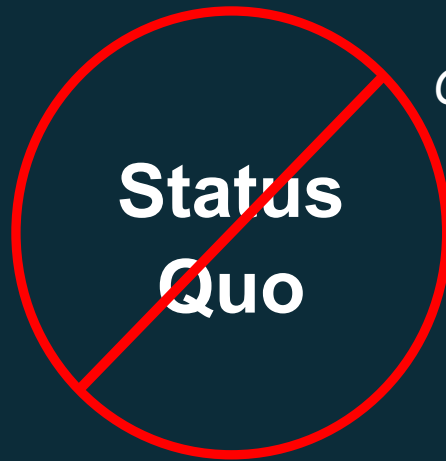


Purposely Changing our PBM Strategy

HHC / Eskenazi Health



**Status
Quo**

Sheri Alexander, FLMI, CEBS
Chief Strategy Officer, Gregory & Appel
salexander@gregoryappel.com

Jeff Post, R.Ph.
Chief Clinical Officer, RxConnection
jeff.post@rxconnectionllc.com

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Client Profile

Health & Hospital Corporation of Marion County

Marion County Department of Public Health

Eskenazi Health

Indianapolis Emergency Medical Services

Sandra Eskenazi Mental Health



4,800+ Benefits Eligible Employees

4,100+ covered by Health Plan

10 Pharmacy locations

Patients / Health Plan participants

340b Pricing

Self Funded Health Plan

BUCA TPA

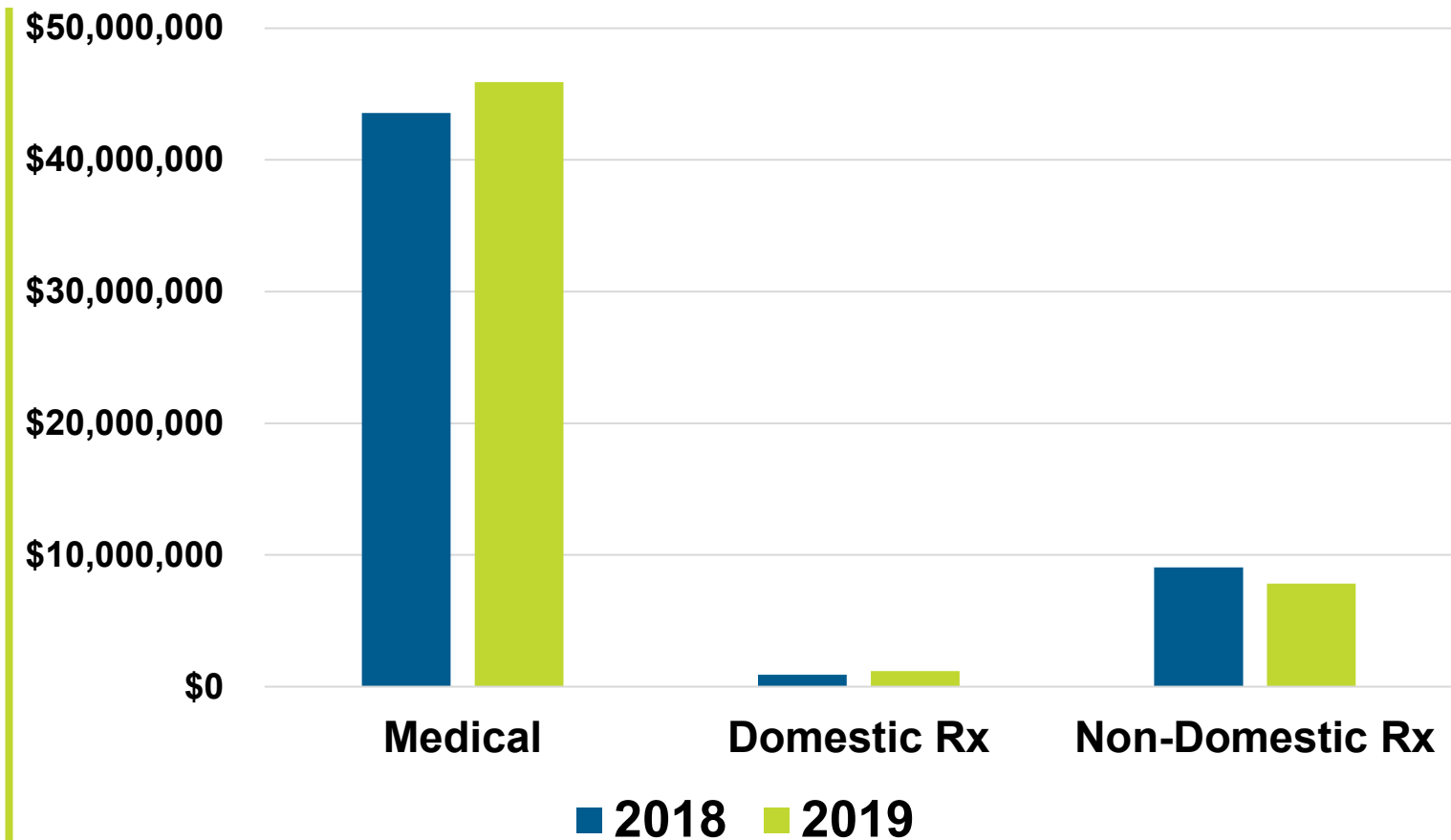
BUCA PBM / Specialty Pharmacy

G&A / RxConnection Retained August 2019



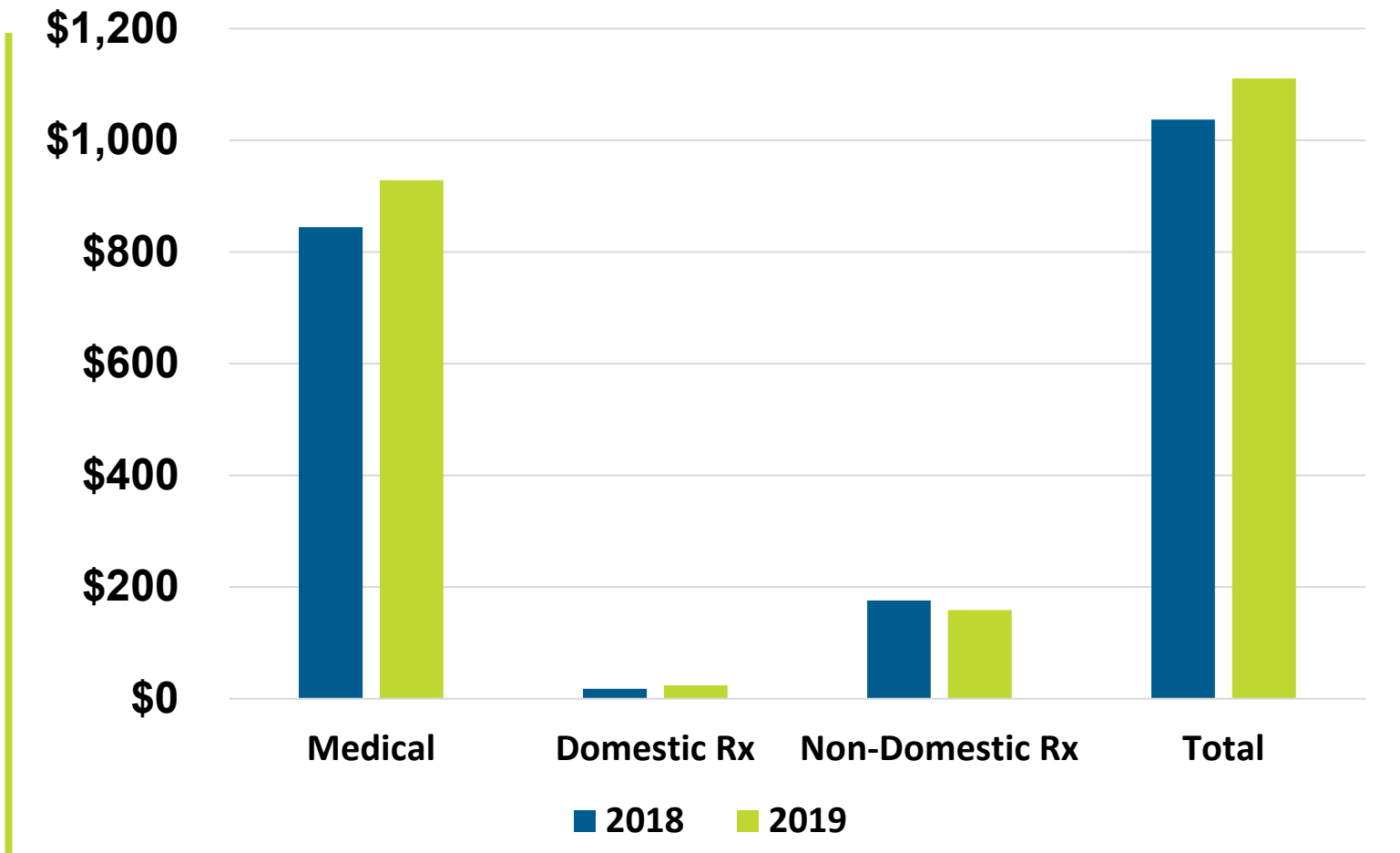
Plan Performance

Health Plan Paid Claims



Plan Performance

Health Plan Paid Claims - PEPM



Objectives

Phase 1 – 2020

Fully Aligned PBM Strategy

Steerage to Domestic Pharmacies (Retail / Specialty)

Improved Formulary

Waste Management

Alternative Funding

