

# UNDERSTANDING PBM QUALITY

*2016 National Alliance of Healthcare  
Purchaser Coalitions PBM Assessment*

JOHN MILLER, MidAtlantic Business Group on Health  
FOONG-KHWAN SIEW, National Alliance of Healthcare Purchaser Coalitions



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## *What people are saying...*

“When I was shopping for a PBM, I placed a value on a company’s participation in the PBM Assessment. I also used the insights from the survey to educate myself about the questions I should ask. As more folks like me use the instrument, PBMs will be encouraged to perform at a higher level.”

— Janet McNichol, Director of Human Resources,  
American Speech-Language-Hearing Association

“The National Alliance PBM Assessment is a unique tool in the pharmacy management space. It allows the employer to go beyond financials to get at the core of the pharmacy benefit manager’s value proposition. Not only does it allow for an unbiased evaluation of utilization tools, but it also allows the PBM’s to gain insight from employers on what tools and services are important to them. Arxcel looks forward to more PBM participation and to employers embracing the tool in their decision making process.”

— Chris Robbins, Arxcel

“Access to unbiased reporting from a trusted resource is hard to come by for plan sponsors. The PBM Assessment provides a comprehensive comparison of the PBM marketplace and actionable steps for employers to take in managing pharmacy costs, developing a relationship with PBMs, and providing access to safe and cost effective medications to their employee communities.”

— Anonymous, Energy/Utility

“As a Coalition, the Northeast Business Group on Health highly values the PBM Assessment. We learn about PBMs in the market, and which ones are willing to be transparent about performance.”

— Kathy Sakraida, Director, Quality Initiatives,  
Northeast Business Group on Health

## Summary of 2016 Assessment Results

- ▶ In total, the eight responding **PBM**s cover over **250 million commercial lives; over 80% of the PBM market**
- ▶ **Carve-in PBM**s tend to **perform better** overall because of integrated approach and data
- ▶ **Carve-out PBM**s should be **strongly encouraged to integrate** demographic/ cultural data (age, race, primary language) they receive from purchasers and from medical plan

## Common Areas for Improvement:

The Assessment identified these specific areas as opportunities for improvement across all the respondents:



Work with pharmacy network to **TRACK AND ACT ON PRIMARY NON-FULFILLMENT**

(when first prescription is not filled)



Ensure appropriate treatment of cholesterol for members with **HEART DISEASE**



**IMPROVE ADHERENCE RATES** for key medications for diabetes and high cholesterol



Assure optimal treatment of members with **ASTHMA**



Only 2 PBM

s require use of **NDC CODES\*** for Specialty Pharmaceuticals.

Increase use of **GENERIC MEDICATIONS**



**REDUCE OVERUSE** of antibiotics



Implement coverage policies and recommendations for **ANTI-CRAVING MEDICATIONS**

\* NDC Codes specify what drugs are used under the Medical Benefit, helping purchasers understand their complete Specialty Rx spend.

## USING THIS ASSESSMENT

### This Assessment is best used as a conversation guide.

You may want to use the results during PBM interviews. Did the PBM score low in an area? Do they have plans to raise the score? Why or why not?

#### DISCUSSION POINTS:

These discussion points reflect differentiating features between the PBMs. Use them to provide a meaningful conversation with your current and prospective PBMs.

#### Program Organization

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- ▶ If you want to exercise more power over your own formulary decisions, how much leeway does the PBM allow? What areas would they see as candidates for change?

#### Efficiency & Appropriateness: Generic and Appropriate Drug Use

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- ▶ With the current concerns regarding antibiotic resistance, what steps is the PBM taking to assure appropriate prescribing?
- ▶ How does your PBM's (and your company's) generic dispensing rate measure up to industry benchmarks? What steps can you take to save money in this area while still protecting your employees' health?
- ▶ Is the PBM making sure that medication is appropriate and well-tolerated before moving to mail-order?

#### Specialty Pharmaceuticals

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- ▶ Given the sizable expense for each dose, and the waste if medications are not taken as directed, how is the PBM ensuring that your investment is achieving the intended health outcome?
- ▶ Many specialty drugs are significantly more expensive in the hospital setting: is the PBM monitoring the site of care and working with other vendors to make sure the drugs are administered in the highest value setting?
- ▶ Are PBMs requiring Providers to use NDC coding for Specialty Pharmaceuticals (SPs) to improve monitoring and tracking of utilization?
- ▶ PBMs use different numerator in calculating PMPM for specialty drug classes—have your PBM define their numerators and denominators when providing information to you

#### Outpatient Quality, Safety, and Adherence

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- ▶ Opioid misuse is a large concern for employers and society. How is the PBM monitoring and managing this issue?
- ▶ Is the PBM effectively monitoring for proper adherence for asthma and COPD medications?
- ▶ How does the PBM monitor quality in its retail pharmacies?

#### Pharmaceutical Management in Chronic Disease and Behavioral Health Management

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- ▶ Note that adherence is measured by having the drug available, and that respondents with automatic refill programs will have higher rates of "adherence" than those who do not automatically send out refills. Automatic refill programs may also lead to "waste". How does your PBM look at this question?
- ▶ As with the previous category, what is the PBM's position on substance use medication; do they recommend coverage, and monitor adherence? Why or why not?

## DISCUSSION POINTS:

These discussion points reflect differentiating features between the PBMs. Use them to provide a meaningful conversation with your current and prospective PBMs.

### Pharmaceutical Management Support for Tobacco Cessation and Weight Management

14

- ▶ Tobacco use and obesity are major contributors to many companies' overall expense. What coverage policies does the PBM recommend regarding medications to treat these expense drivers? Why do they take this position?

### Business Practices

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- ▶ How does the PBM decide whether to seek accreditation for various functions? What URAC accreditations do they have, and why or why not all?
- ▶ Are performance guarantees a negotiable option? Can the PBM offer outcomes-based contract options?
- ▶ What reports does your PBM provide? How can they advise your benefits decisions?
- ▶ Drug and administrative costs can vary significantly depending on whether they're delivered in a community or hospital-based setting. How is the PBM analyzing and managing this increasingly important cost driver?

### Consumer Engagement

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- ▶ Without information on age, race, ethnicity, and languages spoken, how does the PBM tailor its adherence and drug choice messages to members? How does it monitor proper dosing for members of different races/ethnicities?
- ▶ How is the PBM engaging members in making cost-effective decisions regarding medications, and empowering them to make wise decisions?
- ▶ Does the PBM measure the impact of their efforts, to demonstrate effectiveness?

## PBM SUMMARIES

### PBM Summaries

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- ▶ Pharmaceutical Management
- ▶ Business Practices
- ▶ Member Engagement

### Participating PBM Summaries

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## A few basic questions...

How do PBM services fit into your benefits strategy and company culture?

**Carve-out PBMs** are free-standing Pharmacy Benefit managers. **Carve-in PBMs** are those that are part of the overall health plan, along with the Medical Plan.

### IF YOU CARVE-OUT:



**Are you able to get a total picture of pharmacy** spend and trends for both pharmacy and medical benefit?



**Are your vendors exchanging and integrating data** that helps improve management of your employees? Who is alerting the member and care team when there are gaps in adherence, drug conflicts, etc?



