



The Link To Optimal Pharmacy Solutions

Dumb Drugs and Site of Care Matters Pilot Study



EMPLOYERS' FORUM OF INDIANA

Addressing the challenges of the local healthcare marketplace

November 2019

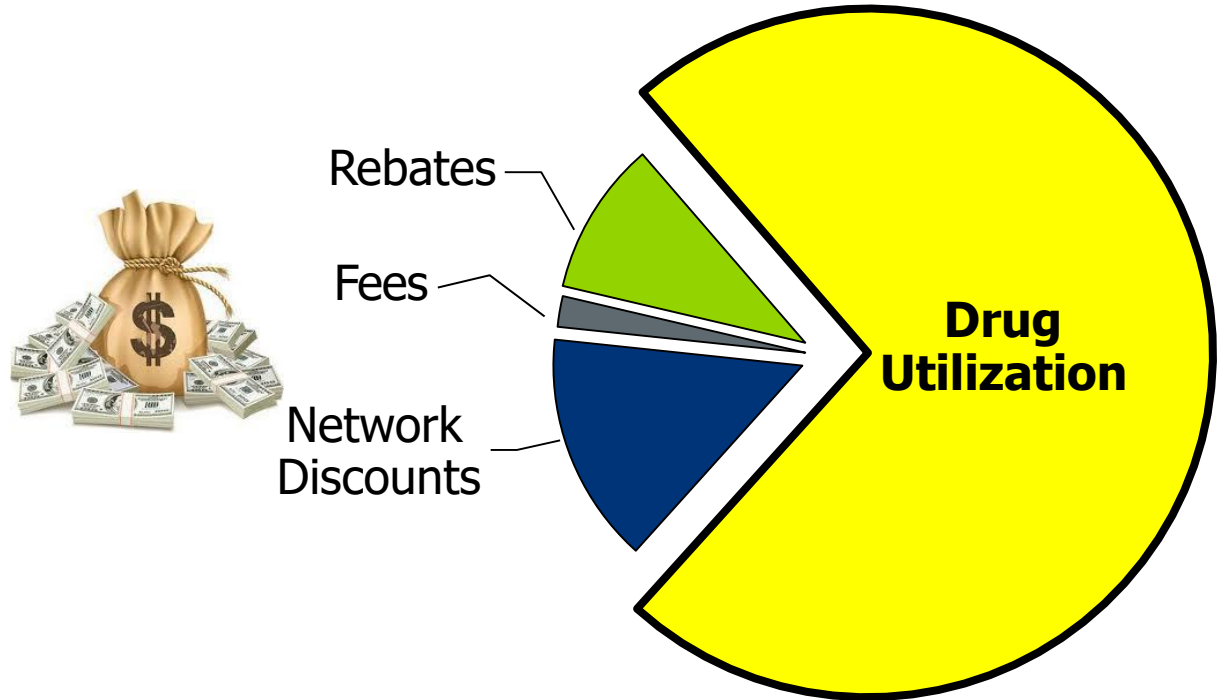
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Our Story...

- ▶ Founded by Actuary and Pharmacist in 2014
- ▶ PBM consulting is more than vendor management
- ▶ Clinical programming emphasis
- ▶ Evolution of “PBM Enhancer”, outcomes based
- ▶ Educate both brokers and clients
- ▶ No marketing or sales staff
- ▶ Strategic broker partnerships (75%), Direct (25%)
- ▶ Client Size Range 182 - 320,000 members
- ▶ +70 clients, +700,000 members

