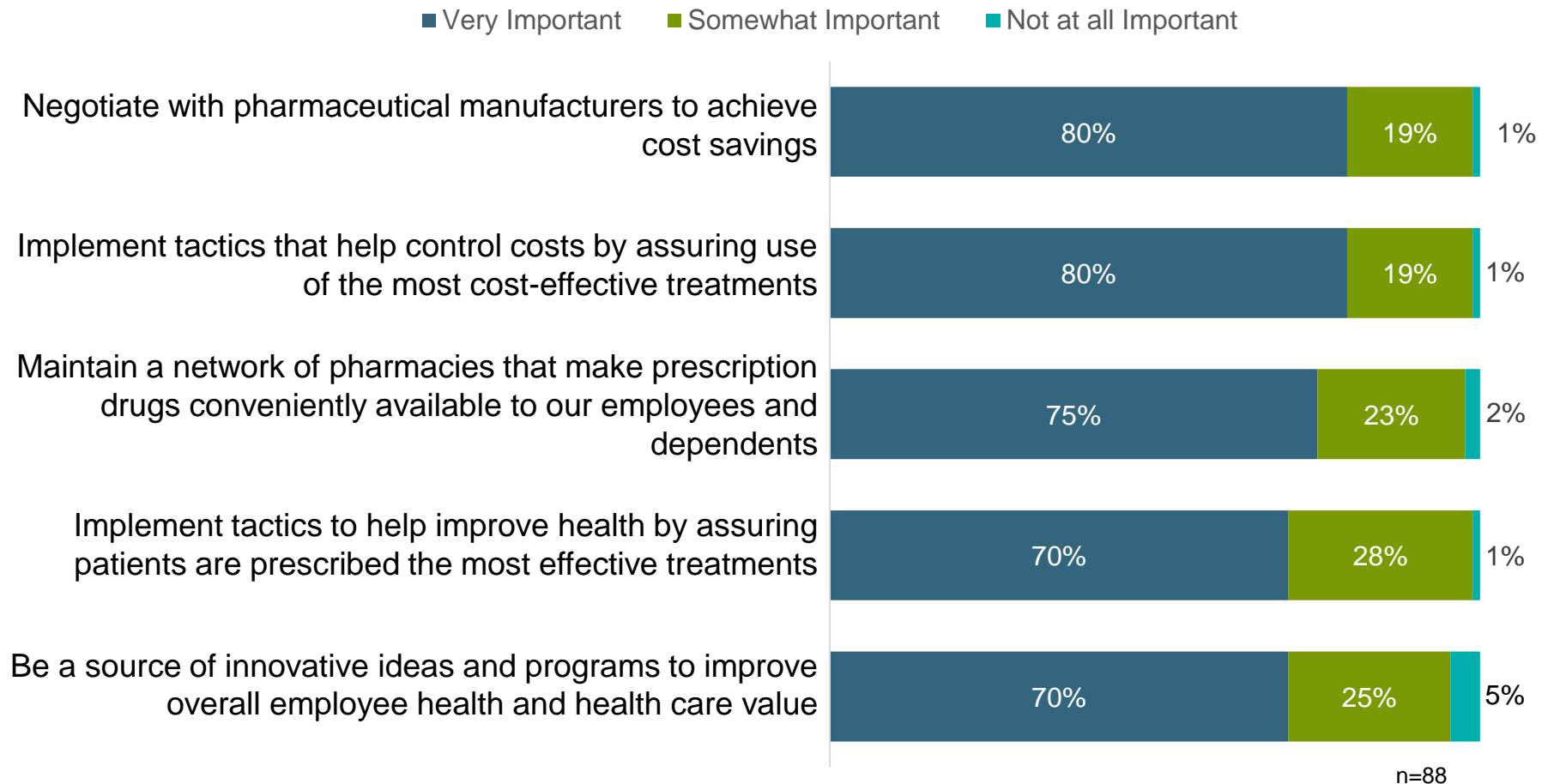
Pass through: “We pay our PBM an administrative fee for specific services rendered (e.g., claims processed). The PBM agrees no other revenue is derived other than the administrative fee.”

Early Finding: The meaning of “transparency” is ambiguous

Employers Value the Functions their PBMs and SPMs Perform

Multiple tactics integral to the value proposition of their PBMs

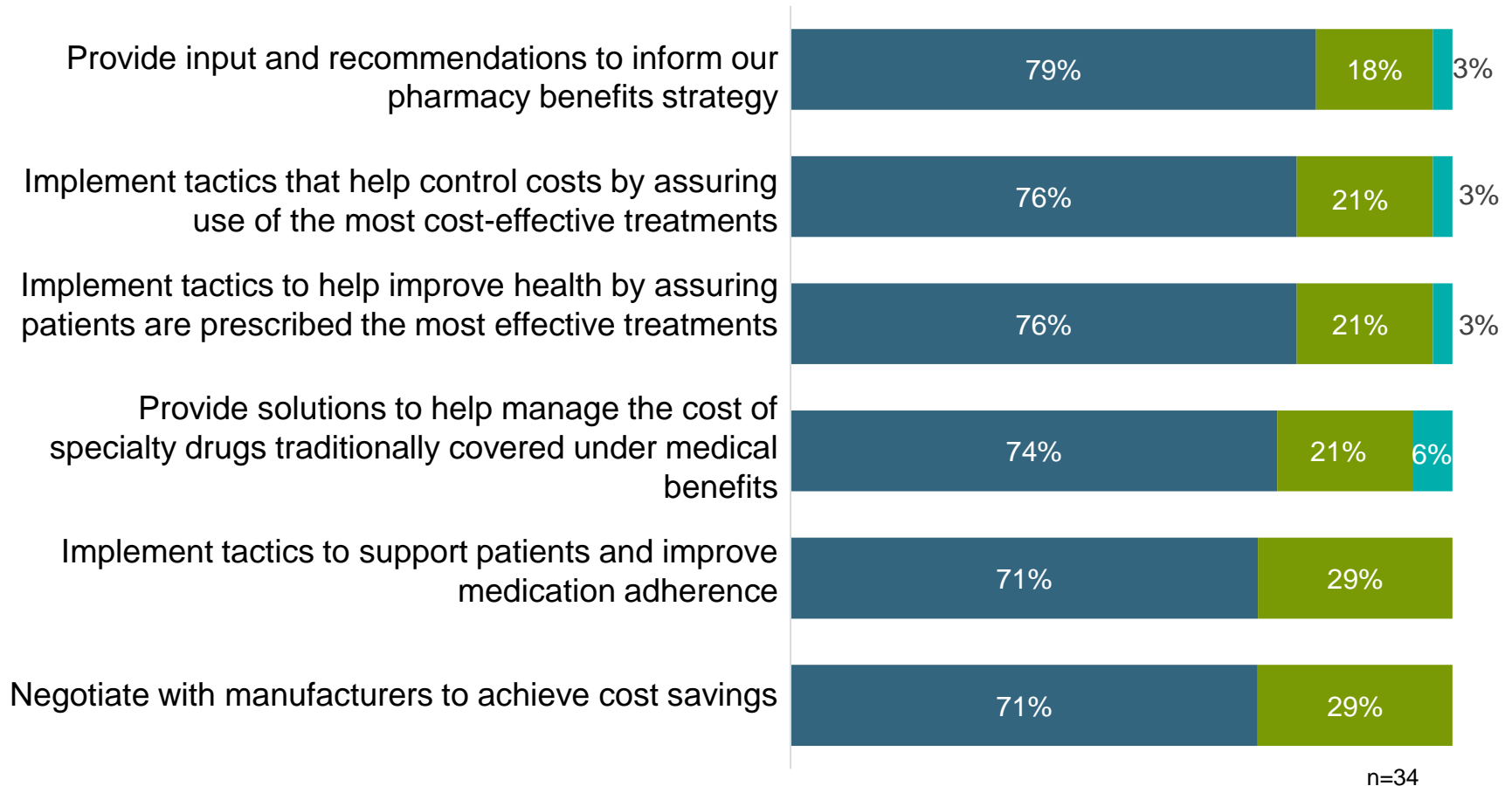
Five most important functions



Array of SPM Functions Also Rated with High Importance

Six most important functions

■ Very Important ■ Somewhat Important ■ Not at all Important



Employers have Concerns about the Management of Prescription Benefits

There are Large Gaps in Perceived PBM/SPM Alignment, Trust and Overall Satisfaction