**Ensure you consider total spend/investment** (including coordination costs) when determining best value

### IF YOU CARVE-IN:



**Does your vendor offer enough flexibility** to match your company culture?



**Are they efficient enough in the nuts and bolts** of what a PBM should do?



**DON'T SEE YOUR PBM IN OUR REPORT?**  
**WORK WITH YOUR CONSULTANT OR BROKER TO INCLUDE THIS LANGUAGE**  
**IN YOUR NEXT REQUEST FOR PROPOSAL AND CONTRACT!**

My company expects PBMs to participate in all National Alliance of Healthcare Purchaser Coalitions sponsored PBM Assessment surveys and activities. PBMs will annually supply most recent scores in the following categories:

- Business Practices
- Pharmaceutical Management Services and Results
- Activities/Tools and Services to Engage Members

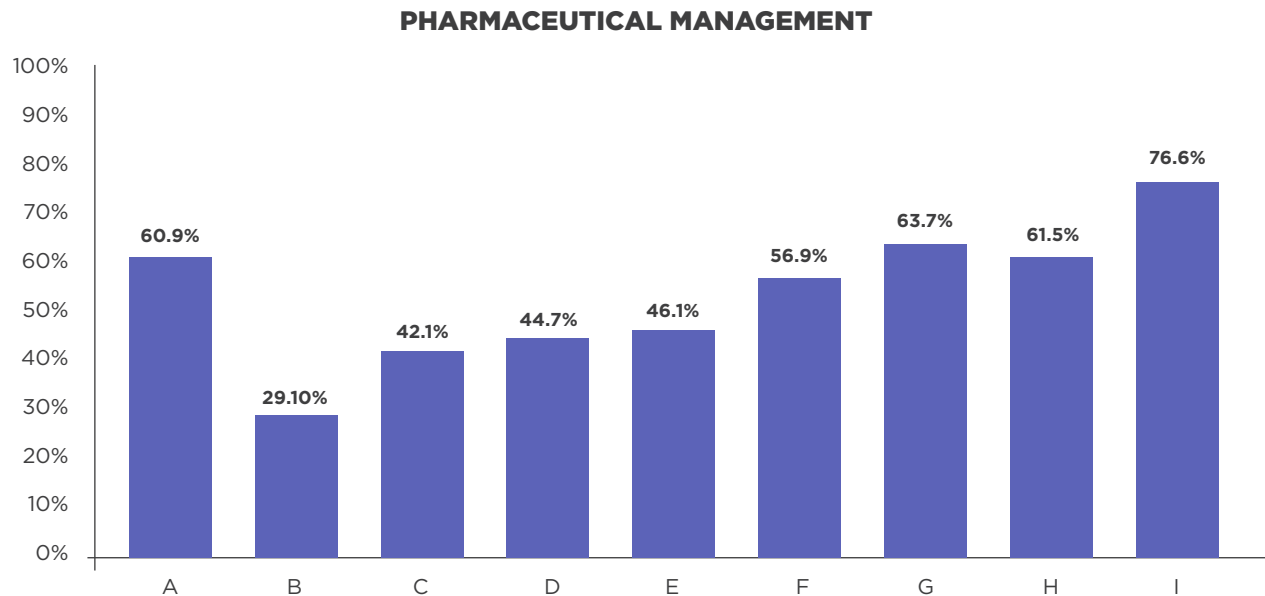
Plan participated, scores follow:

Business Practices \_\_\_\_\_  
Pharmaceutical Management Services and Results \_\_\_\_\_  
Activities/Tools and Services to Engage Members \_\_\_\_\_

B. Plan did not participate. \_\_\_\_\_

## Special Attention: Pharmaceutical Management

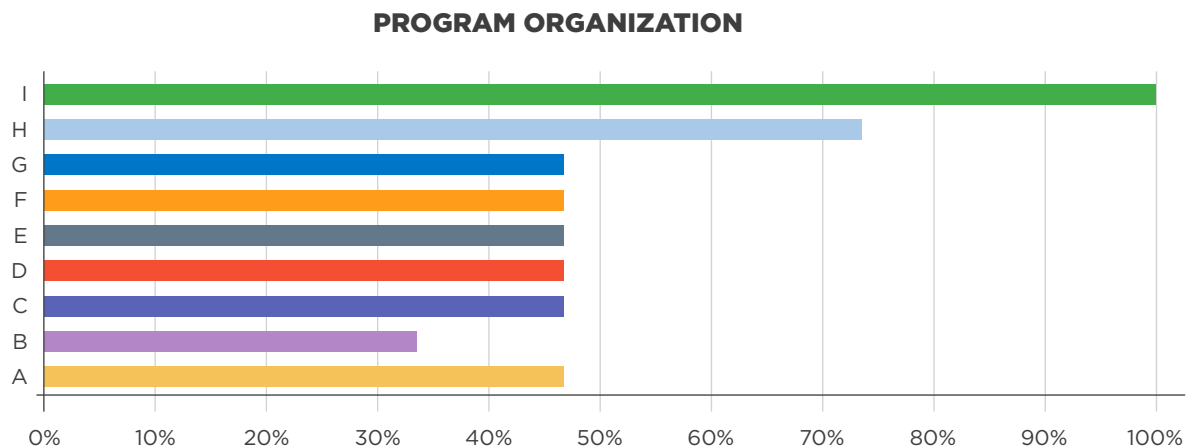
PBMs play an important role in improving medication adherence, ensuring medication safety and appropriate use, Specialty Rx Management, and moving patients to the most effective/least expensive (highest value) drug. They should also be monitoring and interacting with providers as appropriate.



## Components of Pharmaceutical Management

### PROGRAM ORGANIZATION

This section assesses the PBM's ability to provide a Value-based Formulary, the PBM's rebate practices, and the PBM's flexibility.



## SCORING DIFFERENCES ARE BASED ON:

- ▶ The option of a value-based formulary that is based on evidence and not based on contracts with manufacturers
- ▶ The ability to provide an example of a value-based benefit design with at least one Employer
- ▶ Flexibility in allowing Employers to customize certain functions



## Discussion Point

- ▶ If you want to exercise more power over your own formulary decisions, **how much leeway does the PBM allow?** What areas would they see as candidates for change?

## FORMULARY EXCLUSIONS: UNDERSTAND THE IMPACT

— from HealthCare 21: A National Alliance Coalition Member

### WHAT IS THE ISSUE?

PBM lists of noncovered drugs—also known as “formulary exclusions”—have increased the number of non-covered medications by 65% over the past two years.

### WHY SHOULD YOU CARE?

Put simply, PBM formulary decisions may be based on the best deal for the PBM—NOT the best deal for the employer or patient. For example, potential drug cost savings can be negated by increased medical expense. Formulary Exclusions may impact the medical expense for the affected disease state and your cost per claim for the affected therapy class, not to mention the volume of calls to the customer service center and/or Human Resources!

### ARE INCLUDED DRUGS ALWAYS MORE EFFECTIVE AND/OR LESS COSTLY?

Unfortunately, the answer is generally no. A recent study by the Tufts Center for the Study of Drug Development (TCSDD) found that of the 16 drugs excluded by both top U.S. PBMs:

- ▶ 10 had no evidence to support the exclusion from the formulary
- ▶ 5 were found to be cost-effective and should not have been removed

Among drugs excluded by one PBM but not the other, the study found:

- ▶ Little relationship between cost-effectiveness and formulary status.
- ▶ AND...sometimes the most cost-effective drugs were excluded!