Focus on Plan Value

**Price is what you pay.
Value is what you get.**
Warren Buffett

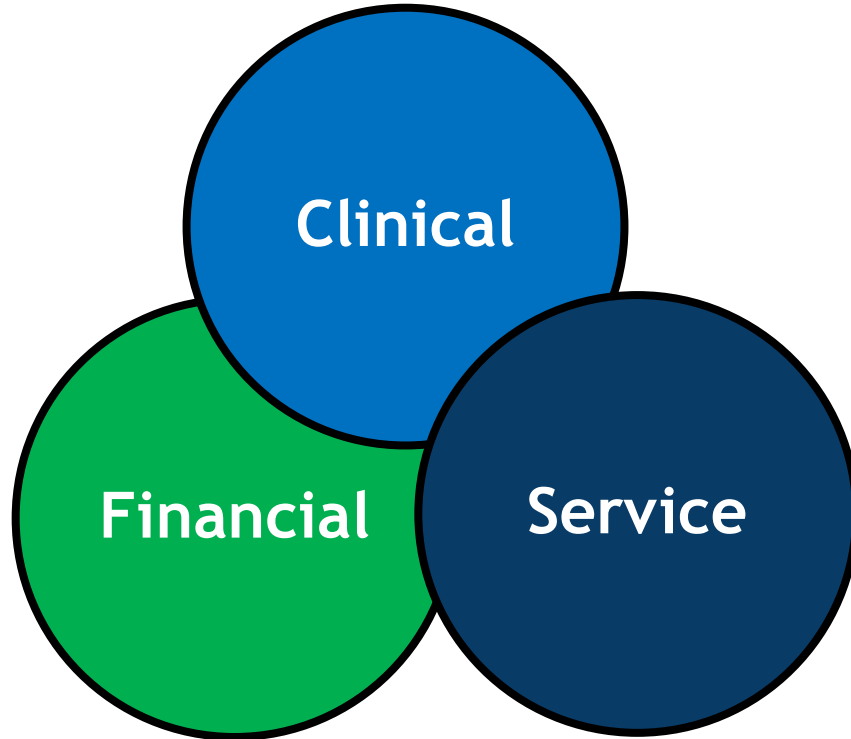


***Drug Utilization Drives Plan Cost...
Appropriate Drug Utilization Drives Plan Value**



Total Risk Management (TRM)

Appropriate Drug Utilization



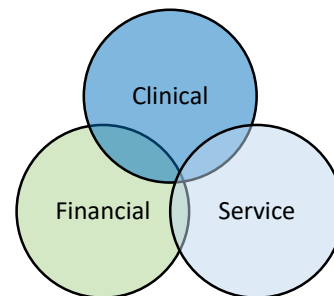
Pricing,
Performance,
and Auditing

Service Support and
Patient Engagement

**Purposely Different,
Purposefully Consultative**

Clinical Risk Management

- ▶ Clinical resource for decision support
- ▶ Claims diagnostics decision support
- ▶ Appropriate formulary and clinical rules
- ▶ **Non-Essential medication removal**
- ▶ Specialty oversight and auditing
- ▶ Consultation on benefit design
- ▶ Plan performance review and strategy
- ▶ Validation PBM programs offered



Clinical Analytics

RxConnection Programs

Rx Defender

- Egregiously priced, new versions or combinations of med
- Targeted pharmacy challenges
- Pharmacy site of care

Specialty Defender

- Clinical management/protocols
- Coupon management, alternate funding
- Total specialty (Rx and Medical utilization and site of care)

What is RxDefender drug waste?

Synonyms:

- Me Too, Non-Essential, Egregious, Gimmick, Scam, “Dumb Drugs”



Basics:

- Innovation has stalled on the non-specialty segment
- Rebate competition between PBMs provides opportunity for pharma
- Pressure to produce excessive profits on products with competition
- Pressure from pharmacies or physicians who have lost revenues due to compound edits or reimbursement reductions
- Medications identified in claims data as high cost then researched for clinical outcomes and comparable options to determine if significantly lower cost options could be easily substituted and clinically equivalent

Ivy Tech provided 1 year of data for pilot demonstration

RxDefender Analytics

What is Waste? >1,000 Meds, >6,500 NDCs

Patent Extenders	• Nexium, Dexilant, ER/XR
Brands with Generic	• Lipitor, Crestor, Wellbutrin
New Version	• Glumetza, Pennsaid
New Combinations	• Duexis, Yosprala, Durlaza
Overpriced Generics	• Metformin OSM, Omeprazole
Pharmacy Mitigation	• Diclofenac, Lidocaine
Dermatology Oral	• Absorica, Solodyne
Dermatology Topical	• Onexton, Alpawash
FDA Not Approved	• Donnatal, Librax

Prescribing pattern diagnostics: common pharmacy or prescriber

Challenge: aggressive marketing, cold calling, pharmacy partners, and coupons.