Plan Savings Balanced with Member Disruption

Phase 2 – 2021 and Beyond

Fully Optimize Domestic Utilization

Ongoing Formulary Management

Leverage In-House Clinical Expertise

Patient Engagement / Disease Management

First 100 Days

August 2019 - PBM RFP



Appropriate Drug Utilization

Clinical

Pricing,
Performance
and Auditing

Financial

Service

Service
Support and
Patient
Engagement

Non-Essential Meds

Savings Estimate		
Type	All Claims	In-House Only
Claims Impacted	1,109	410
Current Plan Cost	\$306,951	\$21,306
Est. Replacement Plan Cost	\$68,219	\$4,887
Savings/Rx	\$246.06	\$47.68
Member Paid	\$35,687	\$3,832
Total Savings Opportunity	\$272,876	\$19,549

Potential Savings
3% of Plan Cost

In-House waste savings small with AWP-81%

Top 5 Non-Essential Opportunities							
#	Plan Cost	Cost per Rx	Total Savings	Drug Name	Alternative	Alt. Cost per Rx	Savings per Rx
16	\$27,804	\$1,738	\$21,408	ABSORICA	Amnesteem	\$100	\$1,338
84	\$20,621	\$245	\$19,320	DEXILANT	Omeprazole	\$15	\$230
36	\$19,518	\$542	\$19,152	XIIDRA	Artificial Tears	\$10	\$532
33	\$19,764	\$599	\$17,787	METFORMIN ER OSM	Metformin ER	\$60	\$539