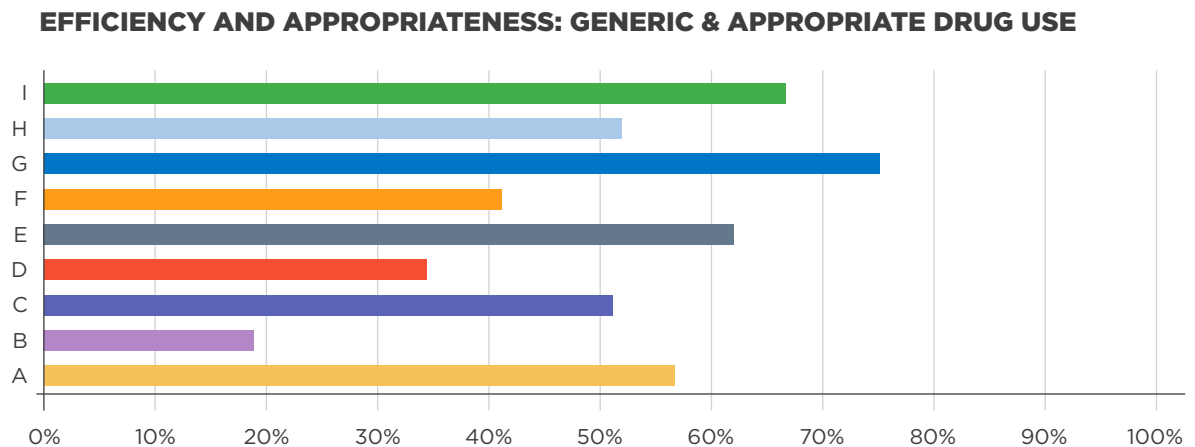
### FIVE STEPS EMPLOYERS SHOULD TAKE:

- 1 Ask about exclusions before you sign a contract.
- 2 Ask about the ability of “grandfathering” to promote adherence.
- 3 Ask if the PBM capital calculated the number of affected members & estimated the potential effects on medical costs prior to making the exclusion.
- 4 Ask how the PBM capital will notify members and providers about formulary changes that affect them.
- 5 Ask for help measuring an exclusion’s impact on your plan.

Healthcare 21, a National Alliance member coalition, has created a very short, readable synopsis of this issue. For more information, contact HealthCare 21 at [HC21.org](http://HC21.org)

## EFFICIENCY & APPROPRIATENESS: GENERIC & APPROPRIATE DRUG USE

This section assesses the breadth and types of strategies PBMs use to assure appropriate, cost-effective utilization. It specifically delves into cost-effective utilization for high-use drugs for cardiovascular disease (ACE and ARB), ulcer and acid reflux (PPI), cholesterol (STATIN), diabetes (METFORMIN and other antidiabetics), and depression (SSRI). It also looks at the plans rates of antibiotic utilization.



### SCORING DIFFERENCES WERE BASED ON:

- ▶ Generic dispensing rate
- ▶ Addressing overuse of antibiotics of concern
- ▶ Programs in place to assure stabilization of medication regimens prior to filling drugs via mail service or extended retail

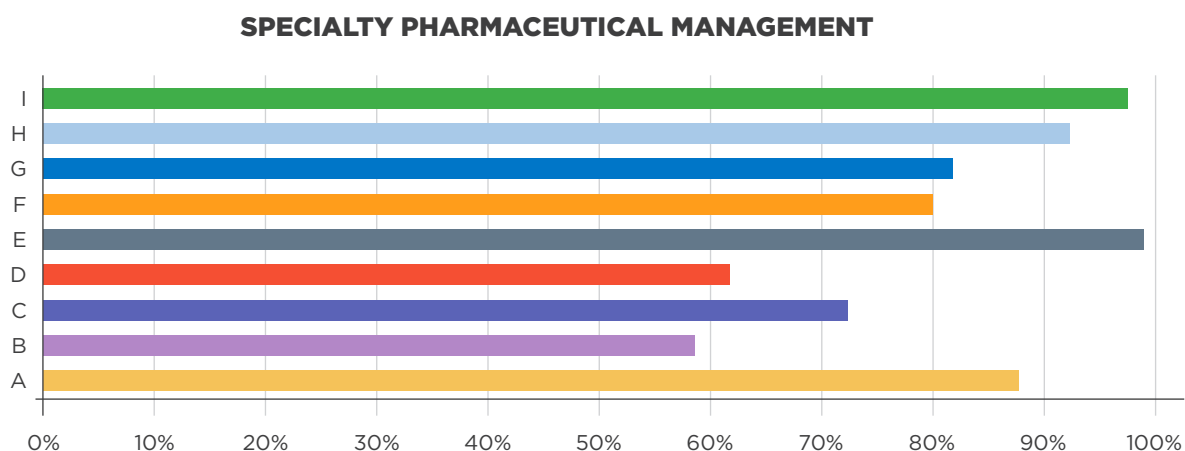


### Discussion Points

- ▶ With the current concerns regarding **antibiotic resistance**, what steps is the PBM taking to assure appropriate prescribing?
- ▶ How does your PBM's (and your company's) **generic dispensing rate** measure up to industry benchmarks? What steps can you take to save money in this area while still protecting your employees' health?

## SPECIALTY PHARMACEUTICALS

Purchasers have an increasing interest in the prevalence of use and cost of specialty medications and biologics. This section looks at administration (medical or pharmacy benefit), utilization strategies, such as prior authorization and step edits, channel management (limiting dispensing to specific providers), and patient adherence for these very expensive drugs.



### SCORING DIFFERENCES WERE BASED ON:

- ▶ Programs and processes in place to manage members and monitor for gaps in adherence.
- ▶ The PBM's willingness to provide Per Member Per Month costs for listed conditions



### Discussion Points

- ▶ Given the sizable expense for each dose, and the waste if medications are not taken as directed, how is the PBM ensuring that **your investment is achieving the intended health outcome?**
- ▶ Many specialty drugs are significantly more expensive in the hospital setting: is the PBM monitoring the site of care and working with other vendors to **make sure the drugs are administered in the highest value setting?**
- ▶ Are PBMs requiring Providers to use **NDC coding for Specialty Pharmaceuticals\*** to improve monitoring and tracking of utilization?
- ▶ PBMS use different numerator in calculating PMPM for specialty drug classes—**have your PBM define their numerators and denominators** when providing information to you.

\* NDC Codes specify what drugs are used under the Medical Benefit, helping purchasers understand their complete Specialty Rx spend.

## BIOSIMILARS: A POTENTIAL FOR SAVINGS

— from Elan Rubinstein, Pharm.D., MPH

### BIOSIMILARS

Biosimilars are actually a new category of biologic injectable drug established in 2010 by legislation within the Affordable Care Act. By law, an FDA-approved biosimilar will provide the same clinical benefit as the original branded biologic. As of first quarter 2017, FDA has approved four biosimilars, only two of which are on the market.

Experience shows that purchasers will see lower expenditures when originator brands are replaced by biosimilars. While rebates are not public, the difference in list price between originator brand and biosimilar suggests at least a 15% savings. Whether beneficiaries will also see lower out of pocket costs from switching to biosimilars depends on their cost-share, and on the biologic's cost basis to which that cost-share is applied, at the point of dispensing or at the clinic.