ESI Group Plan Utilization

Category	Summary (Feb 2018-Jan 2019)
Member Count	41,278 (Avg)
Total Script Count	390,191
Total Gross Cost	\$66,098,679
Plan Cost	\$56,857,652
Member Cost	\$9,241,027
Generic Dispensing Rate	86.1%
Member Cost Share	14.0%
Mail Utilization %	23.3%
Total Specialty Spend	\$28,686,964
% of Total Spend- Specialty	43.4%
Avg Cost / Rx	\$169
Gross Cost PMPM	\$133
Plan Cost PMPM	\$115

Solid generic utilization, average specialty spend, but cost per rx and pmpm are both high and demonstrate opportunity.

RxDefender: Summary

RxDefender (Top 100)		
Clinical Analytics		
Claims Impacted	3,412	0.9%
Members Impacted	1,452	3.5%
Medications Impacted	100	
Gross Cost	\$3,697,759	5.6%
Replacement Plan Cost	\$739,552	
Savings / Rx	\$867	
Savings / Member Impacted	\$2,037	
Total Gross Savings	\$2,958,207	4.5%

**This is Top 100 only the total RxDefender utilization opportunities found in:
185 Medications,
\$4.9M Gross Cost
7.3% of plan gross spend
(3-7% Norm).**

RxDefender: Top 5

Top 5 Opportunities

Mbrs	Claims	Gross Cost	Cost/Rx	Total Savings	Drug Name	Alternative	Alternate Cost/Rx	Savings/Rx
3	8	\$318,325	\$39,791	\$250,325	H.P. ACTHAR	specialty TNF	\$8,500	\$31,291
32	119	\$232,830	\$1,957	\$185,230	ABSORICA	amnestem	\$400	\$1,557
26	99	\$214,804	\$2,170	\$208,864	METFORMIN ER OSM	metformin ER	\$60	\$2,110
22	59	\$207,311	\$3,514	\$206,131	DUEXIS	ibuprofen + famotidine	\$20	\$3,494
21	49	\$175,605	\$3,584	\$174,135	CHLORZOXAZONE	chlorzoxazone (half tab)	\$30	\$3,554

\$1,024,686

*Metformin ER OSM and Chlorzoxazone are generic medications.

RxDefender: High Cost Generics

Top 5 Generic Opportunities

Mbrs	Claims	Gross Cost	Cost/Rx	Total Savings	Drug Name	Alternative	Alternate Cost/Rx	Savings/Rx
26	99	\$214,804	\$2,170	\$208,864	METFORMIN ER OSM	metformin ER	\$60	\$2,110
21	49	\$175,605	\$3,584	\$174,135	CHLORZOXAZONE	chlorzoxazone (half tab)	\$30	\$3,554
6	30	\$110,020	\$3,667	\$105,520	DIHYDROERGOTAMINE MES	sumatriptan nasal	\$150	\$3,517
44	122	\$78,602	\$644	\$72,502	VENLAFAXINE HCL ER	venlafaxine er caps	\$50	\$594
49	182	\$68,605	\$377	\$64,965	ELETRIPTAN	sumatriptan	\$20	\$357
				\$625,986				

RxDefender: Brand with Generic

Top 5 BRANDS WITH A GENERIC Opportunities

Mbrs	Claims	Gross Cost	Cost/Rx	Total Savings	Drug Name	Alternative	Alternate Cost/Rx	Savings/Rx
6	36	\$100,284	\$2,786	\$98,124	WELLBUTRIN XL	bupropion XL	\$60	\$2,726
3	8	\$91,549	\$11,444	\$75,549	TOBI PODHALER	tobramycin inhalation	\$2,000	\$9,444
19	28	\$54,334	\$1,940	\$37,534	UCERIS	budesonide ER	\$600	\$1,340
13	48	\$26,574	\$554	\$25,134	NEXIUM	esomeprazole	\$30	\$524
15	43	\$21,801	\$507	\$19,221	ALPHAGAN P	brimonidine	\$60	\$447

\$255,562

RxDefender Pilot



- Largest singly-accredited community college in the country
- 3,200 Full-Time Employees, 87% enrolled in health plan
 - 5,700 members
- CVS Caremark since 2018
 - Members of IAPPP
- Coverage is unique to the specific medical plan (offer two different plans)

RxDefender: Summary



RxDefender	
Clinical Analytics	
Claims Impacted	1,235 (1.5%)
Medications Impacted	83
Gross Cost	\$694,152
Est. Replacement Plan Cost	\$138,830
Savings / Rx	\$450
% of Total Gross Cost	6.5%
Total Gross Savings	\$555,322

(3-7% Norm).

