

Specialty Pharmacy Carve-out Medical & Prescription Plans

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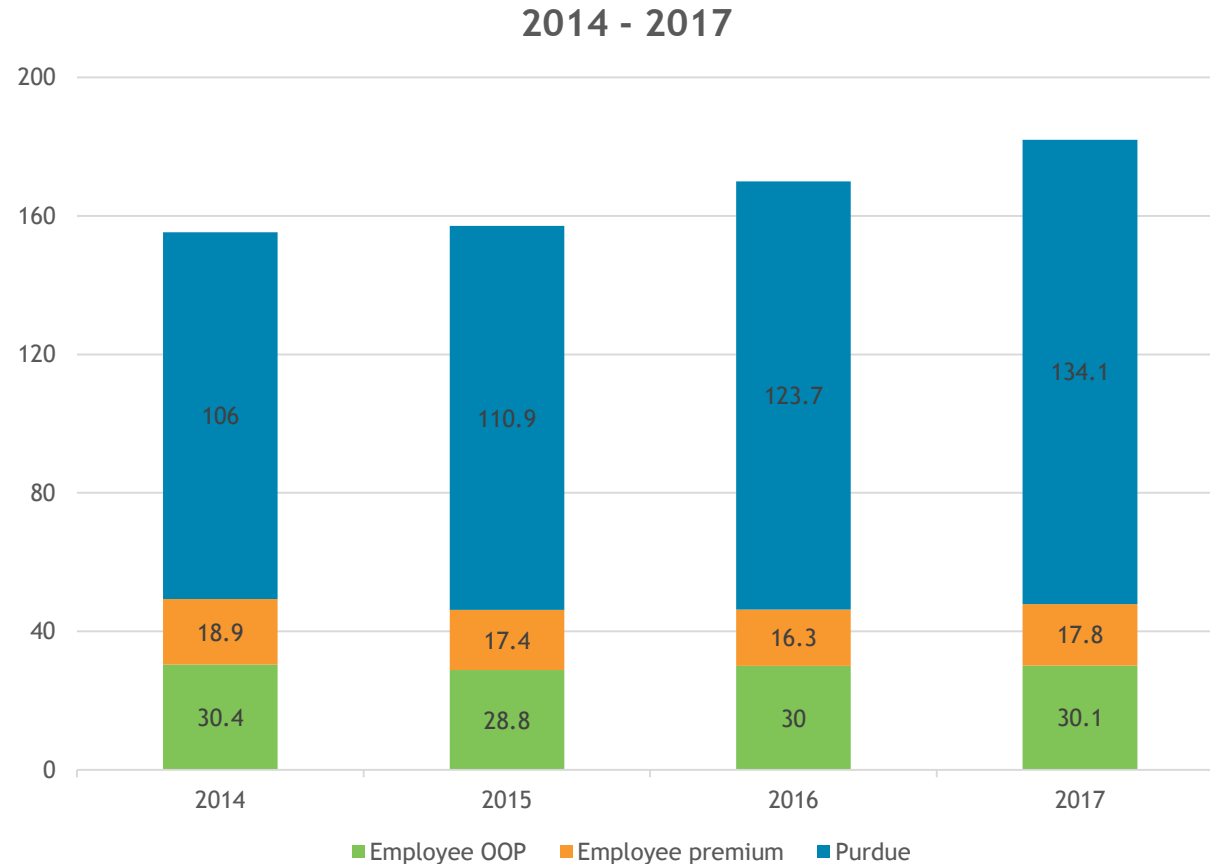
About Us

- One of the nation's leading research institutions with a reputation for excellent and affordable education
- Three campuses / Four locations - differing needs and resources
 - 12,548 active eligible employees and inactive populations
 - 24,816 total members (employees, spouses, dependents)
 - 100% in CDHP

Benefit Department Goals

1. To provide high-quality, affordable, family-friendly benefit offerings to meet the needs of our diverse workforce
2. Reshape healthcare at Purdue and disrupt that which needs disrupting