### HOW TO GET THERE FROM HERE?

Educating patients regarding biosimilars is critical, as was necessary to encourage acceptance when

generics first entered the US market many years ago. In addition, employers may:

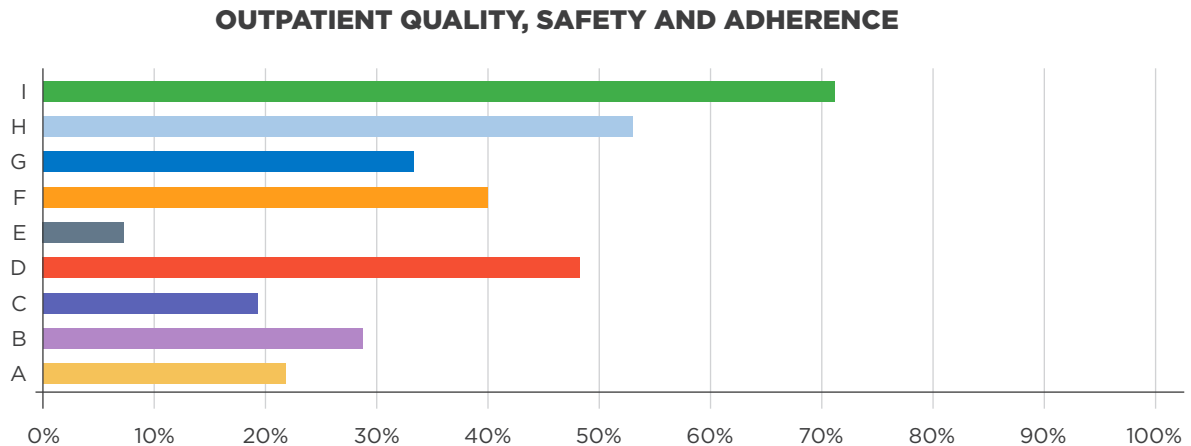
- ▶ Incentivize preference for biosimilars through benefit design cost-sharing,
- ▶ Check with your PBM to ensure that members share in the cost savings, as well
- ▶ Work with PBMs to ensure that biosimilars are favored (or at least not disadvantaged) in drug formularies
- ▶ Ask medical benefit administrators to develop coverage policies that are at least permissive of biosimilar use, because they will appear under the medical as well as the pharmacy benefit

For more information, the Amgen 2017 Trends in Biosimilars Report provides a good overview. It is posted at the following URL: <http://www.amgenbiosimilars.com/resources/amgen-biosimilars-materials>

Elan Rubinstein, Pharm.D., MPH serves as consultant to the MidAtlantic Business Group on Health and the National Alliance PBM Assessment. For more information, contact: [elan.b.rubinstein@gmail.com](mailto:elan.b.rubinstein@gmail.com)

## OUTPATIENT QUALITY, SAFETY AND ADHERENCE

This section examines the PBMs' programs to monitor and manage patients on long-term medications, including Asthma and COPD, as well as conditions requiring specialty medications, such as Rheumatoid Arthritis. It also looks at how the PBM manages drug conflicts, and potential Opioid misuse.



### SCORING DIFFERENCES WERE BASED ON:

- ▶ Ability to address drug-drug conflicts and opioid misuse
- ▶ Quality of monitoring members on asthma, and COPD
- ▶ Performance and Reporting on optimal control of members with asthma.
- ▶ Assessment of network pharmacies



### Discussion Points

- ▶ **Opioid misuse** is a large concern for employers and society. How is the PBM monitoring and managing this issue?
- ▶ Is the PBM effectively monitoring for proper adherence for **asthma and COPD medications**?
- ▶ **How does the PBM monitor quality** in its retail pharmacies?

## OPIOIDS: EMPLOYERS CAN AND SHOULD ACT

— from Chuck Gamsu, RPh., MBA, SkySail Rx

***“Eight out of 10 new heroin users began by abusing prescription painkillers and moved to heroin when they could no longer obtain or afford those painkillers.”***

### **REDUCE, RESTRICT AND REMOVE**

We are in the midst of a Narcotic epidemic that is impacting thousands of lives across the country. Overdoses leading to emergency room visits and even death are on the rise. As noted above, most opioid addiction tragically starts with prescription pain killers. Many of these prescriptions were paid for by employers and health plans and processed by PBMs.

Like ‘Stop, Drop and Roll’ with fire safety, ‘Reduce, Restrict and Remove’ is a simple way to remember the steps that payors along with their PBM providers can take to address this ever-growing issue.

### **PAYORS AND PBMS CAN HELP**

The first step is for payors to review their own benefit plan design and claims data to determine if the proper controls are in place. Every PBM can restrict the day supply, implement reduced refill tolerances, reduce quantity allowances, exclude duplicate therapies and block dangerous drug interactions.

In addition, the implementation of a robust Fraud, Waste and Abuse clinical program can help identify potential abusers, curtail doctor shopping behavior, and implement appropriate restrictions.

Finally, payors and PBMs can support the removal of unused narcotic medications from the community through drug take back programs. The DEA offers an annual program in conjunction with local law enforcement and participating pharmacies which help stem resale, theft, and misuse ([https://www.deadiversion.usdoj.gov/drug\\_disposal/takeback/index.html](https://www.deadiversion.usdoj.gov/drug_disposal/takeback/index.html)).

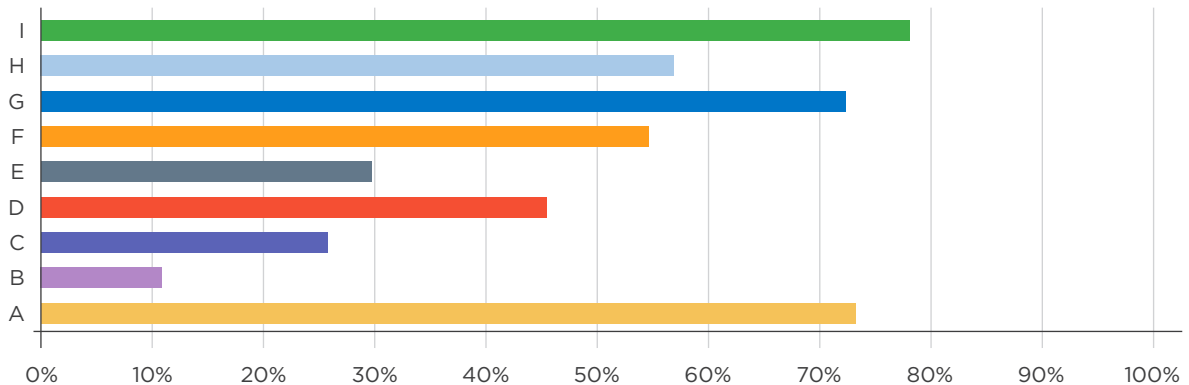
Unless you verify that these simple steps are being done by your PBM your plan may be contributing to the access of potentially harmful substances in your community.

*Chuck Gamsu, RPh., MBA, is Principal at SkySail Rx. For more information on implementing these steps, contact: Chuck at [Chuck@SkySailRx.com](mailto:Chuck@SkySailRx.com)*

## PHARMACEUTICAL MANAGEMENT IN CHRONIC DISEASE AND BEHAVIORAL HEALTH MANAGEMENT

This section examines the PBM's ability to support patients with Chronic Disease and Behavioral Health issues. It looks at the number of disease states supported, program coordination, and the PBM's ability to work with data and programs from other vendors. We asked how members are identified for inclusion in programs, stratified for appropriate interventions, and the level of those interventions.