29	\$14,591	\$503	\$14,297	NASCOBAL	Vitamin B-12 Injection	\$10	\$493
			\$72,644				

Note: Absorica, Dexilant, Xiidra, Nascobal all preferred products with Incumbent PBM

Specialty Alternate Funding

Alternate source funding solutions for high-cost specialty drugs

- Insert administrative step requiring members engage alternate funding solution prior to plan coverage
- PBM provides clinical approval
- “Financial Case Manager” advocacy service
- 10,000 alternate funding sources for 500+ specialty drugs

If funding is not available, patient can obtain specialty medication grievance via original coverage process

(Specialty medications are NOT excluded from coverage)

\$1.5M Projected Net Savings excluding Specialty filled In-House

PBM Market

September 2019 - PBM RFP Results

Participating Bidders	Flexibility to Enhance	Closed Formulary	Projected / Enhanced	Projected / Enhanced with Alternate Funding
Incumbent	No	7.7%	8.8%	8.8%
PBM 1	Yes	6.4%	18.4%	28.0%
PBM 2	Yes	-1.0%	20.2%	29.8%
PBM 3	Limited	4.6%	14.0%	14.0%

**\$1.2M In-House Claims excluded from all savings and rebates;
Incumbent requires NO incentive to use Eskenazi Pharmacy**