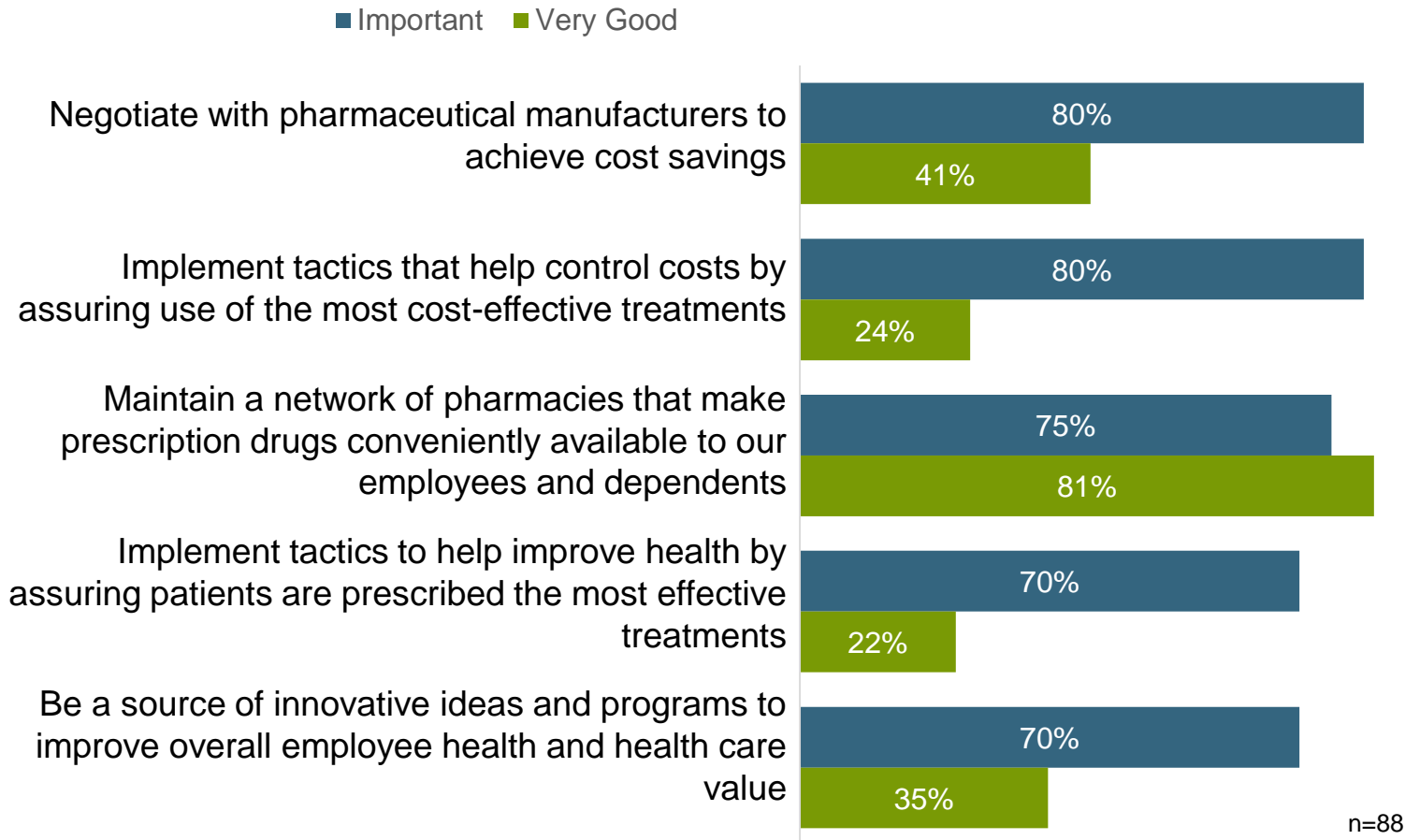
| Vendor | Strongly Aligned* | Very Trustworthy* | Very Satisfied* |
|------------------------------------------|-------------------|-------------------|-----------------|
| Benefit Advisor/ Consultant n = 87 | 66% | 69% | 62% |
| Health Plan n = 85 | 38% | 44% | 41% |
| PBM n = 84 | 33% | 35% | 37% |
| SPM n = 73* | 30% | 33% | 36% |

Responses on the 1-7 Likert scale are categorized by researchers as: 1-2=Not at all Aligned/Trustworthy/Satisfied, 3-5=Somewhat Aligned/Trustworthy/Satisfied and 6-7=Very Aligned/Trustworthy/Satisfied

* Number comprises respondents who report engaging with a SPM, including those who receive specialty pharmacy services from their PBM and those who contract with SPMs separately

Employer Satisfaction is Lagging on the Most Important PBM Functions

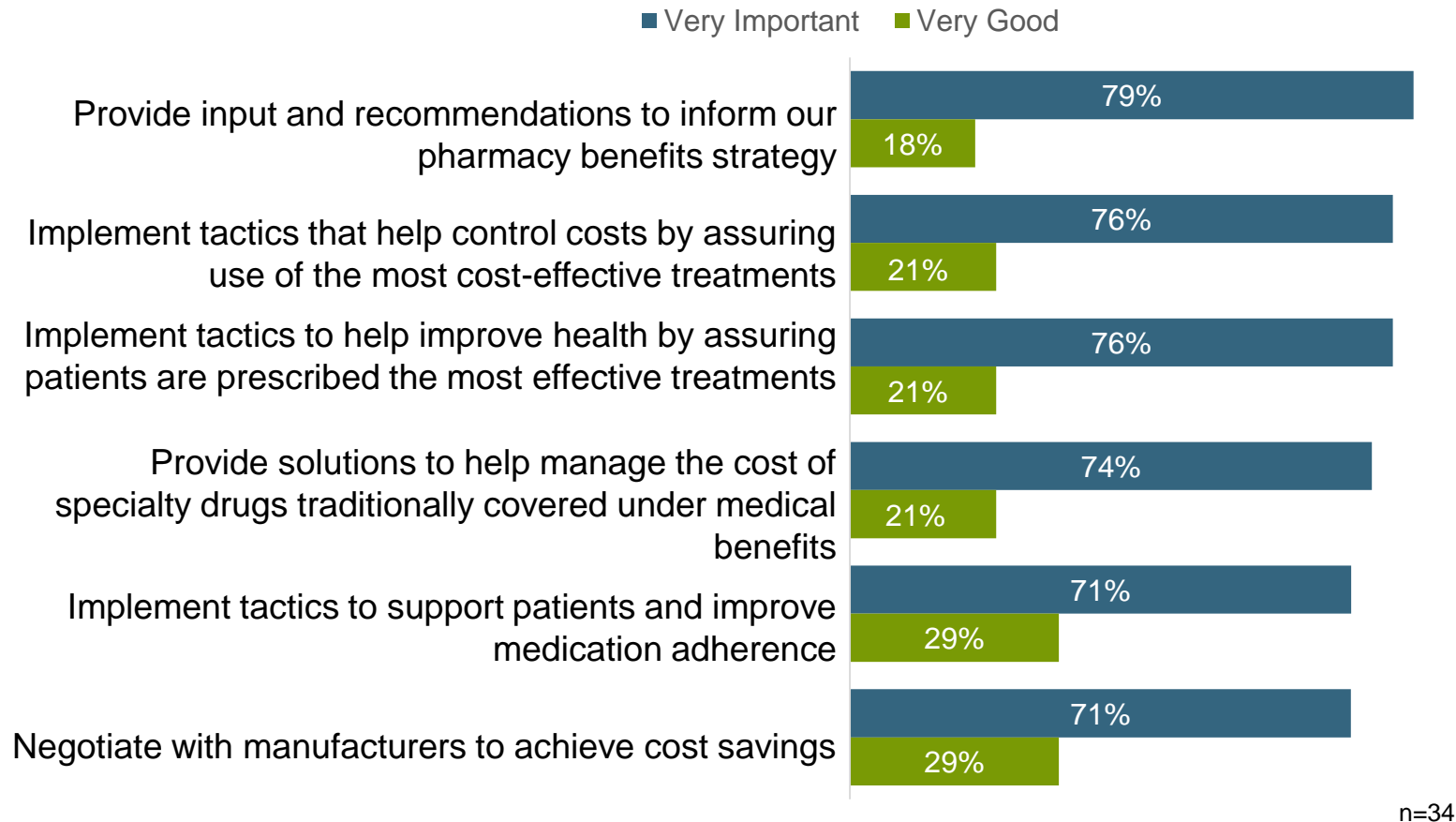
“Very Good” performance ratings on the most important PBM functions



Responses on the 1-7 Likert scale are categorized by researchers as: 1-2=Not at all Important/Good Performance, 3-5=Somewhat Important/Good Performance and 6-7=Very Important/Good Performance