### RX MANAGEMENT IN CHRONIC CONDITION MANAGEMENT



#### SCORING DIFFERENCES WERE BASED ON:

- ▶ Appropriate treatment of cholesterol in patients with heart disease
- ▶ Adherence monitoring (diabetes, CAD, depression and substance use) practices and rates (Note that adherence rates will be higher for those who send out automatic refills.
- ▶ Automatic refill programs may also lead to waste. How does your PBM look at this question?)
- ▶ Monitoring appropriateness of antidepressant prescribing practices of practitioners
- ▶ Coverage of and access to medications to treat substance use



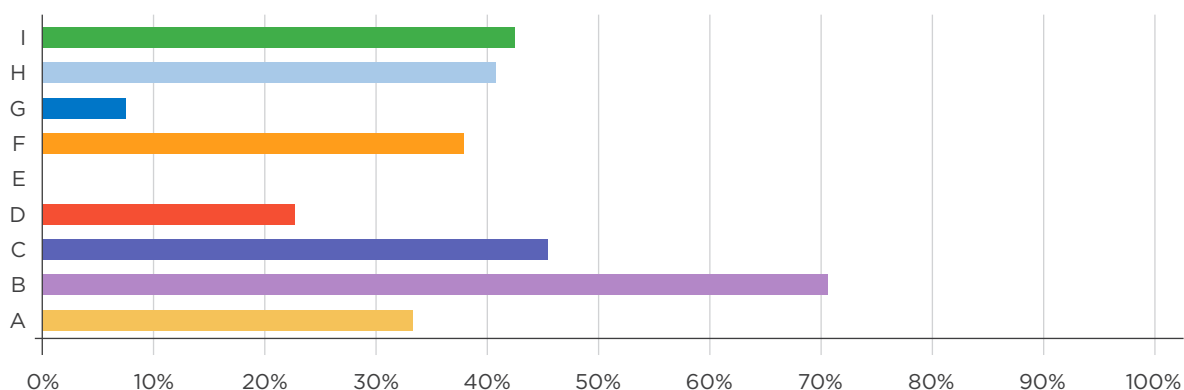
### Discussion Points

- ▶ Note that adherence is measured by having the drug available, and that respondents with **automatic refill programs** will have higher rates of “adherence” than those who do not automatically send out refills. Automatic refill programs may also lead to “waste”. How does your PBM look at this question?
- ▶ As with the previous category, **what is the PBM's position on substance use medication**; do they recommend coverage, and monitor adherence? Why or why not?

## PHARMACEUTICAL MANAGEMENT SUPPORT FOR TOBACCO CESSATION AND WEIGHT MANAGEMENT

This section measures how the PBM supports management of obesity and tobacco use, including drug coverage for tobacco use, and drug coverage and weight management support for obesity.

### RX MANAGEMENT FOR TOBACCO CESSATION AND WEIGHT MANAGEMENT



#### SCORING DIFFERENCES WERE BASED ON:

- ▶ Options to reduce barriers for medications to treat tobacco cessation and for weight management medications
- ▶ Whether PBM provided guidance on eligibility criteria for covering medications for weight loss
- ▶ Are PBMs advising clients that all tobacco cessation medications need to be covered with no oop for members?



### Discussion Point

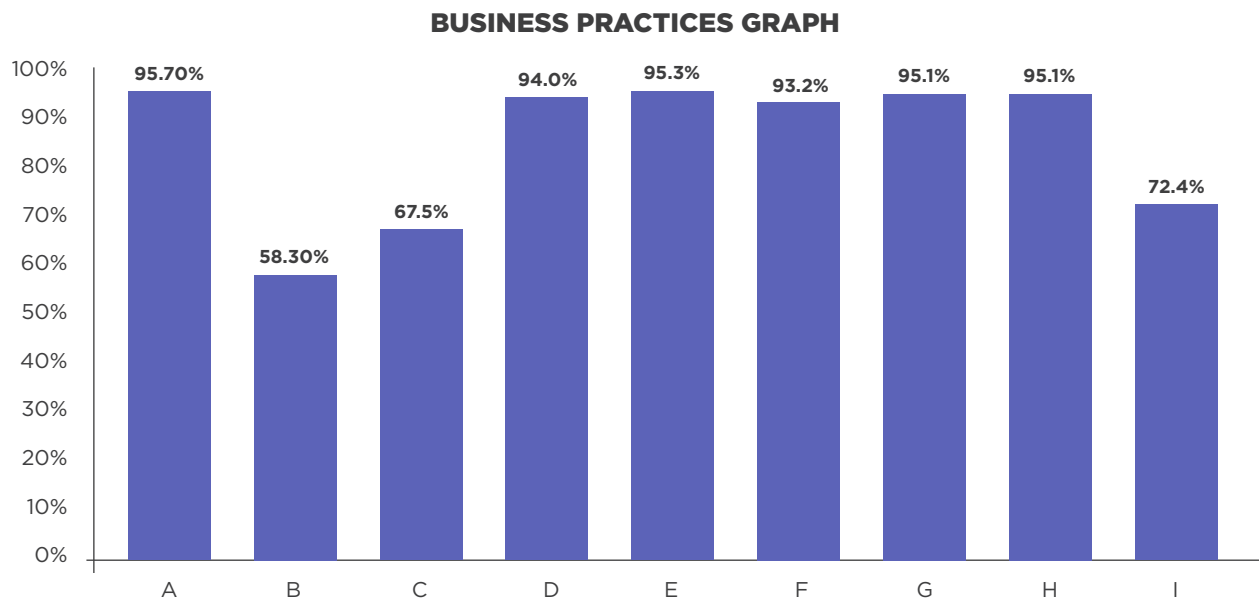
- ▶ **Tobacco use and obesity** are major contributors to many companies' overall expense. What coverage policies does the PBM recommend regarding medications to treat these expense drivers? Why do they take this position?

## Other Information

Although this report focuses on Pharmaceutical Management, the National Alliance PBM Assessment also asks about other areas that should be of interest to employers. This section offers a high-level overview of the results of those other areas; Business Practices and Consumer Engagement.

### BUSINESS PRACTICES

PBMs should meet professional standards, should be open to clients audits and collaborate in data integration. They should provide accurate, meaningful, and effective reports to their clients, and provide a level of guarantee for their services.



#### SCORING DIFFERENCES WERE BASED ON:

- ▶ Accreditation Status (All URAC\* PBM Accredited; accreditation for mail order, specialty, drug therapy varied.)
- ▶ Audits: only 2 PBMs allow open book access
- ▶ Employer Reporting (Generally good, though variable)
- ▶ Availability of Performance Guarantees, and whether guarantees are clinical, financial, or both
- ▶ Specialty Rx Reporting: few PBMs can report on what % of their spend is in Medical vs. Pharmacy

\* URAC is a major accreditor of a variety of PBM organizations.



## Discussion Points

- ▶ How does the PBM decide whether to seek accreditation for various functions? **What URAC accreditations do they have**, and why or why not all?
- ▶ **Are performance guarantees a negotiable option?** Can the PBM offer outcomes-based contract options?
- ▶ **What reports does your PBM provide?** How can they advise your benefits decisions? (See below)
- ▶ Drug and administrative costs can vary significantly depending on whether they're delivered in a community or hospital-based setting. **How is the PBM analyzing and managing this increasingly important cost driver?**

## Employer Reporting

In analysis and reporting for Employers, respondents should be able to provide their client with information on how they compare to the PBM's book-of-business benchmarks, and to similarly sized groups.