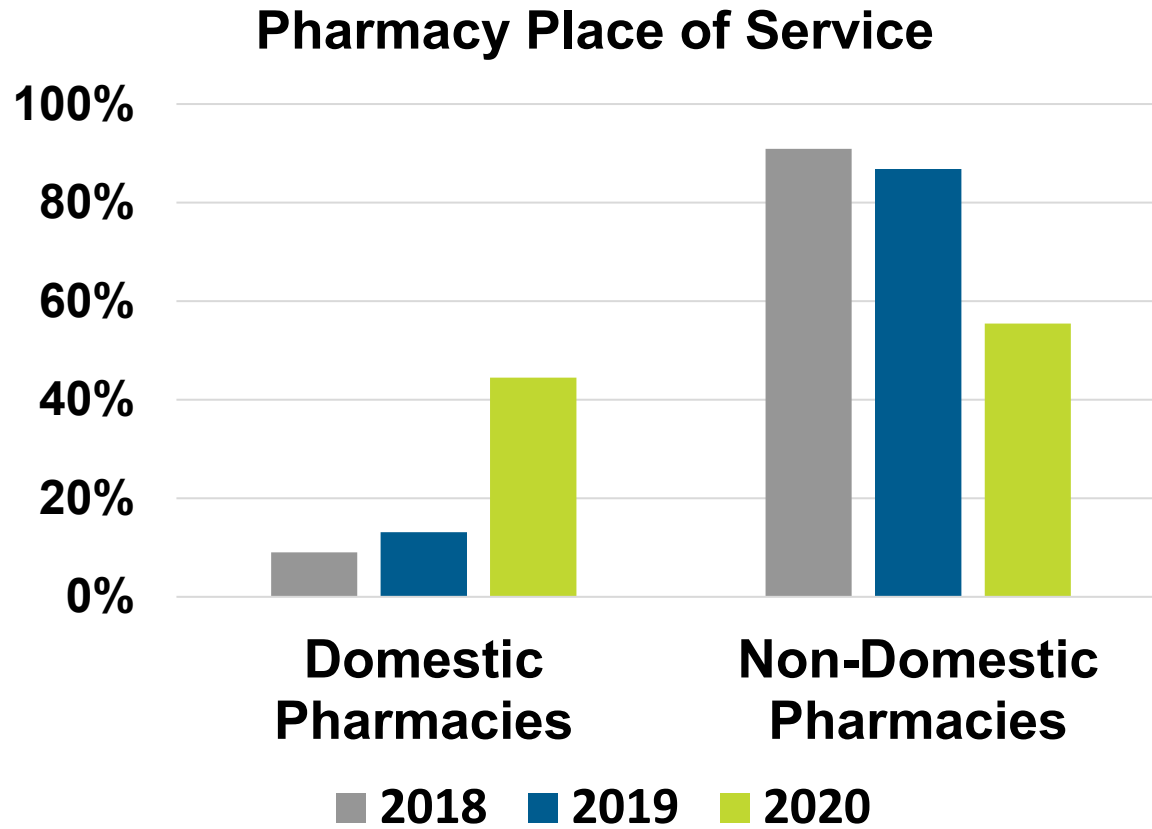
Purposeful Change

- ✓ Mid Market PBM
- ✓ Improved Formulary
- ✓ Transparent PBM Contract
- ✓ Drug Waste Removal
- ✓ Removed Conflict of Interest
- ✓ Alternate Funding

Plan Details	2019 RFP	2020	Trend
Total Plan Cost	\$9.3M	\$7.5M	- 19%
Specialty Plan Cost	\$4.9M	\$2.5M	- 50%
Plan Cost PMPM	\$93	\$72	- 23%
% Specialty Plan Cost	47%	33%	- 14%