Employer Satisfaction is Lagging on the Most Important SPM Functions

“Very Good” performance ratings on the most important SPM functions

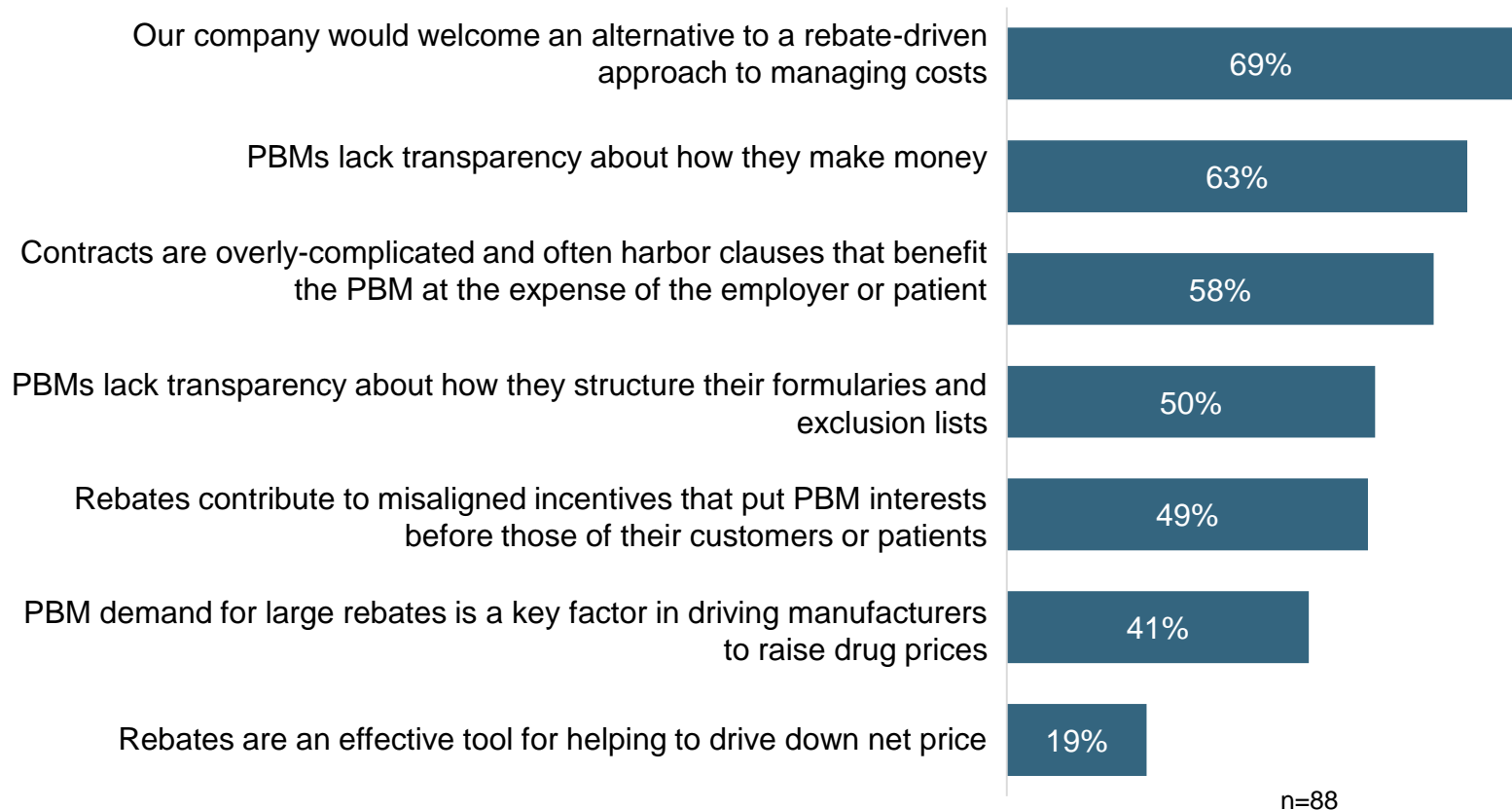


Responses on the 1-7 Likert scale are categorized by researchers as: 1-2=Not at all Important/Good Performance, 3-5=Somewhat Important/Good Performance and 6-7=Very Important/Good Performance

The Three Key Issues at the Root of Employer Concerns

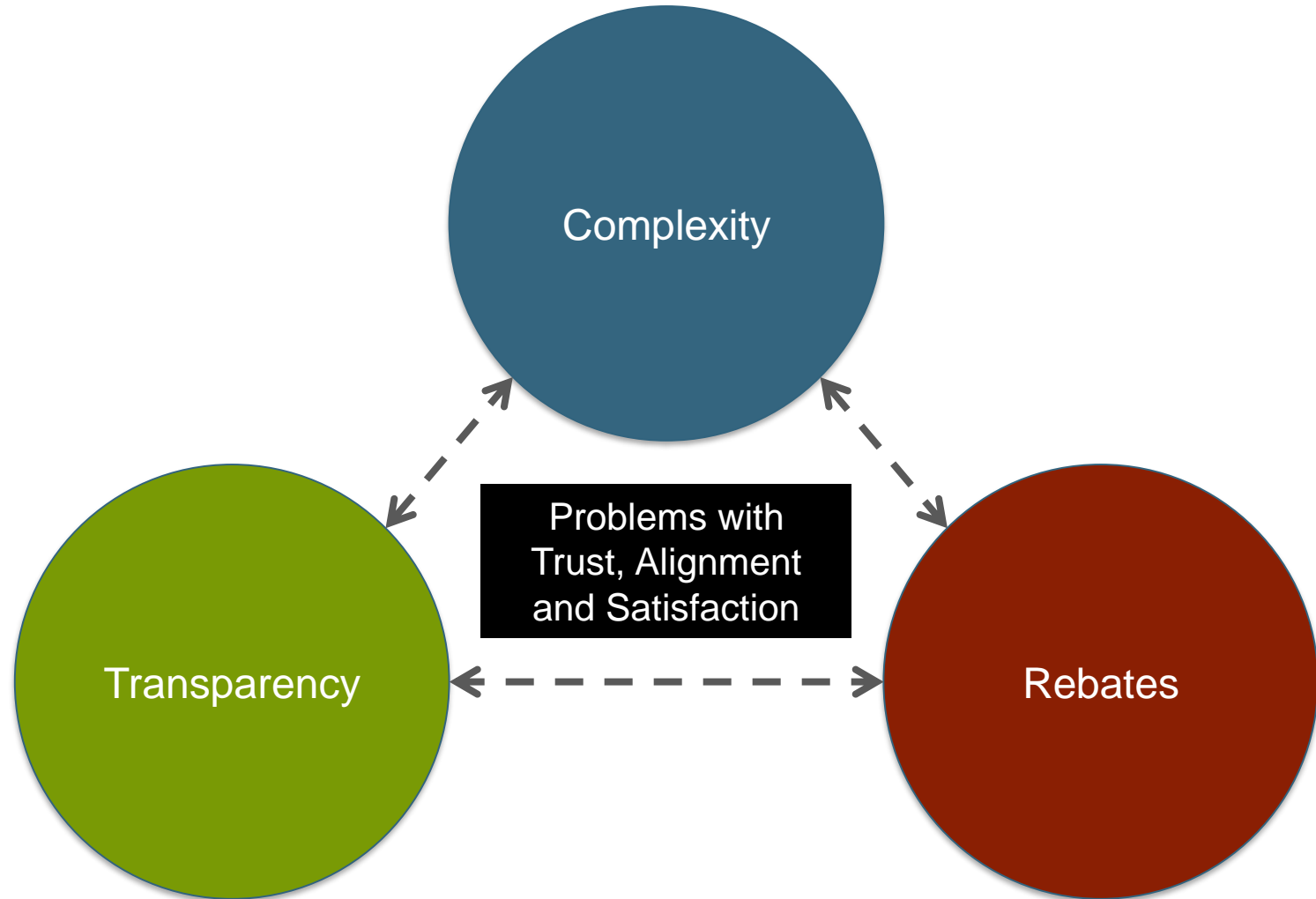
Complexity, Transparency and Rebates Emerge as Themes Underlying Employer Discontent

Percentage of respondents who strongly agree with the following statements



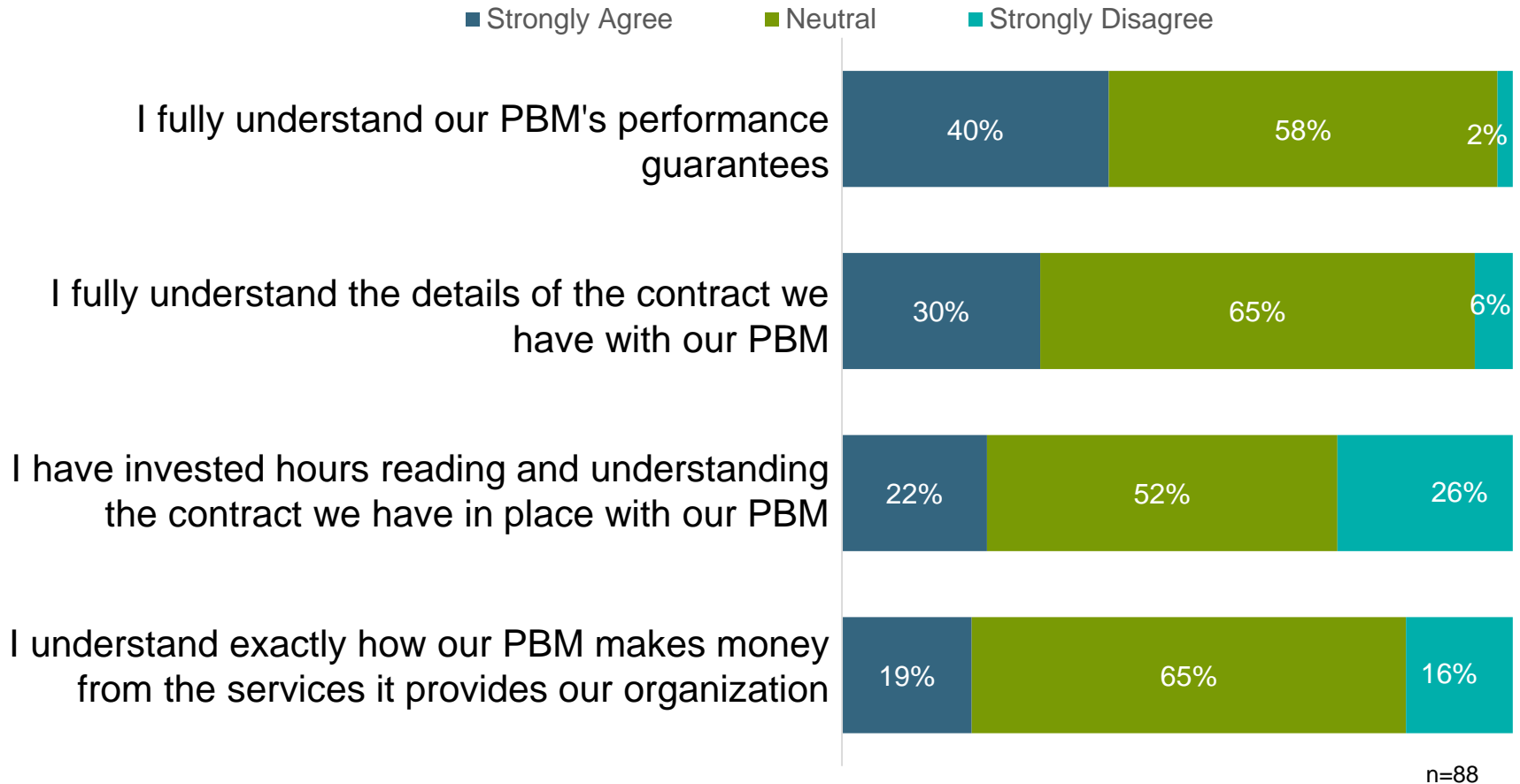
Responses on the 1-7 Likert scale are categorized by researchers as: 1-2=Strongly Disagree, 3-5=Neutral and 6-7=Strongly Agree