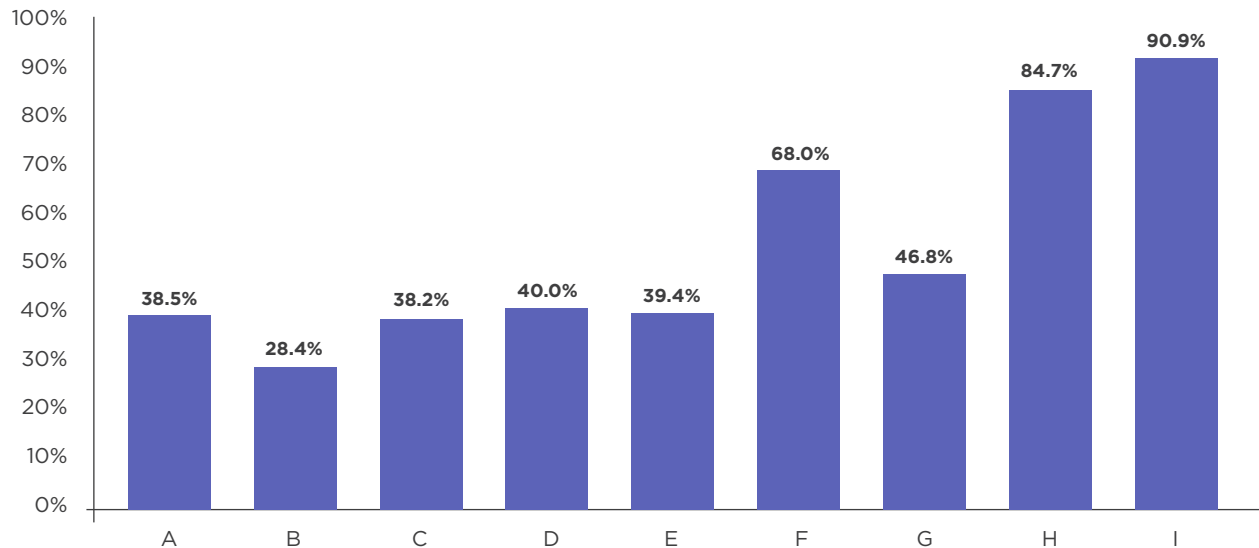
### TYPES OF ANALYSIS COULD INCLUDE:

- ▶ Employee population stratified by Rx utilization, both by cost and volume
- ▶ Employee population stratified by specialty medication utilization
- ▶ Change in generic medication utilization rates
- ▶ Change in maintenance medications adherence rates
- ▶ Change in top 10 pharmacy drug spend
- ▶ Health status change among enrollees in a drug therapy management (DTM) or disease management program
- ▶ Specialty pharmacy % spend on pharmaceutical benefit versus medical benefit

## CONSUMER ENGAGEMENT

PBMs should know the cultural background and health literacy levels of their members so that they can connect effectively, should align their benefit designs with best value health outcomes, and should keep members aware of the cost implications of their pharmaceutical decisions.

CONSUMER ENGAGEMENT GRAPH



## Member Demographics

### SCORING DIFFERENCES WERE BASED ON:

- ▶ Capturing demographic information on new and existing members and using information to support member's language and/or cultural needs as well as supporting those with health literacy limitations; and evaluation of the PBM's efforts
- ▶ The PBM cost calculator's content, functionality, specificity and account management capabilities, and how the calculator is evaluated



## Discussion Points

- ▶ Without information on age, race, ethnicity, and languages spoken, how does the PBM tailor its adherence and drug choice messages to members?  
**How does it monitor proper dosing for members of different races/ethnicities?**
- ▶ How is the PBM engaging members in making **cost-effective decisions regarding medications**, and empowering them to make wise decisions?
- ▶ Does the PBM measure the **impact of their efforts, to demonstrate effectiveness?**

## PBM Summaries

### Pharmaceutical Management

	A	B	C	D	E	F	G	H	I
Program Organization	46.7%	33.3%	46.7%	46.7%	46.7%	46.7%	46.7%	73.3%	100.0%
Generic & Appropriate Drug Use	56.6%	19.2%	51.3%	34.5%	62.0%	41.4%	75.2%	52.0%	66.6%
Specialty Pharmaceuticals Management Strategies	87.6%	58.5%	72.2%	61.6%	98.8%	79.9%	81.8%	92.1%	97.4%
Quality, Safety and Adherence	22.0%	28.8%	19.5%	48.4%	7.3%	39.8%	33.4%	53.2%	71.2%
Support — CAD, Diabetes, Behavioral Health	73.1%	12.3%	25.5%	45.4%	29.6%	67.8%	72.2%	56.8%	78.1%
Support — Tobacco and Obesity	33.3%	70.5%	45.5%	22.7%	0.0%	37.9%	7.6%	40.9%	42.4%

### Business Practices

	A	B	C	D	E	F	G	H	I
Third Party Accreditations (URAC) Audit Access E-Prescribing	98.6%	90.0%	66.0%	95.8%	100.0%	97.2%	97.2%	95.8%	66.3%
Client Support: Employer Reporting Beneficiary Communication Performance Guarantees Specialty Drug Reporting	86.0%	92.1%	72.7%	87.9%	79.3%	79.7%	87.9%	92.9%	92.9%

## Member Engagement

	A	B	C	D	E	F	G	H	I
Racial, Cultural and Language Competency	0.0%	52.4%	11.2%	77.2%	19.4%	46.9%	27.5%	89.8%	86.7%
Benefit Design	50.0%	0.0%	100.0%	0.0%	100.0%	89.3%	0.0%	75.9%	100.0%
Reducing Barriers for Chronic Disease									
Reducing Barriers for Acute Care									
Price Transparency and Member Experience	66.7%	56.7%	43.3%	45.0%	43.3%	63.3%	50.0%	85.0%	100.0%
Member Support: Cardiovascular Disease, Diabetes, Behavioral Health	63.0%	11.6%	31.3%	35.0%	32.7%	84.7%	93.2%	93.6%	93.2%
Member Support: Tobacco, Obesity	10.2%	54.5%	24.9%	0.0%	0.0%	0.0%	2.9%	37.3%	61.0%

## Participating PBM Summaries



<b>Company Name</b>	Cigna
<b>Years in business</b>	Cigna owns and operates Cigna's pharmacy management services and began offering a retail program in 1992. We launched our integrated home delivery program, Cigna Home Delivery Pharmacy, in 1993.
<b>Number of Covered Commercial Lives</b>	8.9M lives
<b>Contact name</b>	Katy Wong, RPh, MBA
<b>Contact phone</b>	860-816-4795
<b>Contact email address</b>	katy.wong@cigna.com

### Your unique value proposition/differentiating factors

Cigna Pharmacy Management is the wholly-owned PBM for Cigna serving eight million people. We focus on core PBM strategies to reduce cost but go further by using engagement and coaching connections across medical/pharmacy benefits that can reduce total Specialty Rx and total medial costs. We focus on the demand for drugs, not just the cost. This is proven in our connection to network doctors and emphasis on keeping people productive while managing disease. We lead in

volume to value strategies with pharma through outcomes based contracts and with doctors through collaborative arrangements that include pharmacy. We are committed to reducing opioid use by 25% among our customers by 2019—as of April 2017 we are 50% of goal. Narcotics Therapy Management program identifies those at risk and in cooperation with doctors, uses proven outreach to find the right treatment for each individual—saving \$2300/patient in reduced outpatient and ER costs.