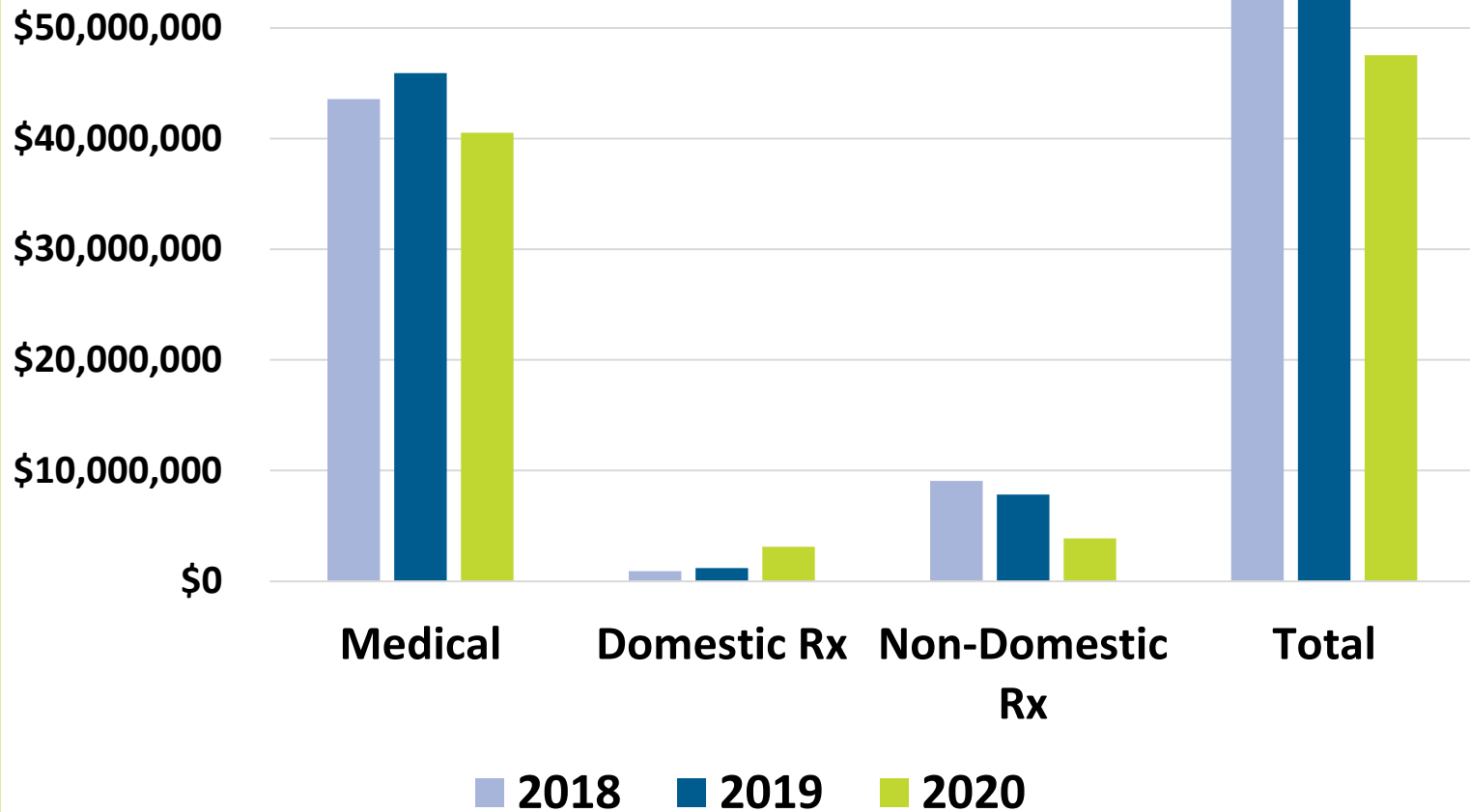
Results

**Increased Steerage to Domestic Pharmacies 158%
No Reduction in Benefits**



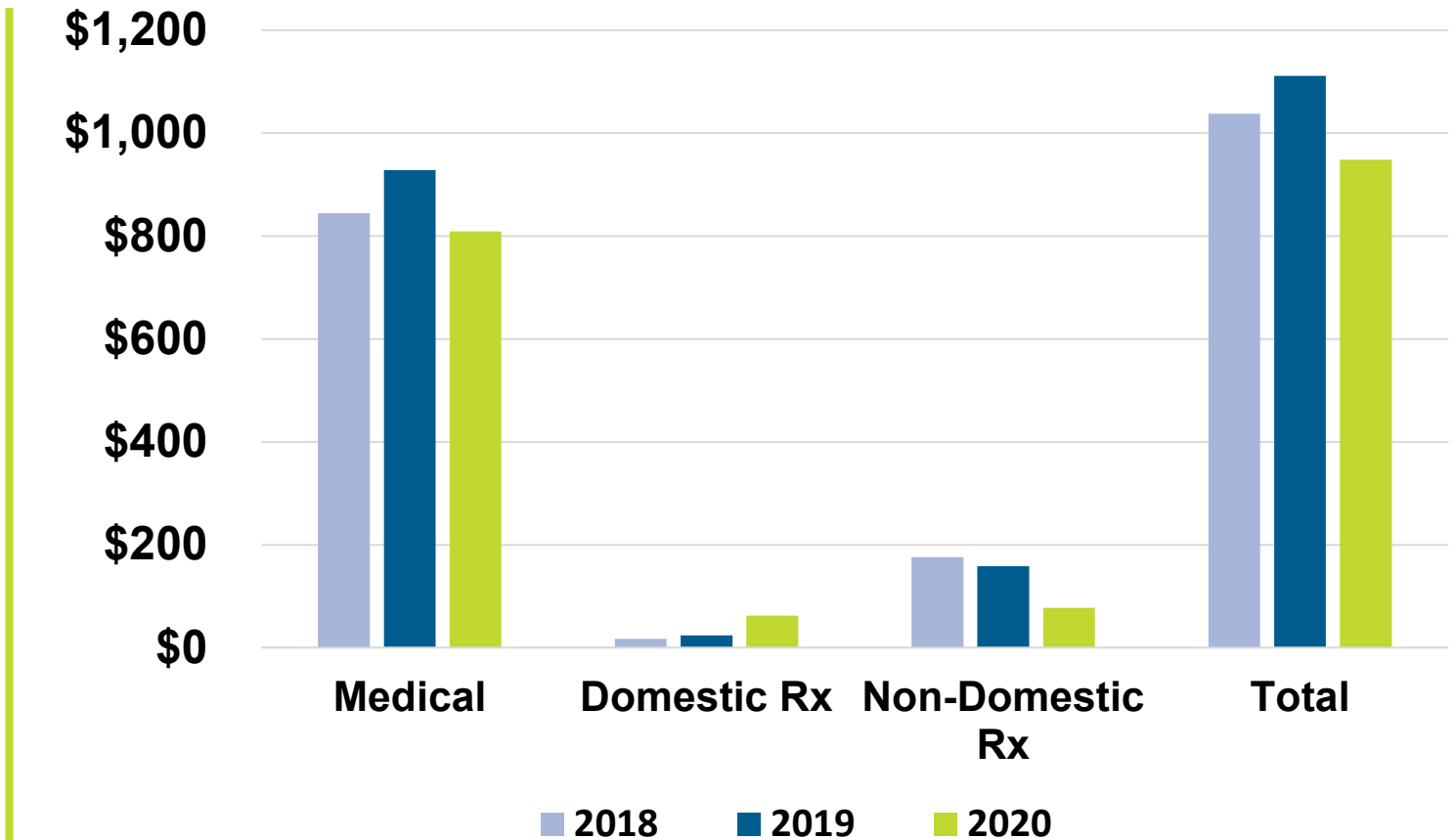
Results

Overall Health Plan Costs Decreased 17%
Rx Costs Decreased 23%



Results

Health Plan Paid Claims - PEPM



What's Next

Fully Optimize Domestic Utilization

Ongoing Formulary Management

Continued Focus on Specialty / Waste

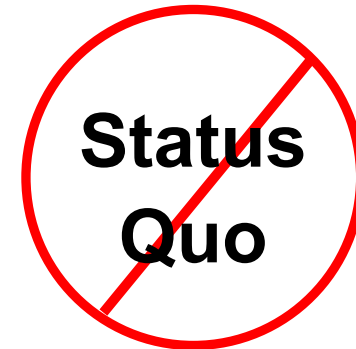
Leverage In-House Clinical Expertise

Renewed Focus

Patient Engagement / Wellness

Disease Management

Never accept the Status Quo....



Thank You!

Sheri Alexander, FLMI, CEBS

Chief Strategy Officer, Gregory & Appel

317-686-6456

salexander@gregoryappel.com

Jeff Post, R.Ph.

Chief Clinical Officer, RxConnection

937-671-0122

jeff.post@rxconnectionllc.com