Healthcare Expenditures - Overall 2014-2017



2014

- Three plans (2 HDHP; 1 PPO)
- Anthem contract; savings used to reduce employee premiums

2015-2016

- No employee premium increases
- Added free preventive dental
- Added autism and bariatric coverages

2017

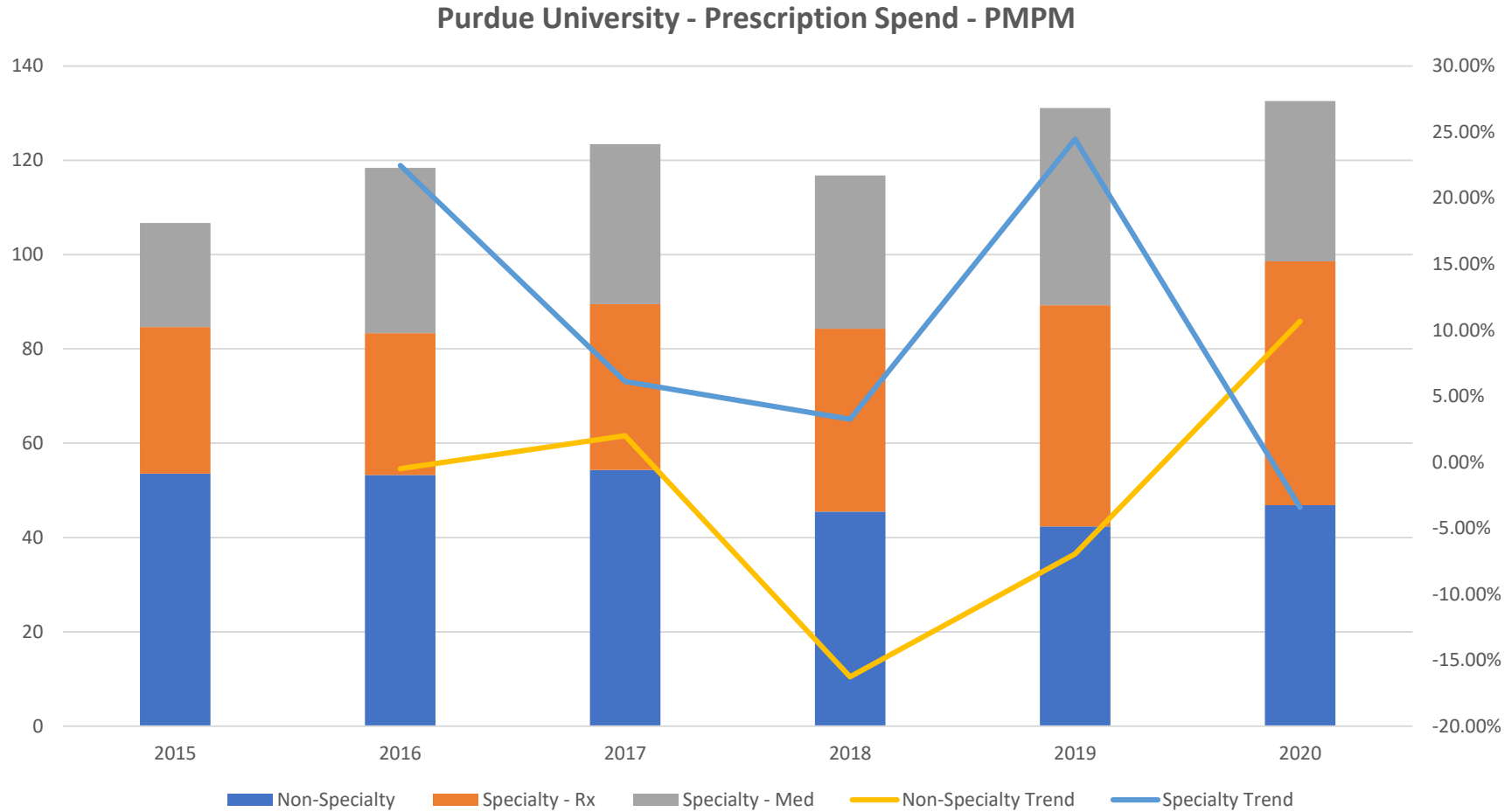
- Direct agreement for on campus labs
- Imaging/radiology offered at Student Health Center
- New onsite employee clinic operator
- Healthy Boiler provided additional financial incentives for wellness activities and education
- Employee premium increase (4%)