Core Issues Perpetuate the Status Quo



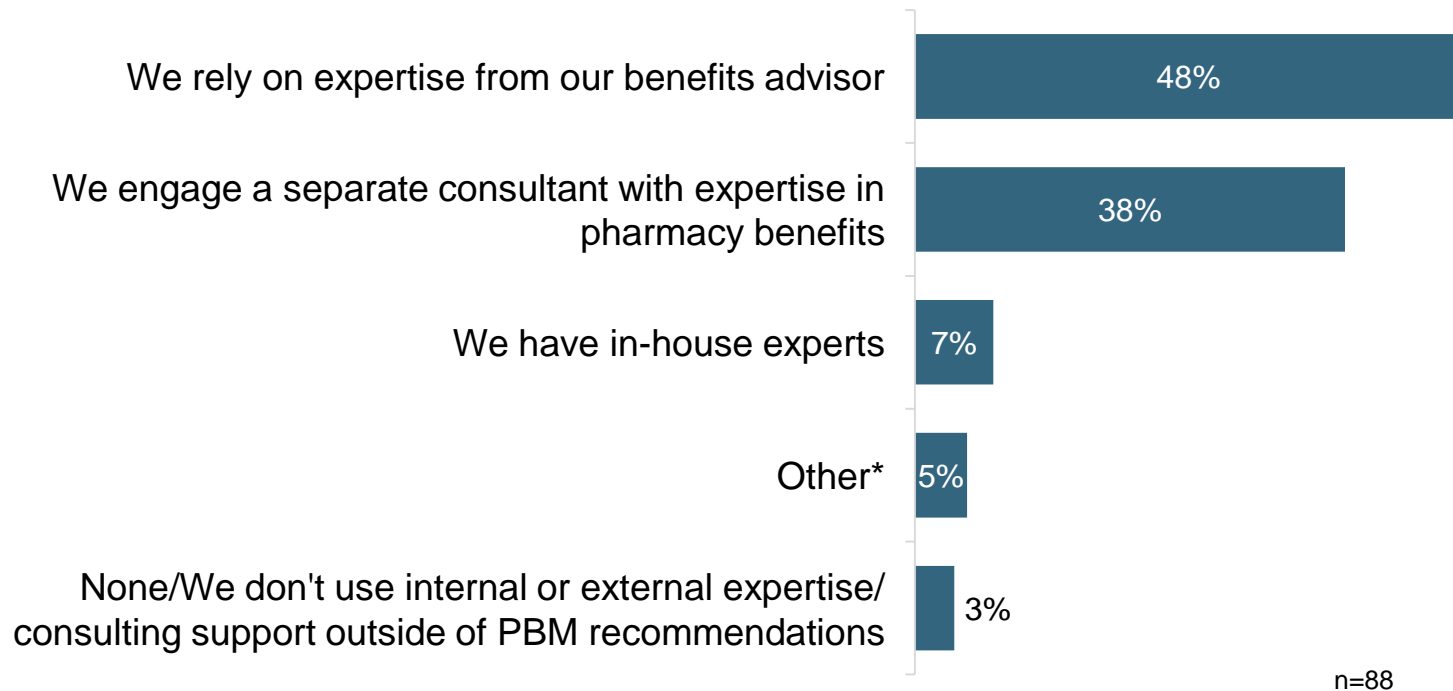
The Need For, and Gaps In, Strong Consulting Support

Employers Lack Internal Expertise and Focus Needed to Manage Prescription Benefits/Their PBM Vendors...



Responses on the 1-7 Likert scale are categorized by researchers as: 1-2=Strongly Disagree, 3-5=Neutral, and 6-7=Strongly Agree

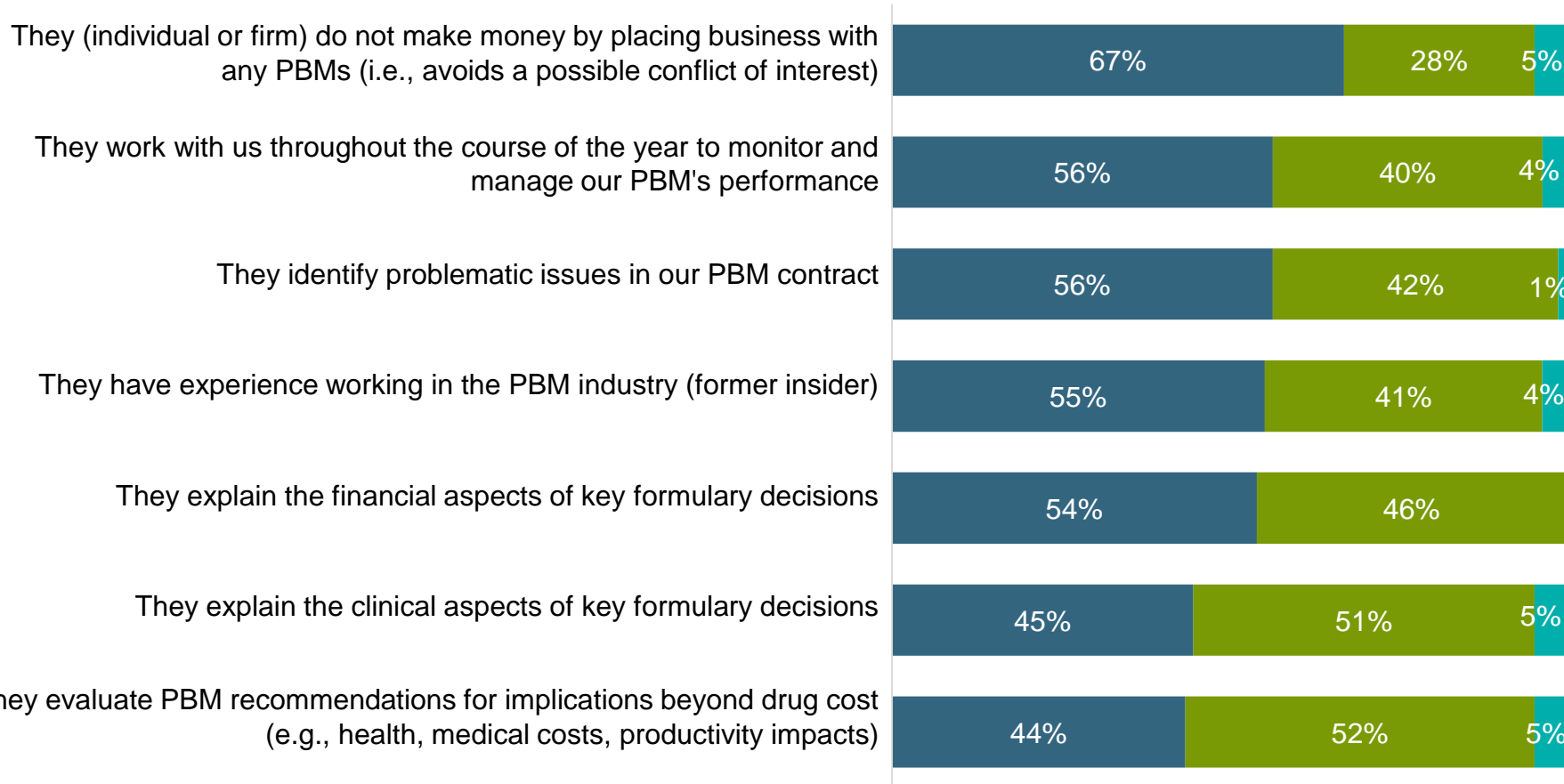
...So, Most Employers Rely Heavily on their Consultants...



