



DOES YOUR HEALTH PLAN HAVE A DRUG PROBLEM?

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PRESENTERS



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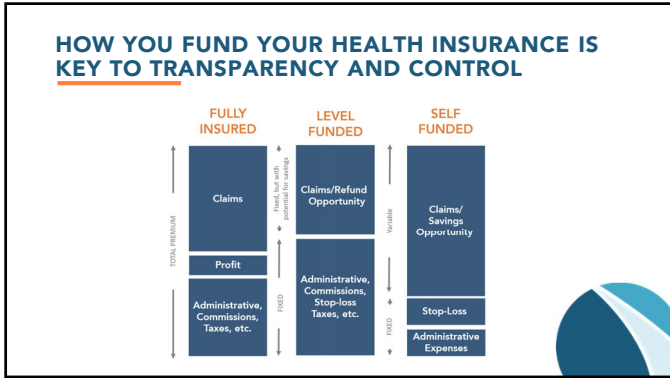
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AGENDA

- How You Fund Your Health Insurance is Key to Transparency and Control
- What is a Pharmacy Benefit Manager (PBM)?
- Types of PBM Arrangements
- Pharmacy Benefit Challenges
- What You Should Know & Questions to Ask
- High Cost Specialty Medications
- Discount Cards: Pros & Cons
- Future Pharmacy Trends
- Q&A

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WHAT IS A PHARMACY BENEFIT MANAGER (PBM)?

- PBMs
 - CVS caremark
 - MedImpact
 - Optum Rx
 - VIVID CLEAR RX
 - Capital Rx
 - PRIME INSURANCE GROUP
 - RxBenefits
 - EXPRESS SCRIPTS
- Manages prescription drug benefits for employers, health plans, third party administrators (TPAs) and their plan members
- Maintains, designs and collaborates on prescription drug formularies
 - What drugs a member can access and what they pay

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WHAT IS A PHARMACY BENEFIT MANAGER (PBM)?

- Manages network of pharmacies
 - Where member can obtain their medications

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WHAT IS A PHARMACY BENEFIT MANAGER (PBM)?

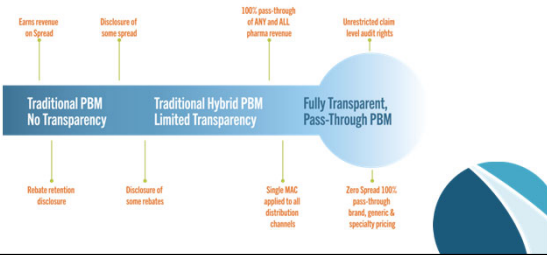
- Provides clinical and utilization management
 - Optimizing member health & controlling costs
- Data exchange management



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TYPES OF PBM ARRANGEMENTS

The Difference Between Traditional & Pass-Through PBMs









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TYPES OF PBM ARRANGEMENTS




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PHARMACY BENEFIT CHALLENGES

 Availability of Data	 Vague Contractual Terms	 Spread Based Profits
 Auditable Financials	 Flexibility of benefit design— plug and play opportunities	 Lack Of Transparency

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WHAT YOU SHOULD KNOW & QUESTIONS TO ASK



Pass Through


- What is **Really** passed thru?
 - Pharmacy discounts
 - Rebates
 - Over Performance

Transparency/Auditable Financials

- Access to Data & Rebate Pricing

Contracts

- Multi-year
- What's being locked in?



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WHAT YOU SHOULD KNOW & QUESTIONS TO ASK

Guarantees

- What is guaranteed?
 - Network Rates
 - Rebates
 - Performance
- Are the guarantees book of business or client specific?
- Specialty Drug Guarantees
 - Overall Effective Rate
 - Individual Drug Pricing





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WHAT YOU SHOULD KNOW & QUESTIONS TO ASK



- Exclusions
 - o What claims are excluded?
 - o Who is getting the rebate payments from excluded claims?
- Over-Performance
- Payments & Reconciliation Timelines
- Other Fees
 - o Termination





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HIGH-COST SPECIALTY MEDICATIONS

What are Specialty Drugs?

- High Cost, High Complexity, and/or High Touch drugs that are often biologics and are used to treat complex or rare chronic conditions such as cancer, rheumatoid arthritis, hemophilia, HIV, Hepatitis C and more. Typically require special handling and may only be available through a limited distribution network.

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HIGH-COST SPECIALTY MEDICATIONS

Why do Specialty Drugs matter?

- Most Clients - Specialty Drugs represent over 50% of all pharmacy spend, but only impact 2-3% of members

What solutions does your PBM offer to control costs?

- Specialty Drug List Pricing
 - Brand Name Drugs
 - Generic Drugs
 - Limited Distribution Drugs (LDDs)
- Clinical Programs & Patient Care Management
 - Does your plan have a unique member? (Oncology, Hemophilia, Multiple Sclerosis)



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HIGH-COST SPECIALTY MEDICATIONS

- Utilization Management (Prior Authorizations)
- Other Specialty Solutions
 - Coupons, patient assistance, other vendor solutions








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DISCOUNT CARDS: PROS & CONS

- Discount on Prescriptions at Participating Pharmacies
- Employer Groups

Pros	Cons
<ul style="list-style-type: none"> ❖ Offering for Part-Time Employees ❖ Drugs Not Covered by Plan ❖ Value Add at No Cost ❖ Pet Medications 	<ul style="list-style-type: none"> ❖ Doesn't Apply to Accumulator (Deductible or Out-of-Pocket Maximum) ❖ Value/Impression of Employee Benefit Plan

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FUTURE PHARMACY TRENDS

- Prescriptions on Medical Benefit & Infusion Drugs
- Pharmacogenomics
- Biosimilars
- Specialty Drug Programs



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