Change in Focus



- Administrative Changes
- Concierge Services
- Direct Agreements
- Narrow Network Option
- Reviewed eligibility rules

Pharmacy Expenditures and Trend



Change in Focus

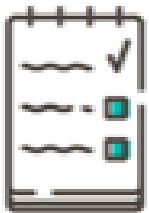
- Member level prescription drug cost saving notifications
- Right drug right channel
- Tighter prior authorization process
- Specialty and non-specialty formulary optimization
- Management of manufacturer assistance
- High performing specialty pharmacy network
- High cost case management





Rx Savings Solutions

Automatically alerts you with an email or text if you are paying too much for your prescription



- Locate better prices for your prescription drugs
- Identify medications with a lower out-of-pocket cost
- Dosage options that save money
- Search and compare prices
- Speak with a certified pharmacy technicians for personal assistance

Concierge Services – Non Specialty

Real Member Savings



Female

Age 61

Disease State
Migraine

Savings Notification
Email

Action Taken
Selected Contact Prescriber

Savings Suggestion
Therapeutic Alternative

eletriptan
(generic of Relpax) 40mg
30-day supply

\$92.54
Plan cost

\$10
Member cost



**Total potential annual savings
of \$1,174.92**

sumatriptan
(generic of Imitrex) 100mg
30-day supply

\$0
Plan cost

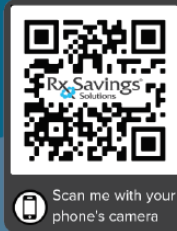
\$4.63
Member cost

Concierge Services – Non Specialty

You can do something about **prescription drug costs.**

Hundreds of thousands of dollars in prescription drug savings are still on the table for all Purdue members!

Activate your account today to see what you could save!



Rx Savings[®]
Solutions



Communication and Education
Continues to be Key!

- Direct Mail Campaign
- Registration drive
- Testimonials

Direct Agreements

On Campus
Labs

Imaging

Total Hip
Total Knee

Specialty Rx -
Medical

Specialty Rx
- Prescription

Physical
Therapy

Direct Agreements – Specialty

Why?

- 1-2% of total prescription volume, but 46% of total Rx dollars
- Need is chronic – medications are needed for years, if not lifetime
- Better prior authorization process – focus on complex cases and individual outcomes
- Variances in Site of Care for patient – cost and comfort
- Co-Pay Assistance to support employee – maximizing opportunities

Selection

- Key criteria:
 - Provider qualifications and experience
 - Prior experience with carve out
 - Patient care experience – including communication
 - Patient outcomes key to process
 - Cost