*Other includes: We have internal experts and external advisors, Combination of in house experts and external consultant, Both coalition and benefits advisor, We rely on AJG and we have an in-house expert

...But Many Employers are Not Getting What They Should From Their Consultants/Consultant Relationships

■ Strongly Agree ■ Neutral ■ Strongly Disagree



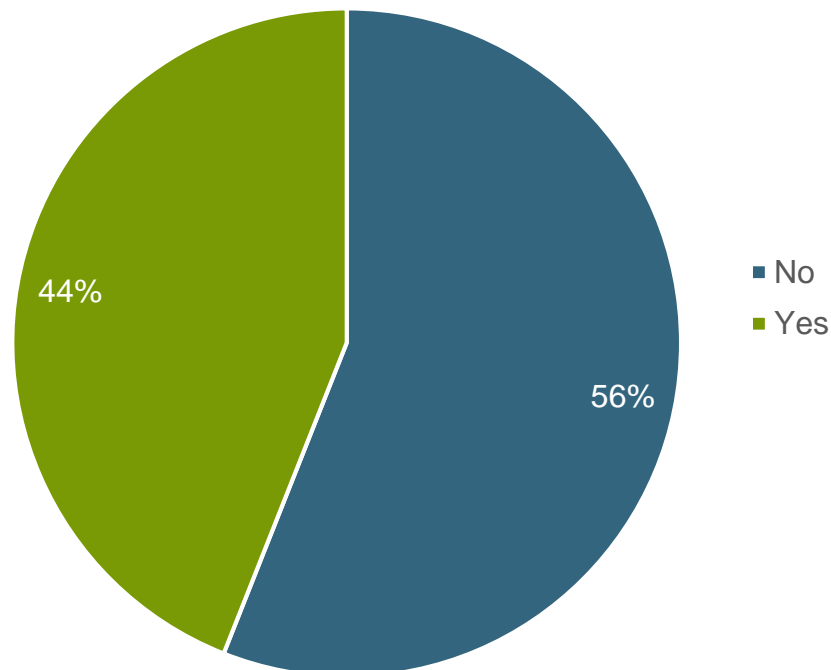
n=85

Responses on the 1-7 Likert scale are categorized by researchers as: 1-2=Strongly Disagree, 3-5=Neutral, and 6-7=Strongly Agree

Evidence of Variation in Consulting Expertise and Support – Evaluating Transparent Approaches

Over half (56%) of respondents who are not currently using a transparent PBM report that they have not evaluated a PBM with the transparent model.

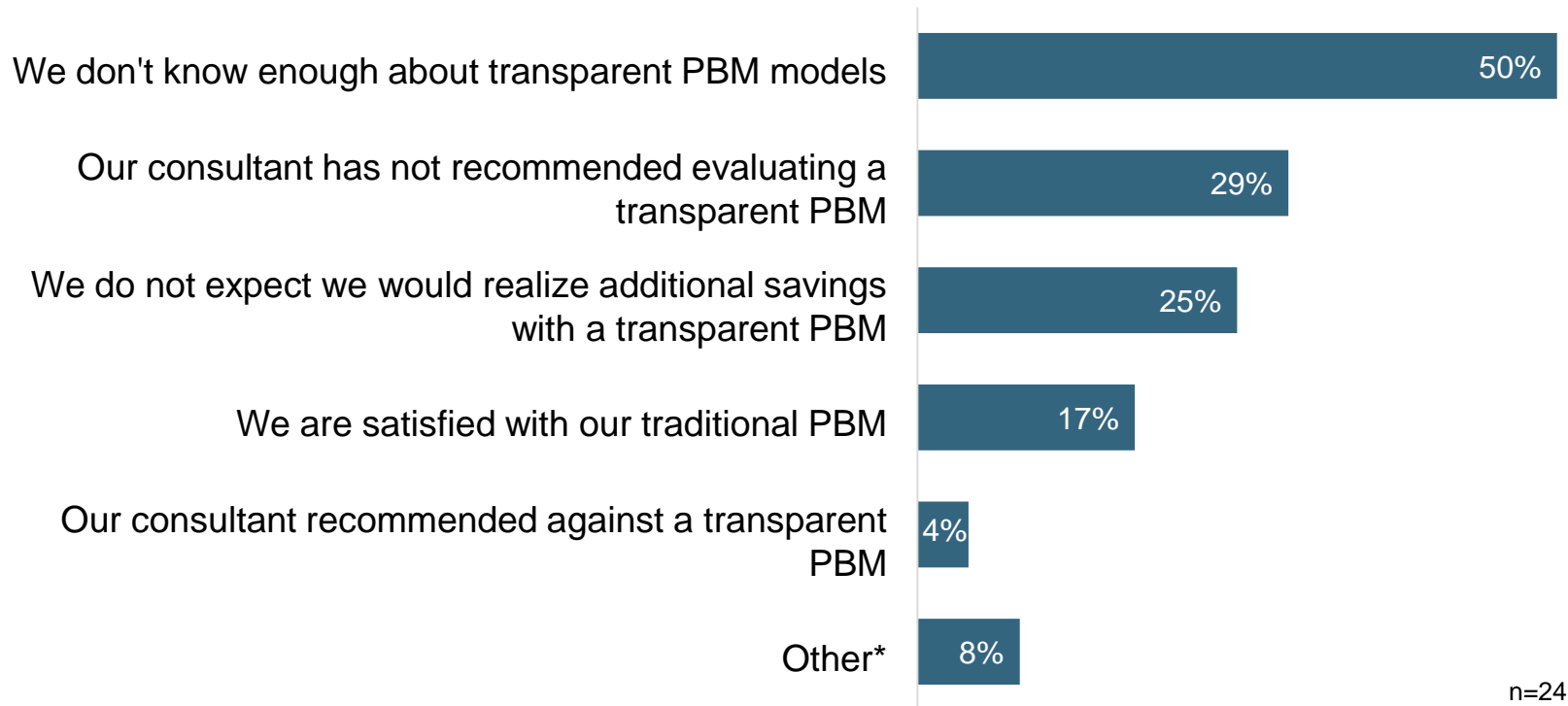
Has your organization ever evaluated the option of a transparent PBM?



n=45

Nearly 8 in 10 employers who have not evaluated a transparent PBM approach indicate they did not know enough or were not advised to by their consultant.

Why hasn't your organization evaluated the option of a transparent PBM?
(choose all that apply)



*Other includes: We just haven't gotten there yet, but plan on discussing at some point in the near future, Former consultant didn't push it.

Toward Better Value

Employers' Prescription Benefit Objectives, Improvement Ideas and Scenarios Focus on Core Concerns

To improve value, employers focus on complexity, transparency and rebates.

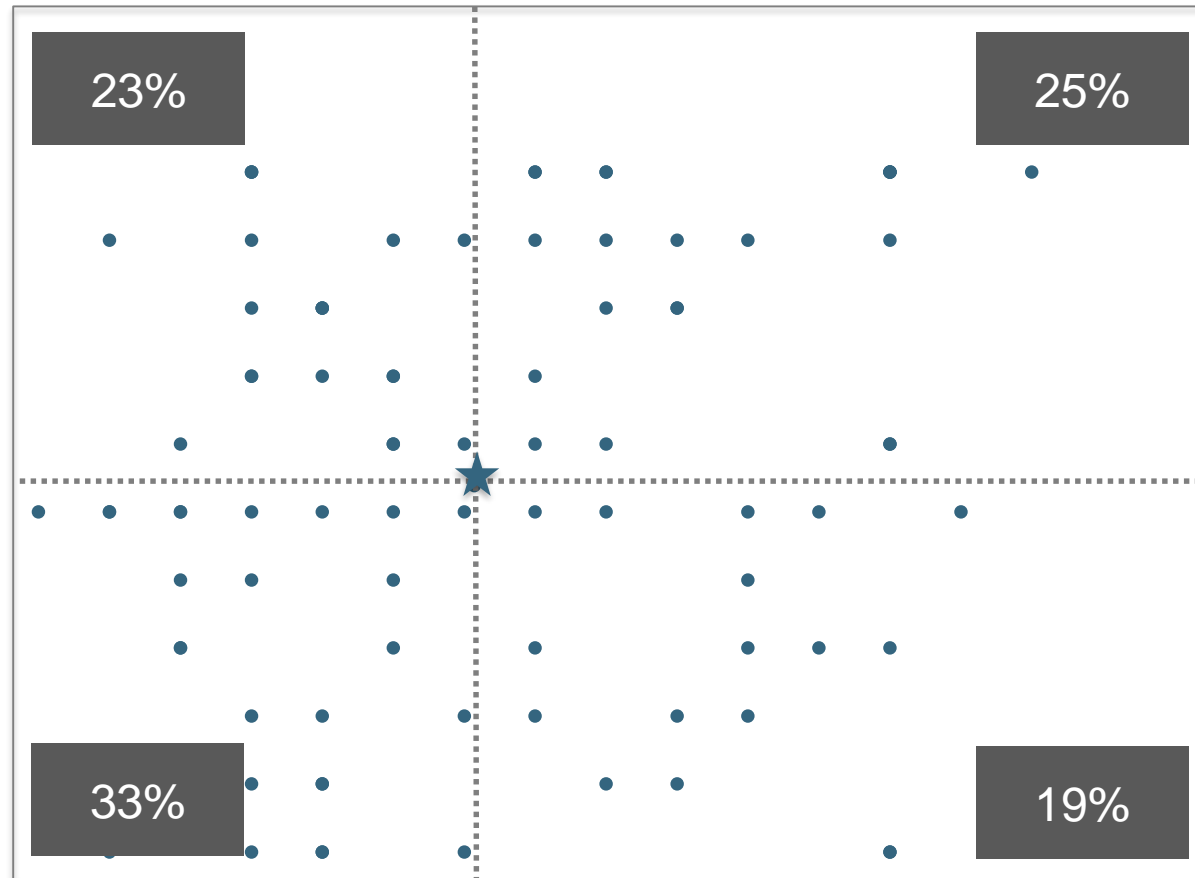
| Most Important Objectives | Highest-Priority Ideas | Perceived Most Likely Future Scenarios |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">1. Improve transparency around pricing, rebates and discounts2. Simplify contracts and provide clear definitions to remove ambiguity3. Provide full disclosure of the rationale behind formulary and exclusion list decisions (clinical, financial and economic impacts) | <ol style="list-style-type: none">1. Replace rebates with discounts2. Efficacy-based reimbursement (drug price varies with effectiveness)3. Value-based insurance design (high-value drugs cost patients less than low-value drugs) | <ol style="list-style-type: none">1. Transparent future: Receive all rebates and pay PBM for transaction processing and administrative services2. Evolve the traditional PBM: Work with current PBM on incremental improvements that will help control costs and improve value over time3. Direct contract: Move decision-making and negotiations in-house and engage a third-party administrator to manage pharmacy transactions |

To Increase PBM Trust and Satisfaction, Increase Engagement?

