

# 2018 Pharmacy Benefit Manager Contract & Program Changes

GIB Item 6B

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# Agenda

- Review PBM contract negotiation progress
- Requests:
  - Select a mandatory specialty pharmacy benefit
  - Move to a narrower pharmacy network

# PBM Contracting Progress

# Contracting Timeline



# Negotiated Savings: \$19.2 M

\$9.6 M

\$5.5 M

\$4.1 M

## Improved 2018 Contract Guarantees

Rebates	\$2.6 M
Network Discounts	\$6.2 M
Administrative Fees	\$0.8 M

## Additional Opportunities Starting in 2017

Walgreens Enhanced Discounts	\$3.7M
Formulary Changes	\$0.8M
90-Day at Retail Promotion	\$1.0M

## 2018 Items Pending Board Approval

Mandatory Specialty Pharmacy	\$1.2M
Narrow Network	\$2.9M

# Negotiated Program Changes

## Mail Order Vendor Change

- Serve You (Milwaukee-based)
- Improved discounts & service
- Still a voluntary benefit

## Pharmacoadherence Programs

- Approved by Board in May
- 3 programs included at no additional cost
- Disease states to be determined

## 90-Day Prescriptions At Retail

- Promotion of 90-day at retail services
- 8% increase in use would result in \$1.7M in savings

# Negotiated Program Changes

## Discount Drug List

- New benefit for certain non-covered medications
- Provides access to Navitus' pharmacy network discounts
- Members can use HSA/ERA funds to purchase

## Formulary Changes

- Fewer nasal steroids and antacids on formulary
- Drugs are available OTC at very low costs
- Will contribute ~\$800K to savings total

# Program Modifications



# Approval Needed

ETF staff requests the Board approve the following modifications:

1. Select a mandatory specialty pharmacy benefit
2. Move to a narrower pharmacy network

# Mandatory Specialty Pharmacy

- Current program allows specialty Rx at any willing network pharmacy
- Propose limiting to Lumicera & UW Health
  - Non-Medicare members must use these pharmacies
    - Most specialty drugs will not be covered at other pharmacies
    - Navitus will maintain additional contracts for limited-distribution drugs
  - Does not apply to Medicare Rx members
- Total members that would change pharmacies: 1,269

# Benefits of Mandatory Specialty

Better discounts

Better rebates

Estimated savings: \$1.2M

Better medication management/care management

Simpler specialty benefit for non-Medicare members

# Narrow Pharmacy Network

- Remove CVS, Publix, HEB, others
  - Majority of disruption caused by CVS



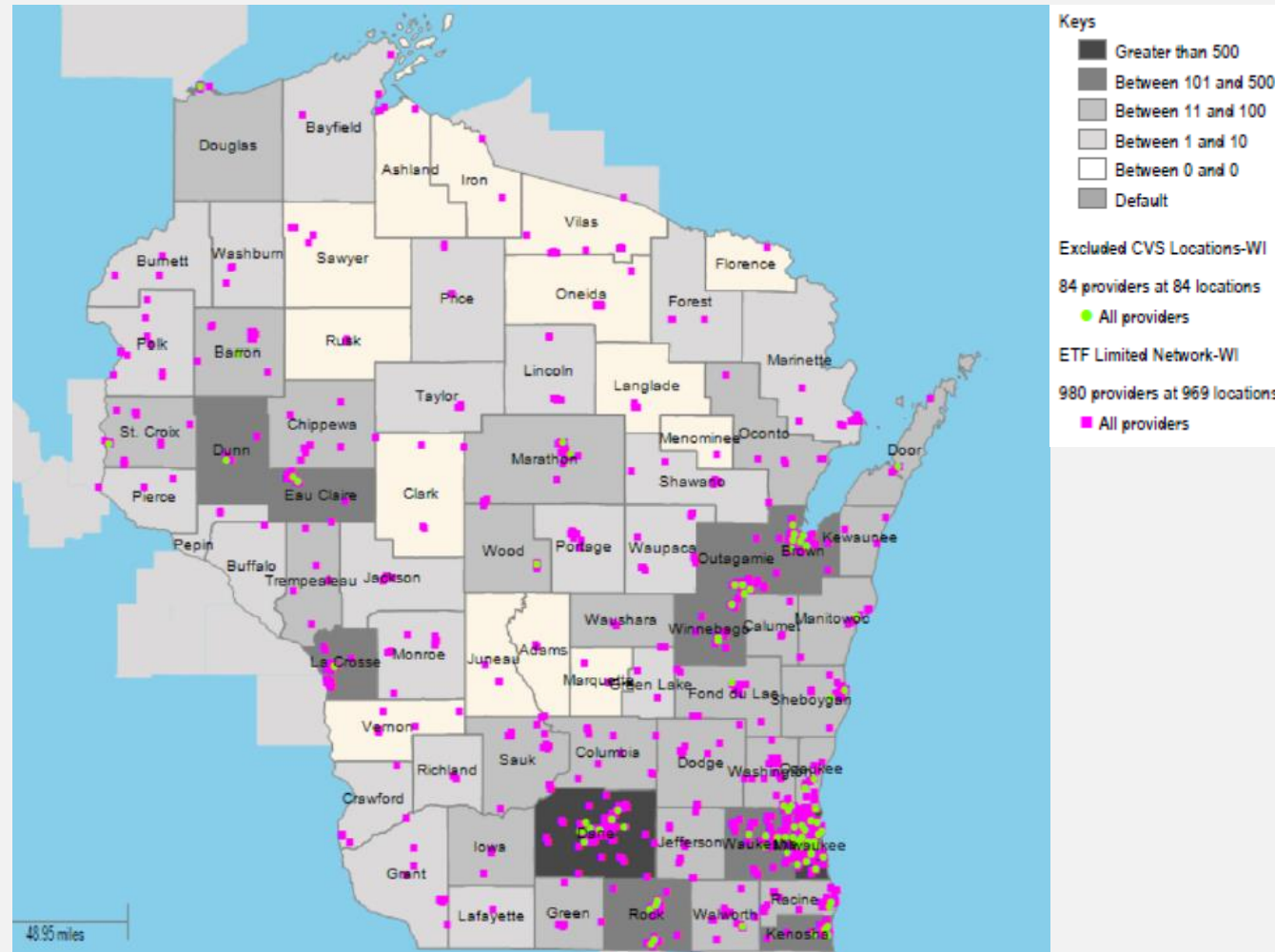
**12,889 Members**  
(~7.83%)