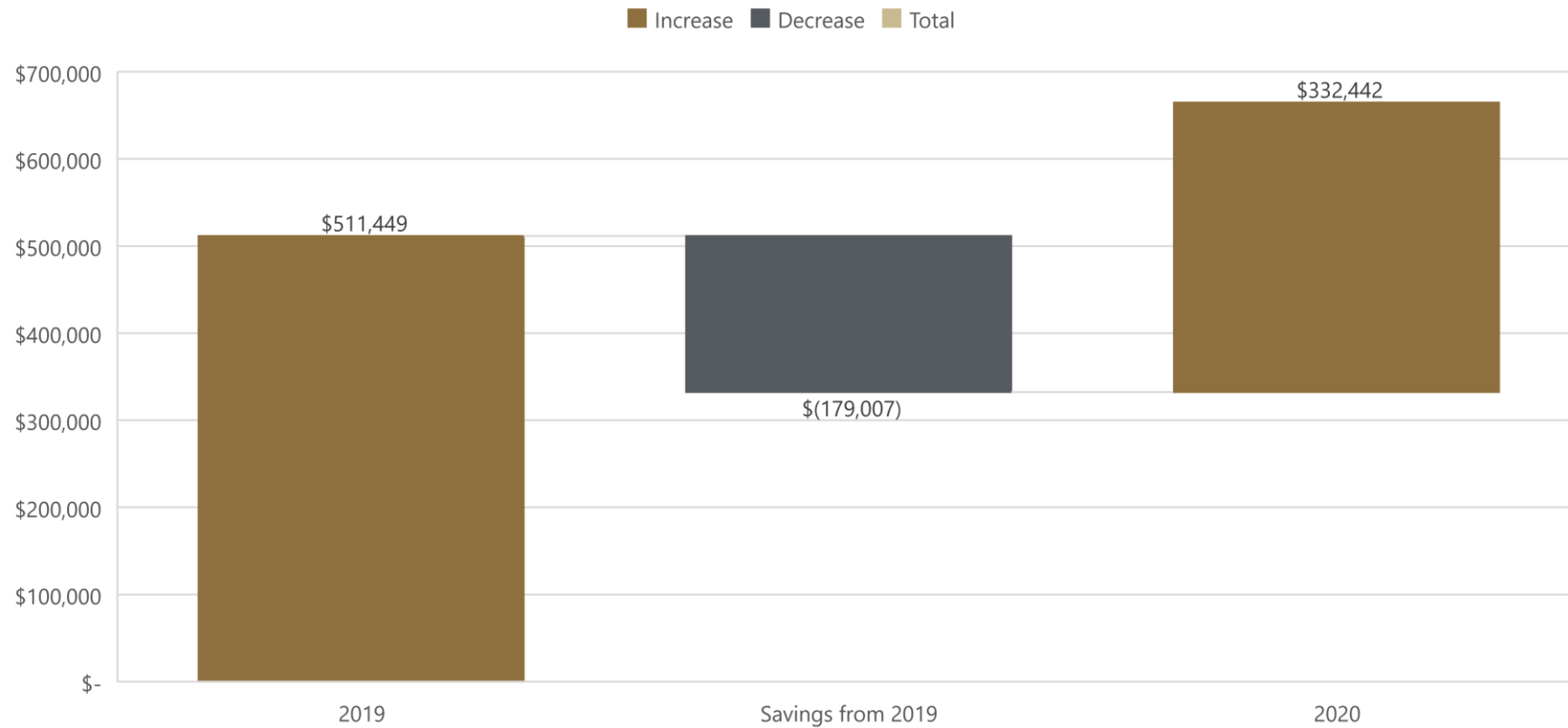
ARCHIMEDES

J-Codes within Medical Plan

- Began with one prescription
- Identified members and providers
- Communication – Purdue and Archimedes
- Manage the member experience
- Clinical Review
- Site of Care
- Transition Determination
- Ongoing Monitoring – Quality and Outcome