HIGH LEVEL OF
PBM TRUST AND
SATISFACTION

Trust and Satisfaction

LOW LEVEL OF
PBM TRUST AND
SATISFACTION



- ★ Midpoint is at the intersection of the mean for each axis
- May represent more than one employer

MINIMUM
ENGAGEMENT

Engagement in PBM Management

MAXIMUM
ENGAGEMENT

Comparing Upper Right and Lower Left Box Employers – Implications for Improving Trust & Satisfaction

Attributes of Low Engagement/Low Trust and Satisfaction Among Employers

- Lowest appreciation for the importance of PBM functions/the PBM value proposition
- Highest level of concern with the PBM business model
- Lowest-quality consulting support
- Least likely to move to a transparent approach as their future scenario, and most likely to incrementally evolve their traditional PBM relationship

Attributes of High Engagement/High Trust and Satisfaction Among Employers

- Highest appreciation for the importance of PBM functions/the PBM value proposition
- Lowest level of concern with the PBM business model
- Highest-quality consulting support
- Choices represent diverse future scenarios

Key Points Summary

- A large majority of employers value the functions performed by their PBM/SPM
- Employers share concerns about PBM/SPM vendor alignment, trustworthiness and satisfaction
- Concerns are rooted in complexity, transparency and rebates
- Employers lack internal expertise and resources to manage their prescription benefits, so must rely on their consultants
- Many consultants/consulting relationships are not performing as they should
- To achieve improvement, employers will focus on complexity, transparency and rebates, but most are not looking for revolutionary change
- To improve PBM/SPM trust and satisfaction, employers can become more engaged in managing their prescription benefits

Reactor Panel



Lauren Vela

Senior Director, Member
Value, Pacific Business
Group on Health



Cheryl Larson

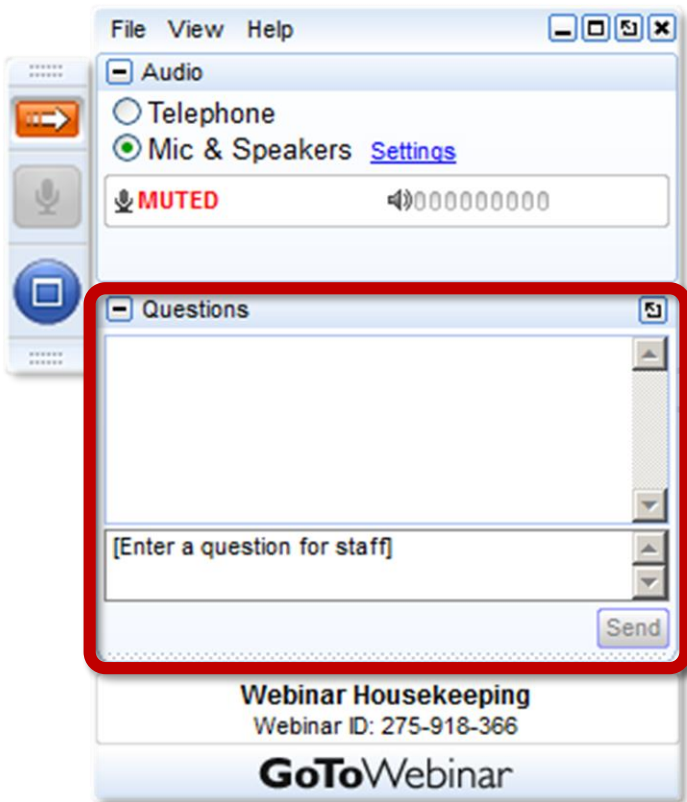
Vice President, Midwest
Business Group on Health



Linda Davis

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Health Action Group

How to Ask a Question



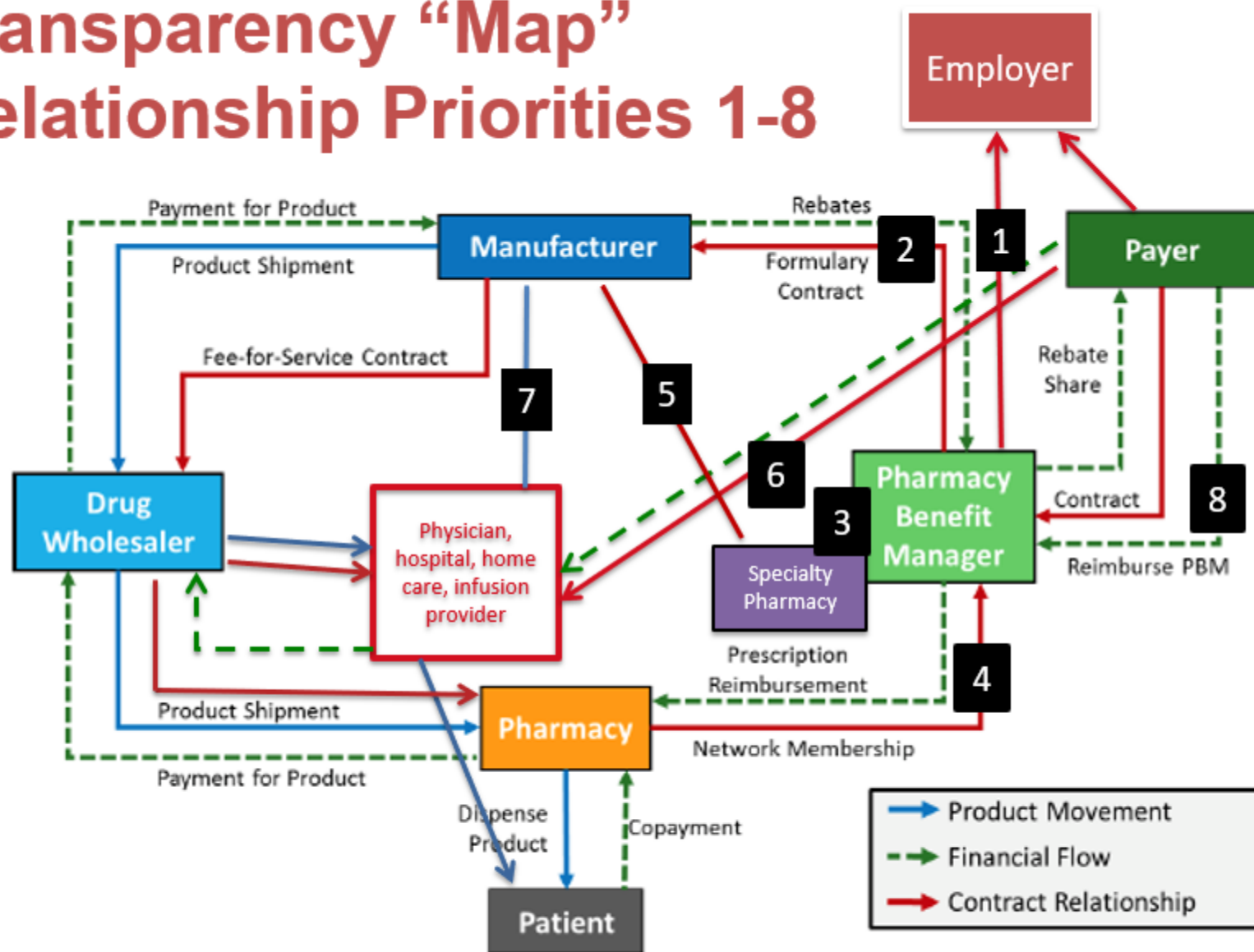
To Submit Questions

Submit questions and comments via the Questions section in the Control Panel

Note: We may not be able to answer all questions in the time allotted.

Transparency “Map”

Relationship Priorities 1-8



Adapted from Pembroke 2013-14 Economic Report on Retail, Mail, and Specialty Pharmacies; Drug Channels Institute



National Employer Initiative on Specialty Drugs

Employer Focused, Employer Driven



New MBGH report on ways PBMs add to pharmacy benefit costs and what employers can do about it

Drawing a Line in the Sand: Employers Must Rethink Pharmacy Benefit Strategies

Ways that PBMs generate revenue:

- Retain the rebate and keep the spread
- Keep drug distribution in-house
- Claw back patient copays
- Use direct/indirect remuneration claw backs at the pharmacy
- Lock out new drugs
- Require price protection rebates from the manufacturer

Get the report at www.specialtyrxtoolkit.org



Drawing a Line in the Sand: Employers Must Rethink Pharmacy Benefit Strategies

Middlemen continue to add to the cost of drugs

Health care reform continues to drag on with Washington's inability to address drug costs with national health care policy. This lack of direction negatively impacts the market, and employers - as the largest purchasers of health care - can no longer afford to sit on the sidelines. One area of the health care value chain ripe for transformation is pharmacy benefits.