### What is new and innovative at your company?

Our PBM boosts engagement into client-sponsored coaching programs. 44% of calls to our enterprise service center are pharmacy related. With an outside PBMs these opportunities to influence value based decisions are mostly lost. Cigna's Integrated Engagement model uses predictive analytics and shared clinical desktop to value, prioritize and drive customers calling our pharmacy service center to health and cost coaching. We call this the catch and of those who agreed to speak with a coach 91% set

and met/progressed to goal. We also know that keeping pharma pricing in check is challenging as they launch aggressive marketing strategies. Our low net drug cost formulary strategy will remove high cost drugs from formulary in favor of clinically appropriate lower cost alternatives regardless of rebates and their ability to improve our spread sheet value. We know this is the right strategy for our clients and customers as it drives immediate and sustainable cost savings.



<b>Company Name</b>	CVS Health
<b>Years in business</b>	1969
<b>Number of Covered Commercial Lives</b>	54.6 Million
<b>Contact name</b>	Christopher Wilson
<b>Contact phone</b>	201-602-8895
<b>Contact email address</b>	Christopher.wilson4@cvshealth.com

#### Your unique value proposition/differentiating factors

As a PBM, we leverage our integrated business structure —unique in the industry—to work on client’s behalf and help ensure they are getting the best value from their drug spend so they can continue providing a comprehensive, affordable prescription benefit for their members. We are the only company that integrates a PBM (CVS Caremark®) with a specialty pharmacy (CVS Specialty™), major retail pharmacy chain (CVS Pharmacy®)—as well as

one of the country’s most successful retail clinics (MinuteClinic®)—making CVS Health the largest health care provider in the U.S. We have not just connected these dispensing channels, but fully integrated them—so that we better manage drug costs and enhance pharmacy care and the member experience at every access point. We own the front door and the last mile of care, enabling us to deliver better results and greater satisfaction.

#### What is new and innovative at your company?

Compared with our competitors, CVS Caremark has more ways in which we can engage with members to help improve adherence and health outcomes—from our retail, mail, and specialty pharmacies, to our MinuteClinic® locations and innovative digital health capabilities. Paired with the Health Engagement

Engine, we are able to accurately target the right message to the right member to provide better coordination of care. These innovations position us as a market leader and put us on the cutting edge of treating members beyond just their medications.

# ENVISION<sup>®</sup>OPTIONS

<b>Company Name</b>	EnvisionRxOptions
<b>Years in business</b>	16
<b>Number of Covered Commercial Lives</b>	3.45MM
<b>Contact name</b>	Woody Sides, VP National Accounts
<b>Contact phone</b>	562-438-2331 or 562-253-1919
<b>Contact email address</b>	wsides@envisionrx.com

## Your unique value proposition/differentiating factors

The EnvisionRxOptions Visibly Different Approach

**TRANSPARENT PERFORMANCE**—We provide clients the tools to gauge actual performance versus guarantees, measure clinical program efficacy, assess member engagement strategies, and design more benefits that are impactful.

**ONGOING INSIGHTS**—We collaborate to create data-driven, highly effective, and measurable member experiences that maximize satisfaction, drive adherence and minimize cost.

**BOTTOM LINE IMPACT**—We optimize the pharmacy care experience, including plan design, member communications, pharmacy channels, formulary management and clinical programs.

**OPERATIONAL FLEXIBILITY**—Tailored solutions meet the needs of the plan and its members.

**QUALITY ASSURANCE**—A dedicated transition team ensures a smooth, rapid implementation and an experienced account management team works on your behalf, ensuring you maximize plan performance and provide the best benefit for your workforce.

## What is new and innovative at your company?

Our visibly different approach continues to proactively offer innovative options for our clients to save more and improve their members' health outcomes. We are continually launching new programs as part of our EnvisionCare model for delivering an integrated pharmacy care experience that offers our clients immediate plan savings and protection from unnecessary high cost drugs. These programs aims to curb drug trend for high cost and

high prevalence conditions. We provide our clients with exceptional value through flexible plan design options, pass through of rebates and discounts, better patient analytics and highly customizable networks. We are fully integrated, owning all of the programs and tools we provide. As a nimble partner with a modern approach to pharmacy benefits, Envision delivers high quality, effective outcomes-based medication management.



<b>Company Name</b>	Express Scripts
<b>Years in business</b>	31 years
<b>Number of Covered Commercial Lives</b>	76 million lives
<b>Contact name</b>	Vince Zwilling
<b>Contact phone</b>	314-684-6033
<b>Contact email address</b>	vjzwilling@express-scripts.com

### Your unique value proposition/differentiating factors

Express Scripts is uniquely positioned to help clients achieve optimal clinical and cost outcomes now and into the future through four key differentiators:

**BOLD ACTION**—We are taking bold, market-changing action to improve health and lower costs for unethically priced compound drugs and exorbitantly priced therapies for serious conditions, ensuring patients have access to the medications they need at a reasonable cost.

**SPECIALIZED CARE**—Our Therapeutic Resource Centers® specialist pharmacists provide members

with expert counseling and specialized care in many chronic and complex diseases.

**ACTIONABLE DATA**—Access to 1/3 of the nation's prescription information results in superior data-driven services and the industry's most advanced solutions to improve adherence and close millions of gaps in care annually.

**INNOVATION**—As the only PBM named to Forbes' most innovative companies in both 2014 and 2015, we partner with clients to design solutions that address key pain points and drive greater clinical and financial value.

### What is new and innovative at your company?

Express Scripts is engaged in innovative work that leads to the launch of leading edge ideas and solutions to drive better decisions and healthier clinical and financial outcomes. Today's healthcare landscape can be unpredictable and challenging, and in this volatile climate, clients need a partner that will take bold actions and provide innovative solutions, such as Express Scripts SafeGuardRxSM. Aligning with your needs, we have taken on unprecedented challenges and created greater value for clients and members. We have protected clients

from the soaring costs of treating hepatitis C, high cholesterol, and oncology, as well as implementing the industry's first inflation protection program to minimize the impact of rising brand-drug prices. In 2017, we enhanced our current programs and introduced new programs to prevent unexpected cost spikes from impacting clients and better achieve optimal care and value within two costly, difficult-to-manage classes: diabetes and inflammatory conditions.



<b>Company Name</b>	Magellan Rx Management
<b>Years in business</b>	Over 40 years
<b>Number of Covered Commercial Lives</b>	1.7 Commerical PBM members
<b>Contact name</b>	Tom Lenhart
<b>Contact phone</b>	757-635-1209
<b>Contact email address</b>	TELenhart@magellanhealth.com

### Your unique value proposition/differentiating factors

Magellan Rx Management is a full-service PBM, but with an important distinction. Because our services were borne from our experience in managing specialty drugs, including those covered under the medical benefit—some of the highest cost and most difficult to manage in the industry—we are uniquely

qualified to deliver value in the new healthcare economy. That experience, coupled with our industry-leading customer service, unique clinical and engagement strategies, and innovative technology, has supported our growth as a nimble, responsive and industry-leading PBM.

### What is new and innovative at your company?

Magellan Rx Management is a company dedicated to discovering new and innovative solutions in the industry.

In today's highly regulated PBM environment, there is a need to drive new opportunities and value. To address this, we created MRxStudio.

MRxStudio is a team focused on exploring, designing and building solutions that foster innovation and help members live more vibrant lives. The team is

made up of employees that were hand selected for their customer focus, critical thinking, and creativity. MRxStudio works together without a defined reporting structure in a fast-paced environment that pushes the boundaries of existing processes and teams. The result has been idea development driven by customer participation and insights. Current areas of focus include artificial intelligence, mobile engagement platforms, video medicine and more.