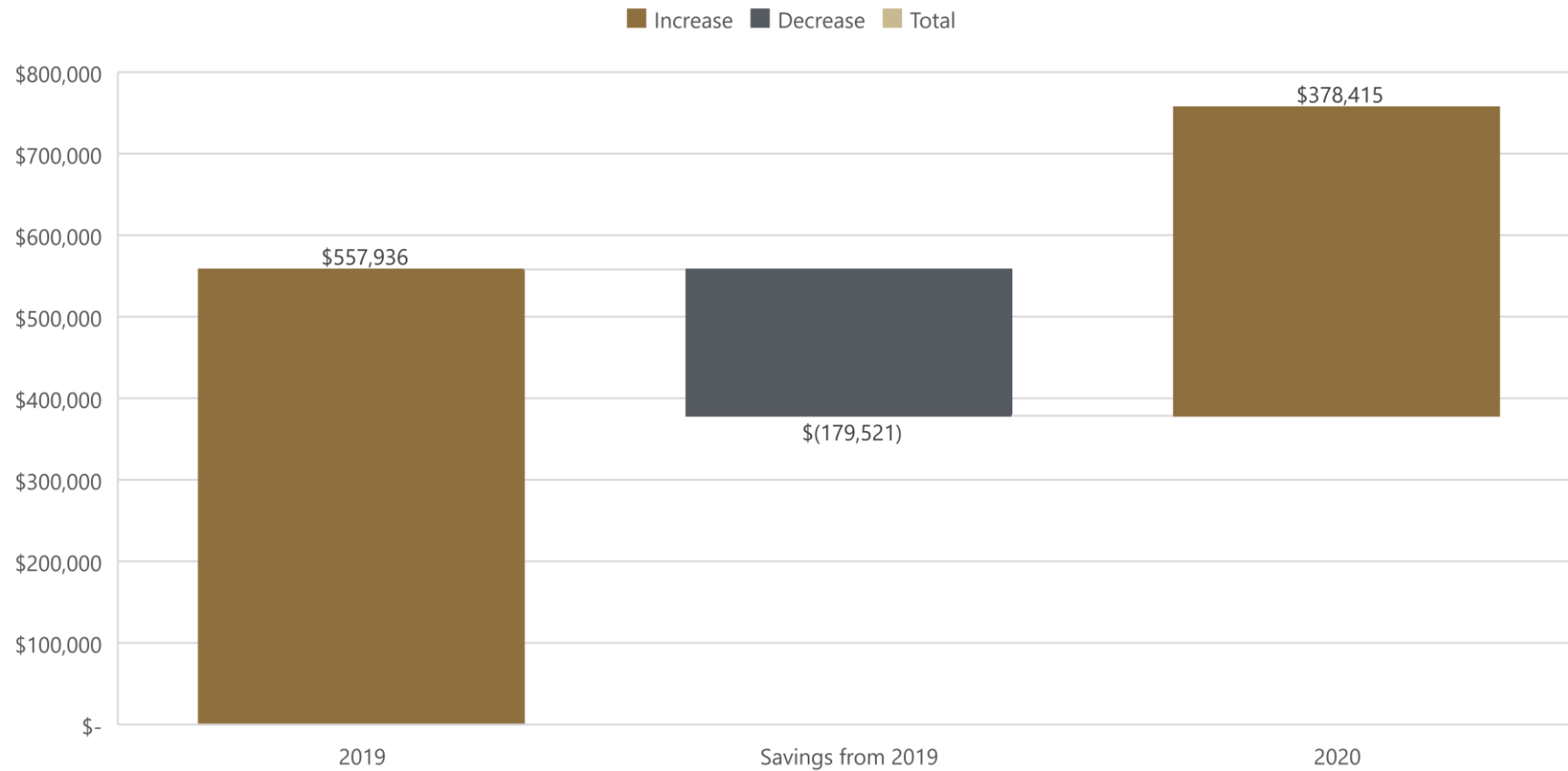
Direct Agreements – Specialty

Projected Remicade Savings



Direct Agreements – Specialty

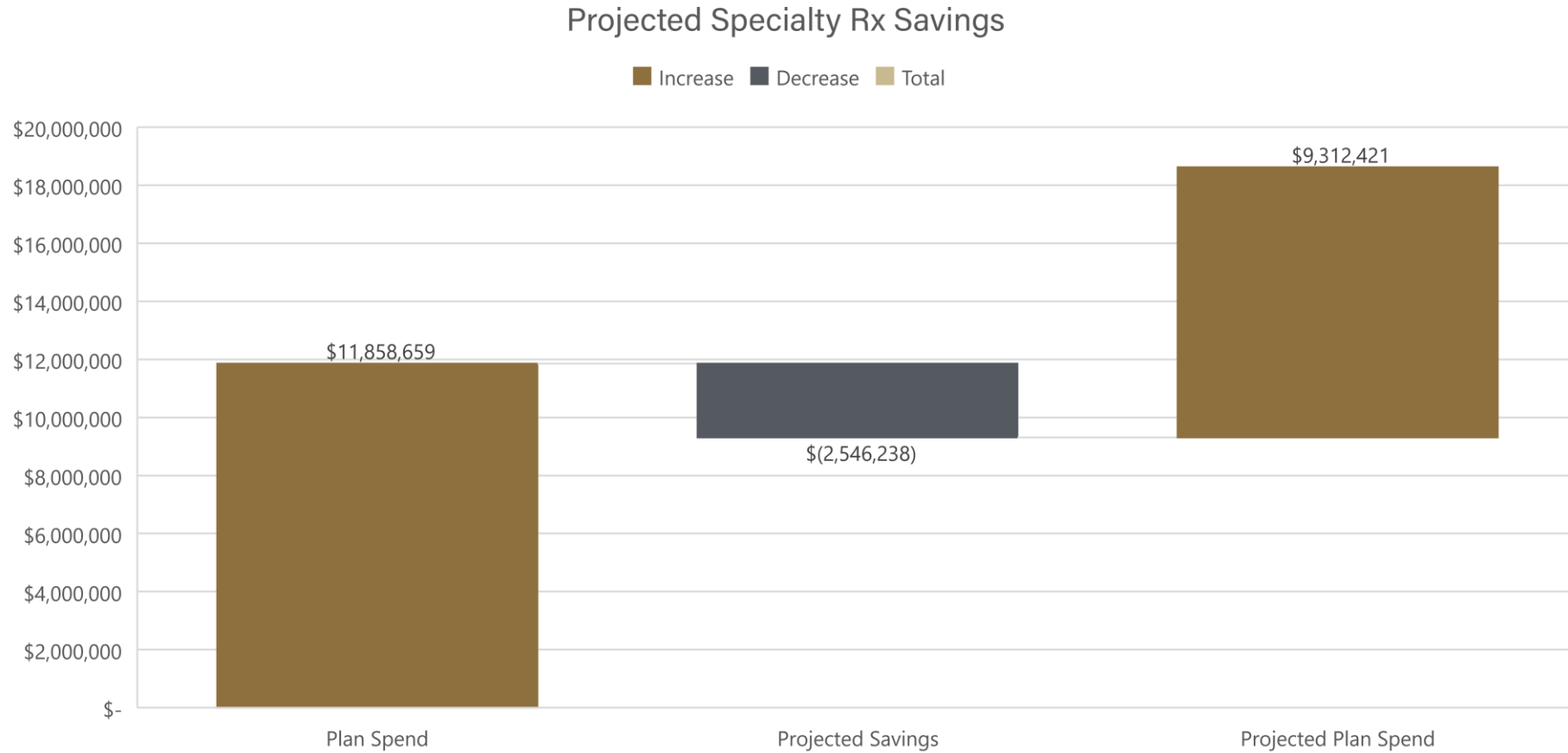
Actual Remicade Savings



Specialty within Prescription Plan

- Full carve out from PBM
- Identified members and providers
- Clinical Review – Considered open PA expiration dates
- Communication – Purdue and Archimedes
- Site of Care
- Transition Determination
- Ongoing Monitoring – Quality and Outcome

Direct Agreements – Specialty Rx



Projected Savings – Specialty Spend in Prescription and Medical Plans

	Effective Date	Actual 2020 Savings	Projected 2021 Savings
		% of Program Targeted Claims	% of Program Targeted Claims
Rx Savings Solutions	1/1/2020	-1.99%	-0.05%
2020 Remicade Carve-out	1/1/2020	-32.17%	N/A
Archimedes Management/Copay Assistance Impact	1/1/2021	N/A	-21.47%
J-Code Carve-out Expansion Expected Impact	11/1/2020	N/A	-46.02%

Healthcare Expenditures - Overall 2014 - 2020