RxDefender: Top 10

Top 10 NON-ESSENTIAL Opportunities

Mbrs	Claim Count	Gross Cost	Cost/Rx	Total Savings	Drug Name	Alternative	Alt Cost/Rx	Savings/Rx
2	24	\$58,788	\$2,449	\$57,348	WELLBUTRIN	generic	\$60	\$2,389
3	22	\$53,407	\$2,428	\$53,187	DUEXIS	ibuprofen / pepcid	\$10	\$2,418
12	73	\$45,466	\$623	\$42,546	TROKENDI	topiramate IR	\$40	\$583
6	31	\$41,610	\$1,342	\$39,750	METFORMIN ER OSM	metformin ER	\$60	\$1,282
16	96	\$32,936	\$343	\$31,496	DEXILANT	omeprazole	\$15	\$328
20	120	\$32,396	\$270	\$30,596	ESOMEPRAZOLE (Nexium)	omeprazole	\$15	\$255
4	36	\$27,634	\$768	\$25,474	GRALISE	gabapentin	\$60	\$708
6	40	\$25,224	\$631	\$23,224	DOXYCYCLINE	doxycycline	\$50	\$581
7	34	\$18,828	\$554	\$18,488	XIIDRA	artificial tears	\$10	\$544
3	28	\$18,310	\$654	\$7,670	VENLAFAXINE TAB	venlafaxine cap	\$40	\$614

\$339,298

RxDefender: Breakdown

Top 10 NON-ESSENTIAL Opportunities

Mbrs	Cnt	Gross Cost	Cost/Rx	Total Savings	Drug Name	Alternative	Alt Cost/Rx	Savings /Rx
2	24	\$58,788	\$2,449	\$57,348	WELLBUTRIN	generic	\$60	\$2,389
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\$339,298

Major/no rebate impact

Rebate challenges

Generic, No rebate

RxDefender: Targeted Pharmacy

Top 5 RxDefender Targeted Pharmacies				
Pharmacy	Claims	Gross Cost	Cost/Rx	Concern
PEOPLE'S DRUG STORE	25	\$60,690	\$2,428	Duexis, Vimovo
CAREPOINT INDIANA LLC	65	\$39,754	\$750	Dermatology
LONG PRAIRIE PHARMACY	36	\$21,072	\$1,003	Dermatology
INNOVATIVE RX	8	\$10,981	\$1,372	Creams/Muscle Rel
FLORIDA MEDICINE STORE	3	\$5,690	\$1,897	Pain Creams
		\$147,391		

Reviewed file for independent pharmacies which are filling RxDefender medications ONLY. Those in Yellow highest concern.

RxDefender: Site of Care

Top 5 SITE OF CARE Opportunities

Mbrs	Claim Cnt	Gross Cost	Cost/Rx	Total Savings	Drug Name	Alternative	Alt Cost/Rx	Savings/Rx
1	1	\$5,440	\$5,440	\$4,660	IMATINIB 400MG (GLEEVEC)	Specialty move to Retail	\$780	\$4,660
1	6	\$15,700	\$2,616	\$10,896	CAPECITABINE 500MG (XELODA)	Specialty move to Retail	\$800	\$1,816
1	4	\$2,891	\$722	\$1,288	DOFETILIDE 500MG (TIKOSYN)	Specialty move to Retail	\$400	\$322
1	5	\$3,640	\$728	\$2,415	ABA/LAMIV 600/300 (EPZICOM)	Specialty move to Retail	\$245	\$483
1	12	\$7,376	\$614	\$6,888	SILDENAFIL 20MG (REVATIO)	Specialty move to Retail	\$40	\$574

\$26,147

**PBM Contract may not allow you to move the site of distribution.
Goal is potentially move or match price.**

RxDefender Pilot



- Initial thoughts
- Where do we go from here?

**Insanity: doing the same thing
over and over again and
expecting different results.**

Unknown

**The Challenge:
Evolving from spreadsheet managers to risk/cost managers.**

Final Thoughts with Q&A

