

Fiduciary Check In: Transparency on PBM Contracting

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Speakers



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WHAT DOES IT MEAN TO BE A FIDUCIARY?

- ERISA requires fiduciaries to discharge their duties
 - For the EXCLUSIVE BENEFIT of plan & participants
 - Using the skills of a prudent person
 - In accordance with the plan's documents

The threshold for behavior of a healthcare plan fiduciary is a "Good Faith Compliance Effort", which unlike in the retirement plan arena, is much more subjective

Coalition Experience

Data Control & Carve Out

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Jumbo Employer Coalition Experience

Set the Foundation

- ▶ 100% transparent and pass through
- ▶ Drug level rebate reporting
- ▶ Employer controls the benefit

Investigate and Start Breaking Things

Set the Foundation

- ▶ 100% transparent and pass through
- ▶ Drug level rebate reporting
- ▶ Employer controls the benefit

Edits/Carve Outs

- ▶ Value-based coverage
- ▶ Formulary Management
- ▶ Direct to Retail

Early Successes



Focus on the Trend

Set the Foundation

- ▶ 100% transparent and pass through
- ▶ Drug level rebate reporting
- ▶ Employer controls the benefit

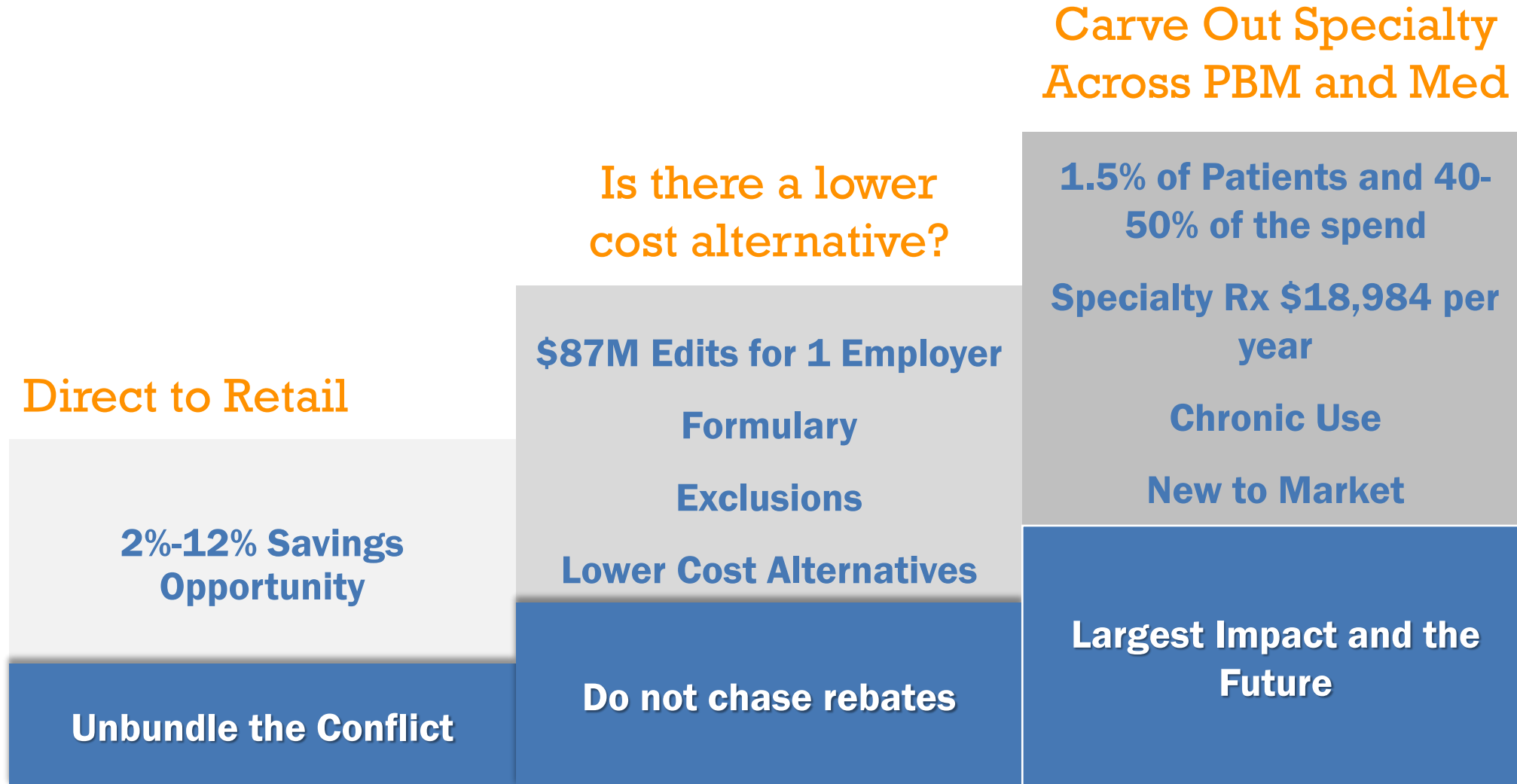
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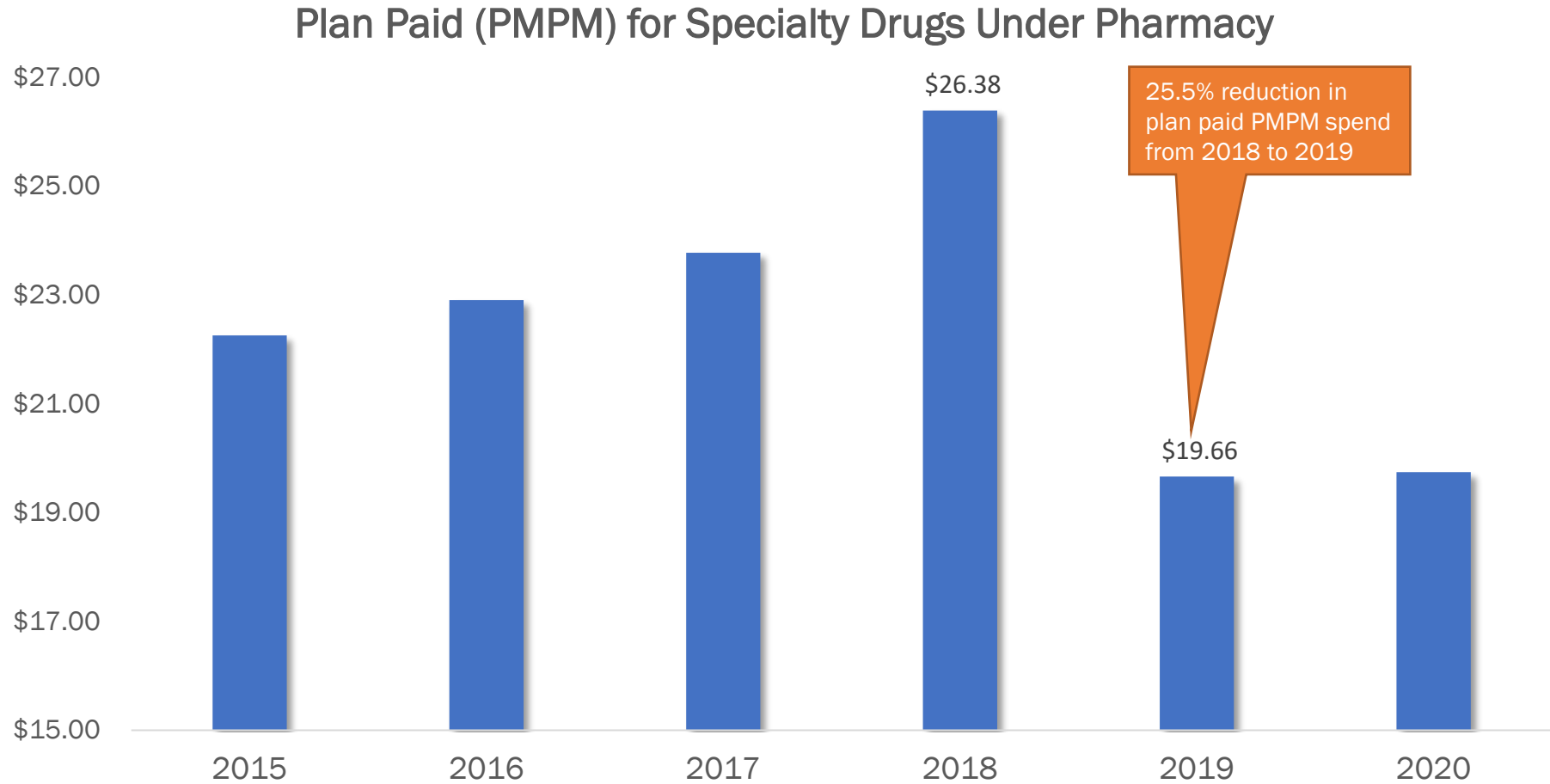
Specialty Focus

- ▶ High Cost Case Management
- ▶ Full Specialty PBM Carve Out
- ▶ Medical Specialty Carve Out
- ▶ Integrated Across Rx and Medical

Long Term Focus



Specialty Plan Paid Trend Example After Carve Out



Notes: Select medical specialty drugs were carved out to Pharmacy in 2020 and are reported separately

How Does the Use of a PBM Health Plan Sponsor Impact Health Plan Sponsor Fiduciary Obligations?

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Questions?



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