<b>Company Name</b>	OptumRx
<b>Years in business</b>	28 years
<b>Number of Covered Commercial Lives</b>	39.1 million (total lives – 66 million)
<b>Contact name</b>	Sharon Montgomery
<b>Contact phone</b>	678-445-6140
<b>Contact email address</b>	sharon_m_montgomery@optum.com

### Your unique value proposition/differentiating factors

At OptumRx, we have a unique opportunity to unlock the total cost picture. Through Total HealthCare Cost Management, we show our clients a pathway to progressive and effective management of total medical cost.

All our actions and decisions start with our industry-leading data and analytics. Working together, we focus on driving to the lowest net cost through a smarter, easier, healthier experience for members and clients. By connecting all the right touch points in the right ways to make the health system work better for everyone.

**SMARTER** — Harnessing world-class systems and analytics, diagnosing client needs to deliver tailored solutions

**EASIER** — Empowering physicians while simplifying and connecting health care to drive higher member engagement

**HEALTHIER** — Driving healthier outcomes—both financially and clinically—focused on managing to lowest net cost

We are an Optum® company—a leading health services and innovation company dedicated to making the health system work better for everyone.

### What is new and innovative at your company?

Express Scripts is engaged in innovative work that leads to the launch of leading edge ideas and solutions to drive better decisions and healthier clinical and financial outcomes. Today's healthcare landscape can be unpredictable and challenging, and in this volatile climate, clients need a partner that will take bold actions and provide innovative solutions, such as Express Scripts SafeGuardRxSM. Aligning with your needs, we have taken on unprecedented challenges and created greater value for clients and members. We have protected clients

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<b>Company Name</b>	PerformRx, LLC
<b>Years in business</b>	18
<b>Number of Covered Commercial Lives</b>	Commercial: 128,314 Total: 5,045,026
<b>Contact name</b>	Nicholas Dinsmore
<b>Contact phone</b>	215-863-5874
<b>Contact email address</b>	ndinsmore@performrx.com

### Your unique value proposition/differentiating factors

#### Unique value proposition/differentiating factors

Through innovative, flexible, and customizable programs, the NAHPC member groups can improve the holistic wellbeing of their membership, medication adherence, outcomes, and reduce overall pharmacy/medical trend while streamlining administer efforts and costs.

Our offerings are not “one-size-fits-all” and range from full PBM, holistic turn-key solutions to fully customizable boutique services. All of our programs can be offered as one total offering or can be tailored to fit the individual customers’ needs with a la carte services. Some of these services include:

- Compliance oversight
- Contact center
- Clinical programs
- Drug therapy management
- Formulary management
- Prior authorization
- Network management
- Rebate management
- Specialty

As partners, we will design a suite of programs that balance the need to deliver outstanding pharmacy management to your members, while still managing cost and exceeding quality expectations.

### What is new and innovative at your company?

In the past year as well as in the immediate future, PerformRx is focusing on enhancing its already robust clinical capabilities as well as developing technology to enhance the delivery of healthcare.

Many of the clinical initiative revolve around managing the appropriate utilization of Opioids and other controlled substances. One such initiative is the SafeUseNow program. The program uses predictive analytics to identify prescribers, enrollees, and pharmacies whose health care behaviors may contribute to prescription drug misuse and abuse.

The model has demonstrated a \$17 per participant per month savings in some markets. Measurable results include: reduction in inappropriate opioid drug use, opioid drug spend, opioid-related ER/IR admissions, and identification of high-risk providers in the network.

We have also implemented or in the implementation of new technologies to improve the delivery outcomes of Healthcare. Some of these include automated messaging, distribution of Android tablets, and tele-health video capabilities.



<b>Company Name</b>	UnitedHealthcare
<b>Years in business</b>	40 years
<b>Number of Covered Commercial Lives</b>	27.6 million
<b>Contact name</b>	Bill Stewart
<b>Contact phone</b>	314-909-0990
<b>Contact email address</b>	bill.stewart@optum.com

### Your unique value proposition/differentiating factors

UnitedHealthcare is a full-service company that provides innovative pharmacy benefit solutions that drive lower costs and increase overall value for our customers. Our approach differs from the standard PBM approach most notably in the following areas:

**DATA EXCHANGE SCHEDULE:** PBMs traditionally send data feeds to external vendors on a monthly basis. We provide clinicians with real time information.

**CARE MANAGEMENT MODEL:** We provide one team of skilled health care professionals who work together to make better total health care decisions.

**MEMBER SUPPORT:** Members benefit from one call support. Because our knowledgeable customer service advocates (CSAs) have access to the member's pharmacy and medical data, they are equipped to provide personalized resources and answer a multitude of benefit-related inquiries. Beyond that, CSRs also maximize each interaction by proactively identifying health and savings opportunities

### What is new and innovative at your company?

Innovation is a substantial part of our culture; we are constantly identifying ways to enhance technology, capabilities and intellectual capital. Over the past few years, our focus in these areas has led to significant advancements that help us best serve our customers and their members.

Following are our recent investments in key areas that have helped us lower costs and improve health outcomes. They are:

- Effective Administration and Reporting Tools
- Online Reporting Tool

- Web-Based Claims System Access
- Benefit Design Modeling Tool
- Real-Time Audit System
- Enhanced Prior Authorization

We leverage our health care knowledge and clinical expertise to create products and services that improve and enhance people's lives.

- Health Outcomes Research
- Analysis of High-Cost Drugs
- Identifying Emerging Drugs

# NOTES





Over the past 25 years, the **NATIONAL ALLIANCE OF HEALTHCARE PURCHASER COALITIONS** (National Alliance), has provided expertise, resources and leadership for its 50 purchaser-led coalition members across the US, representing each community coalition at the national level. The coalitions represent 12,000 healthcare purchasers providing health coverage to over 41 million Americans. Purchasers range from small and mid-sized companies to very large organizations (with over 5,000 employees).

We are a non-profit 501(c)6 membership organization located in Washington DC and have launched several national initiatives that educates and supports community coalitions and their member employers. National Alliance supports the promotion of value-based purchasing of health care services and seeks to accelerate the nation's progress towards safe, efficient, high-quality health care and the improved health status of the American population. We are dedicated to making the coalition movement the vehicle for meaningful change in the health care system throughout the United States.



**THE INFORMATION IN THIS REPORT IS DRAWN FROM A SUBSET OF EVALUE8**, an evidence-based tool of the National Alliance of Healthcare Purchaser Coalitions. eValue8 was created by business coalitions and employers like Marriott and General Motors to measure and evaluate health plan performance. eValue8 asks health plans probing questions about how they manage critical processes that control costs, reduce and eliminate waste, ensure patient safety, close gaps in care and improve health and health care. Plans and purchasers receive objective scores enabling comparison of plans against regional and national benchmarks and a roadmap for improvement. As a result of face-to-face discussion of findings and roadmap, plans learn what they need to do to align their strategies with purchaser expectations to maximize the value of the health care investment and, ultimately, improve health and quality of care. eValue8 is a transformational resource to help National Alliance member coalitions lead in improving health and value of health care services in their communities by advancing value-based purchasing.

#### **FOR MORE INFORMATION CONTACT:**

John Miller, MidAtlantic Business Group on Health  
[john.miller@mabgh.org](mailto:john.miller@mabgh.org)

Foong-Khwan Siew, National Alliance of Healthcare Purchaser Coalitions  
[fsiew@nationalalliancehealth.org](mailto:fsiew@nationalalliancehealth.org)