Organizations like the non-profit Midsize Business Group on Health are partnering with progressive employers, key industry leaders and employee coalitions across the country to improve the effectiveness, efficiency and value of pharmacy benefit programs to influence affordability and transparency.

This report offers a call to action on the key issues and important steps public and private employers can take to:

- Understand how today's pharmacy benefits model, with multiple parties in the middle, contributes to higher costs in the supply chain
- Identify ways to work with intermediaries to reduce unnecessary costs and drive efficiency

Employers are caught in the middle with specialty drugs

Design and specialty drugs have the ability to change the face of leading diseases. Every year, there is an increasing number of these drugs being produced for rare and chronic diseases or previously untreated conditions. The high cost of specialty drugs has become an increasing concern for employers, as plan sponsors. In 2016, MBGH members cited "managing specialty drugs" as their #1 priority.

Although employers value the knowledge, skills and resources provided by Pharmacy Benefit Managers (PBMs), there is growing concern about their revenue streams which are increasing the costs of specialty drugs. Employers are caught in the middle unless they take action to change the paradigm. This report outlines some of these challenges and provides employers with important recommendations.

In addition, MBGH created an online employer toolkit as part of its National Employer Initiative on Specialty Drugs - www.specialtyrxtoolkit.org - to support health benefit professionals in making critical and informed decisions to more effectively manage specialty drug costs. The toolkit offers six tool kits and resources, including those listed in the table below.

PBM Contract Checklist: Criteria for inclusion in a PBM contract to drive high performance and determine if your vendor is delivering results.

PBM Audit Recommendations: Types of benefit arrangements currently conducted and what elements should be included in a pharmacy benefit audit.

Checklist for Designing Specialty Drug Benefits: Key elements to address when developing a specialty drug benefit and contracting strategy.

Checklist for Site of Care: Guidance to determine if a site of care strategy is beneficial for your company.

Consumer Education Strategy: Communication strategy for employees plan members offering tools and resources, along with strategy implementation and measurement recommendations.

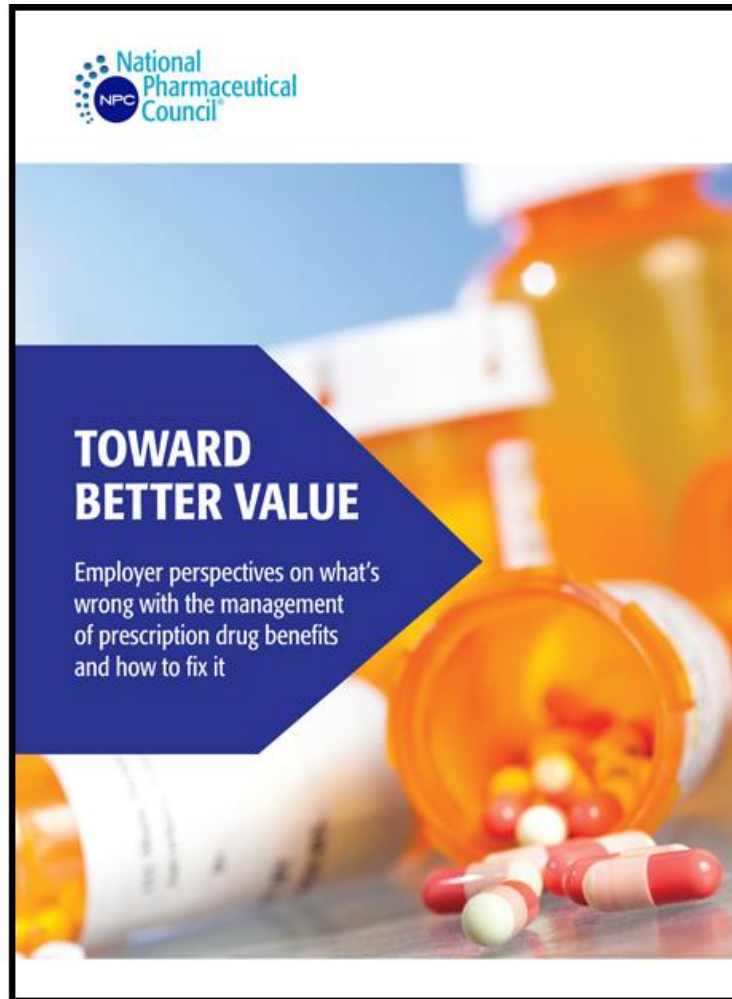
Report contains employer statements such as....

Our "suppliers" don't share contracts or disclose fees. Employers are starting to notice and wondering why they are paying so much.

We need to ask intermediaries what they are paying each other and how they spent our money.

Educating and Equipping Employer Stakeholders

Research Monograph



Employer Self-Assessment Tools: PBM Relationship

PBM Relationship Segmentation Tool: Mapping Your Organization's PBM Relationship

Introduction and Instructions

The National Pharmaceutical Council (NPC) research report [Toward Better Value](#) noted a potential relationship between employers' engagement in managing prescription drug benefits and their trust/satisfaction with their pharmacy benefit manager (PBM). Derived from the research, this tool helps employers to:

- gauge their approximate position on a segmentation grid measuring employers' active engagement in pharmacy benefit management and their trust/satisfaction with PBMs, and
- use that segmentation position to guide potential action steps to move up and/or right on the segmentation grid below – toward greater engagement and trust/satisfaction.

Steps for completing the worksheet are:

- In the two tables below, review each item and choose the response that most accurately describes your organization's behavior over the past year (versus what you plan/aspires to do). Tally the points associated with each set of items (trust/satisfaction and engagement).
- Plot the points your organization scored on the 2-by-2 segmentation grid provided.
- Identify actions to increase your organization's engagement and/or trust/satisfaction.

Step 1: Rate and Tally Trust/Satisfaction and Engagement Questions

| Trust/Satisfaction with Pharmacy Benefit Management Vendor | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Items | |
| 1. How well-aligned are the goals of your PBM with your organization's employee health, productivity and cost goals? | <input type="checkbox"/> Not at all aligned (0 points) <input checked="" type="checkbox"/> Moderately aligned (1 point) <input type="checkbox"/> Highly aligned (2 points) |
| 2. How trustworthy is your PBM in providing services that are in the best interest of your organization and its employees? | <input type="checkbox"/> Not at all trustworthy (0 points) <input checked="" type="checkbox"/> Moderately trustworthy (1 point) <input type="checkbox"/> Very trustworthy (2 points) |
| 3. How well does your PBM perform at negotiating with manufacturers to achieve cost savings? | <input type="checkbox"/> Poor (0 points) <input type="checkbox"/> Fair (1 point) <input checked="" type="checkbox"/> Excellent (2 points) |
| 4. How well does your PBM perform at implementing tactics to help control costs by ensuring use of the most cost-effective treatments? | <input type="checkbox"/> Poor (0 points) <input checked="" type="checkbox"/> Fair (1 point) <input type="checkbox"/> Excellent (2 points) |
| 5. How well does your PBM perform at implementing tactics to help improve health by ensuring patients are prescribed the most effective treatments? | <input type="checkbox"/> Poor (0 points) <input checked="" type="checkbox"/> Fair (1 point) <input type="checkbox"/> Excellent (2 points) |
| Total Points (plot on vertical axis in Step 2) | |

Step 3: Identify Actions to Increase Trust/Satisfaction and/or Engagement

If your plot point is in the upper right quadrant, congratulations! Your organization is actively engaged in managing its prescription drug benefit, and you have a relationship with your PBM marked by high trust/satisfaction.

If your organization is in any of the other quadrants, you may want to consider working to increase trust/satisfaction and/or engagement to move up and/or right on the chart. Actions to consider include:

• Discuss your organization's priorities and expectations of your PBM and specialty pharmacy team and ask: What do we want from our PBM and SPM partners? What do we need to create? What are our priorities? Figures 1 and 2 of NPC's [Toward Better Value](#) report identify key PBM and SPM value proposition elements and can be used as a guide.

• To discuss your organization's priorities and understand how their priorities align with your expectations: Your vendor partners will perform best if they understand your organization's priorities. Your organization will also have a stronger foundation for understanding how different services align with your priorities.

• To manage your PBM relationship: Be sure one or more people on your internal/consulting resources have the expertise needed to understand the details of the contracts you have with your PBM, and to understand the details of the contracts you have with your SPM. See the [Improving Your Prescription Drug Benefit Consulting Support](#) report for more information on that can help your organization improve its consulting support.

