

What You Should Demand From Your PBMS

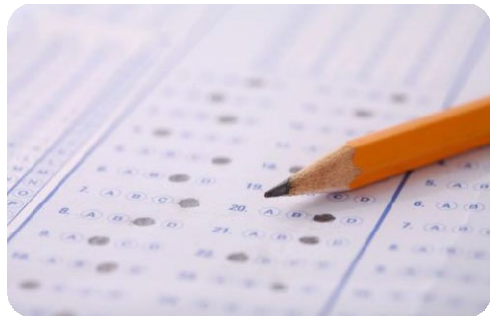
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A PBM Quiz for Benefit Leaders

Concept: the PHQ2 and PHQ9 concept

Creates a similarly structured questionnaire for benefit leaders & HR professionals to step through incrementally, with each question being True or False (or Pass/Fail)

The number of True (Pass) versus False (Fail) resulting in a score which can be used to make a recommendation (i.e. call us)



Primary Questions for the PHQ2 and PHQ9 concept:

- 1) Have your pharmacy (PBM) costs **increased more than 5%** annually during any or all of the past 3 years?
- 2) Do you have **full, unfettered access to all data** from your PBM –including costs, fees and rebates?

A PBM Quiz for Benefit Leaders – the questions

Secondary Questions for the PHQ2 and PHQ9 concept

1. Does your current PBM regularly provide you with actionable items that can lower your pharmacy benefit trend?
2. Have you experienced actionable and timely responses from your current PBM's Account Team?
3. Does your PBM proactively raise opportunities for members to save on prescriptions, such as through a mobile app or direct outreach?
4. Does your current PBM allow you to customize the plan formulary to meet the objectives of your organization and needs of your members?
5. Do members on your plan report having an overall positive experience with your current PBM?
6. Does your current PBM have a Net Promoter Score (NPS) above 30?
7. Does your current PBM proactively engage with members, providers and pharmacists to support seamless access to prescribed medications?
8. Does your PBM include Mark Cuban Cost Plus Drug Company (MCCPDC) in-network?
9. If you are a hospital system with in-house pharmacies, does your PBM assist with driving more prescription volume to your owned pharmacies?

A rebate case study – a client with 10,000 lives

- The PBM contract pays \$2,500 in rebates for each specialty claim filled
- **Proper clinical criteria** says they should only fill specialty in 30-day increments
 - Sample client had:
 - 30-day fills – 336
 - 60-day fills – 91
 - 90-day fills – 283
 - Total number of specialty claim rebates - 710
- **In this case, the PBM only pays the employer FOUR rebates a year, instead of 12**
- If filled by proper clinical criteria, and the numbers are standardized (182 for 60+ days and 849 for 84+ days) - for this client, **657 more rebate payments** should have been received by the employer

The Rebate Racket

Humira, a specialty biologic used to treat a wide range of anti-inflammatory diseases, is the highest selling drug ever. Because of the biologic drug's high cost, PBMs typically structure contracts to ensure they'll retain a major percentage of the manufacturer's rebate.

Drug	Annual prescriptions per 10,000 employees	Typical PBM total annual rebate reimbursement to purchaser	Appropriate total rebate calculated off correct clinical criteria benchmark (1,397 claims)	Annual rebate underpayment to employer by PBM
Humira	701	\$1.8 million	\$3.4 million	\$1.6 million

- Typical PBM – 701 rebates x \$2,500 = \$1.775 million
- Clinically led PBM – 1367 x \$2,500 = \$3.418 million



If proper clinical criteria was used, the employer would have received:

\$1.6 MILLION*

MORE IN
REBATES

Contract Rebate language

Pharma Revenue Streams Included in Rebate Offer

Source	PBM #1	PBM #2	PBM #3	AffirmedRx
Administrative Fees	Excluded	Excluded	Excluded	Excluded
Clinical Program Fees	Excluded	N/A	Excluded	Included
Consulting Fees	Excluded	N/A	Excluded	Included
Credits	Excluded	Included	Excluded	Included
Discounts	Excluded	Excluded	Excluded	Included
Education Program Fees	Excluded	N/A	Excluded	Included
Financial Incentives	Excluded	N/A	Excluded	Included
Formulary Placement or Access Fees	Excluded	Included	Excluded	Included
Implementation Fees	Excluded	N/A	Excluded	Included
Market Share Based Payments	Excluded	Included	Excluded	Included
Price Concessions	Excluded	N/A	Excluded	Included
Promotional Allowances	Excluded	N/A	Excluded	Included
Pull Through Program Fees	Excluded	Included	Excluded	Included
Rebates	Included	Included	Excluded	Included
Rebate Submission Fees	Excluded	N/A	Excluded	Included
Software Licensing Fees	Excluded	N/A	Excluded	Included
AWP Inflation Coverage	Excluded	Excluded	Excluded	Included
All Other Payments From Pharma	Excluded	Excluded	Excluded	Included

Coalition Partnerships



IN PARTNERSHIP TOGETHER

- A set payment goes back to the coalition
- Helps coalition members
- Both parties are out for members' best interest