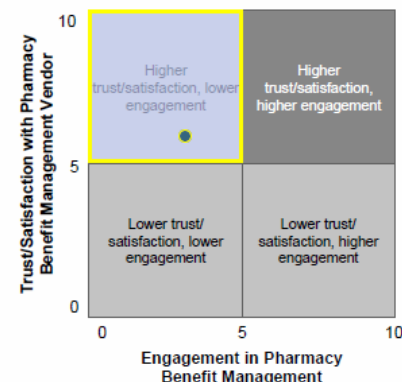
• To address complexity, transparency and rebates head-on: Our research shows that transparency and rebates are core issues behind low employer trust/satisfaction and SPM relationships. If your team does not feel comfortable with or does not understand your PBM or SPM is doing and/or how fees and rebates flow, or why certain decisions are being made, ask for a better explanation and more information.

| Engagement in Pharmacy Benefit Management | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Items | | Scoring |
| 1. In the past five years, has your organization completed a comprehensive evaluation of moving to a fully transparent, pass-through PBM model? | <input checked="" type="checkbox"/> No (0 points) <input type="checkbox"/> Yes (1 point) <input type="checkbox"/> We use a fully transparent pass-through PBM (2 points) | 0 |
| 2. Which of the following best describes your organization's typical approach to a prescription drug list or formulary (PDL)? | <input checked="" type="checkbox"/> Accept PDL with no changes or customization (0 points) <input type="checkbox"/> Add or remove ≤5 drugs to better suit the needs of our employees (1 point) <input type="checkbox"/> Add or remove 5+ drugs to better suit the needs of our employees (2 points) | 0 |
| 3. Do you or does someone on your team understand the details of the contract your organization has with its PBM? | <input type="checkbox"/> No (0 points) <input checked="" type="checkbox"/> Somewhat (1 point) <input type="checkbox"/> Yes, fully (2 points) | 1 |
| 4. Do you or does someone on your team understand your PBM's performance guarantees? | <input type="checkbox"/> No (0 points) <input checked="" type="checkbox"/> Somewhat (1 point) <input type="checkbox"/> Yes, fully (2 points) | 1 |
| 5. Have you or has someone on your team invested significant time reading and understanding the contract your organization has with its PBM? | <input type="checkbox"/> No (0 points) <input checked="" type="checkbox"/> Somewhat (1 point) <input type="checkbox"/> Yes, fully (2 points) | 1 |
| Total Points (plot on horizontal axis in Step 2) | | 3 |

Step 2: Plot Your Scores

To identify your organization's position relative to PBM trust/satisfaction versus engagement in managing your pharmacy benefit, identify the spot at which the point totals from the above tables intersect.

Note the quadrant in which your plot falls.



Employer Self-Assessment Tools: Consulting Support

Improving Your Prescription Drug Benefit Consulting Support

Introduction and Instructions

Obtaining good value from pharmacy benefits requires expertise and engaged management. If either of these factors falls short, then your organization's pharmacy benefit strategy may fall short of its objectives, too.

This observation is based on research conducted on behalf of the National Pharmaceutical Association and reported in ["Toward Better Value"](#). The research demonstrated a positive relationship between employer's level of pharmacy benefit engagement and their trust/satisfaction with their pharmacy manager (PBM). The research also indicated that strong consulting support is related to a high employer pharmacy benefit management engagement.

These observations make sense, because while it helps to receive quality guidance and insight from a consultant, valuable consulting doesn't operate in a vacuum. Employers need to be actively managing pharmacy benefits to enable their consultants to be effective partners and to receive the value possible from their pharmacy benefits.

Derived from NPC's research, this worksheet enables employers to first gauge their approximate level of consulting quality and pharmacy benefit engagement, and then identify actions to improve the overall quality of consulting support received and/or organizational engagement.

Steps for completing the worksheet are:

1. In the two tables below, review each item and choose the response that most accurately describes your organization's experience and behavior over the past year (versus plans or aspirations associated with each set of items (consulting quality and engagement in pharmacy benefit management)).
2. Plot the points your organization scored on the 2-by-2 segmentation grid provided.
3. Identify actions to increase the quality of your organization's consulting support and/or engagement.

Step 1: Rate and Tally Consultant Quality and Employer Engagement Questions

| Quality of Support From Pharmacy Benefit Consultant | | |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Our consultant... | Frequently Occurs | Sometimes Occurs |
| Works with us throughout the course of the year to monitor and manage our PBM's performance | <input checked="" type="radio"/> 2 points | <input type="radio"/> 1 point |
| Identifies problematic issues in our PBM contract | <input type="radio"/> 2 points | <input checked="" type="radio"/> 1 point |
| Explains the financial and clinical aspects of key formulary decisions | <input type="radio"/> 2 points | <input type="radio"/> 1 point |
| Evaluates PBM recommendations for implications beyond drug price (e.g., health, medical costs, productivity impacts) | <input type="radio"/> 2 points | <input type="radio"/> 1 point |
| Suggests ideas my team hadn't considered to lower costs, improve quality, etc. | <input type="radio"/> 2 points | <input checked="" type="radio"/> 1 point |
| Total Points (plot on vertical axis in Step 2) | 4 | |

Step 3: Identify Actions to Improve the Value of Your Drug Benefit Consulting Support

If your plot point is in the upper right quadrant, congratulations! Your organization is actively engaged in managing its prescription drug benefit with the help of quality support from your pharmacy benefit consultant.

If your organization is in any of the other quadrants, you may want to consider working to increase the quality of consulting support and/or engagement to move up and/or right on the chart. Steps to consider include:

Internal expertise on prescription benefits: One or more people on your team with deep expertise in pharmacy benefit management to make efficient and effective decisions. Your team's internal expert should know what good pharmacy benefit management looks like and should understand the critical analytic and consultative support needed to move up and/or right on the chart. Steps to consider include:

Consulting support/identify a consultant with the skills, experience and expertise: Look for a consultant with deep expertise in pharmacy benefit management. Your consultant should have the business models and contracts gained through experience working for other employers (SPM).

Access to clinical expertise: Help evaluate formulary recommendations and clinical issues arising from personal or corporate business arrangements with any other organizations.

Complexities of PBM/SPM contracting: Contract in a way that gives your team the best possible outcome in the decisions being made.

Engagement to pay for the services your organization needs: Think about the consulting relationship to look like. Are there services you're not buying them (e.g., additional analysis, clinical assessment of formulary decisions), or are there services you're paying for that you don't need? Think about how the relationship can be measured, and contract accordingly with your consultant.

Communication: Ensure that the recommendations being made are understood – in clear language – the recommendations being made are understood about pharmacy benefit management topics you don't understand.

Proactive with respect to changes in your PBM/SPM contracts, or your take (e.g., moving to a fully transparent, pass-through model). Initiate discussions about improvements can lead to better value for your organization.

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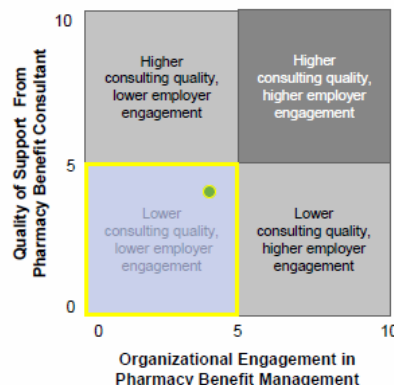
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| Organizational Engagement in Pharmacy Benefit Management | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|-------------------------------------------|
| Our HR/Benefits Team... | Frequently Occurs | Sometimes Occurs | Rarely/Never Occurs |
| Maintains an in-depth understanding of pharmacy benefit management practices and trends | <input checked="" type="radio"/> 2 points | <input type="radio"/> 1 point | <input type="radio"/> 0 points |
| Uses our consultant to conduct services that are critical to PBM assessment (e.g., regular audits, contract reviews, monitoring performance, etc.) | <input type="radio"/> 2 points | <input type="radio"/> 1 point | <input checked="" type="radio"/> 0 points |
| Critically weighs options before implementing our consultant's advice | <input checked="" type="radio"/> 2 points | <input type="radio"/> 1 point | <input type="radio"/> 0 points |
| Holds our consultant accountable on measurable performance targets | <input type="radio"/> 2 points | <input type="radio"/> 1 point | <input checked="" type="radio"/> 0 points |
| Brings new ideas and approaches to our consultant when we find an issue we'd like to explore further | <input type="radio"/> 2 points | <input checked="" type="radio"/> 1 point | <input type="radio"/> 0 points |
| Total Points (plot on horizontal axis in Step 2) | 4 | | |

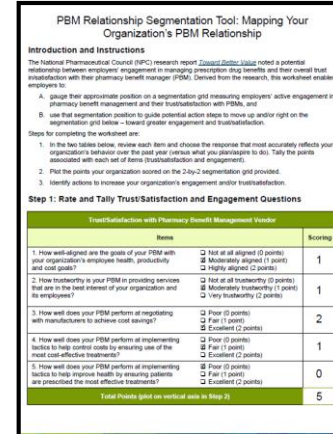
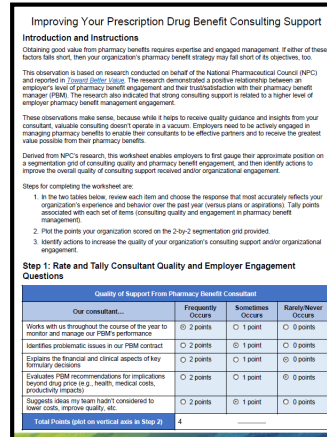
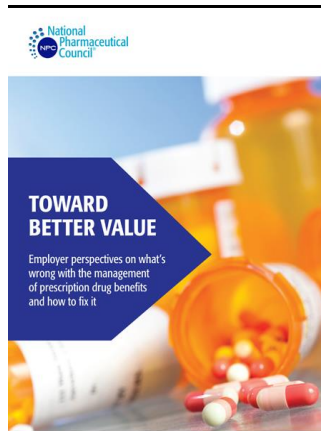
Step 2: Plot Your Scores

To identify your organization's position on the chart, identify the spot at which the point totals from the assessment tables intersect. Note the quadrant in which your plot falls.



Jan Berger of Health Intelligence Partners and Tim Thomas of Crystal Clear Rx

Available Reports



The report and tools for employers are available at this link:
www.npcnow.org/employer-pbm-survey



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Thank You