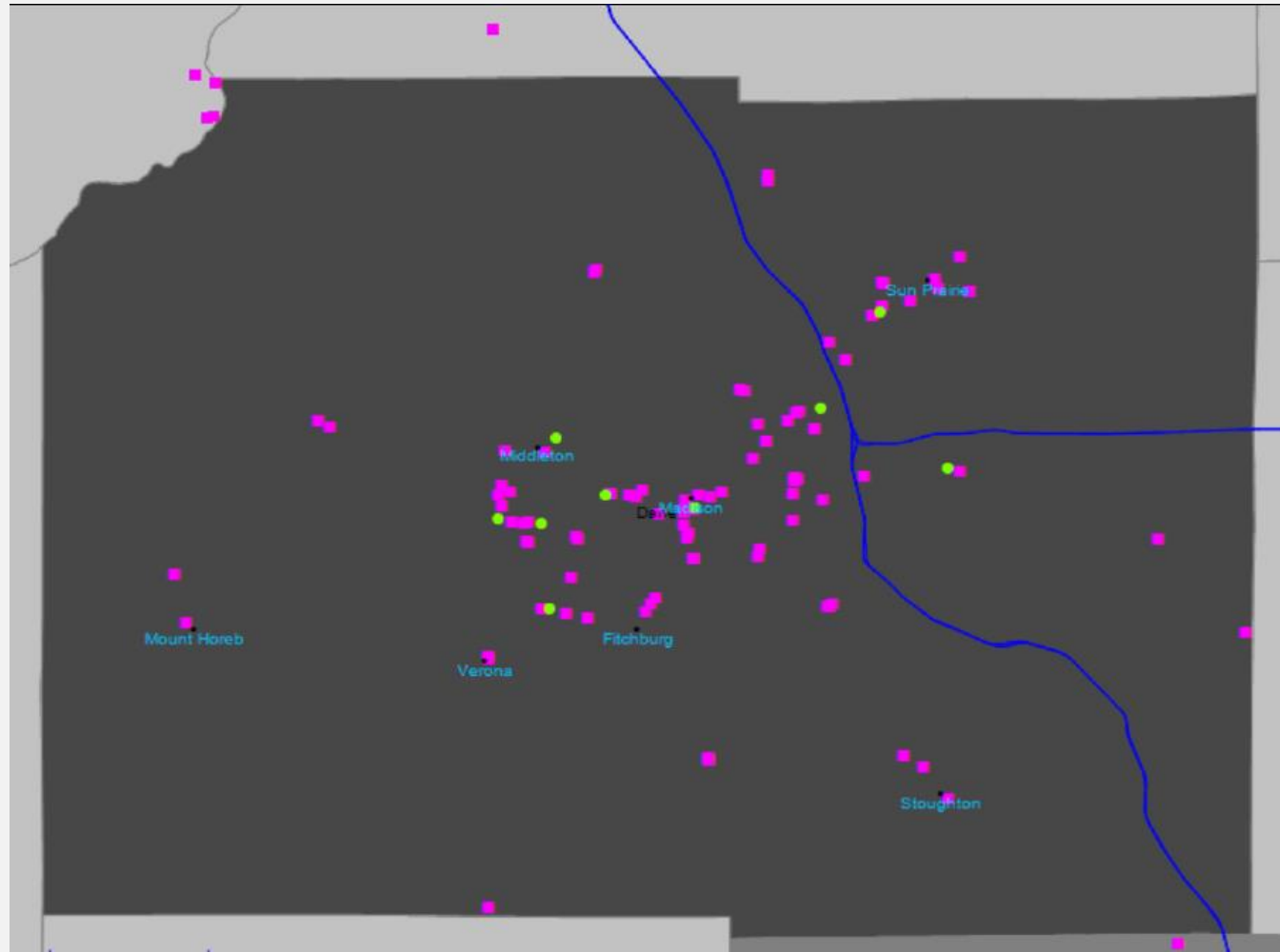
**119,906 claims**  
(~5.97%)

**~ \$2.9 M**  
Annual Savings

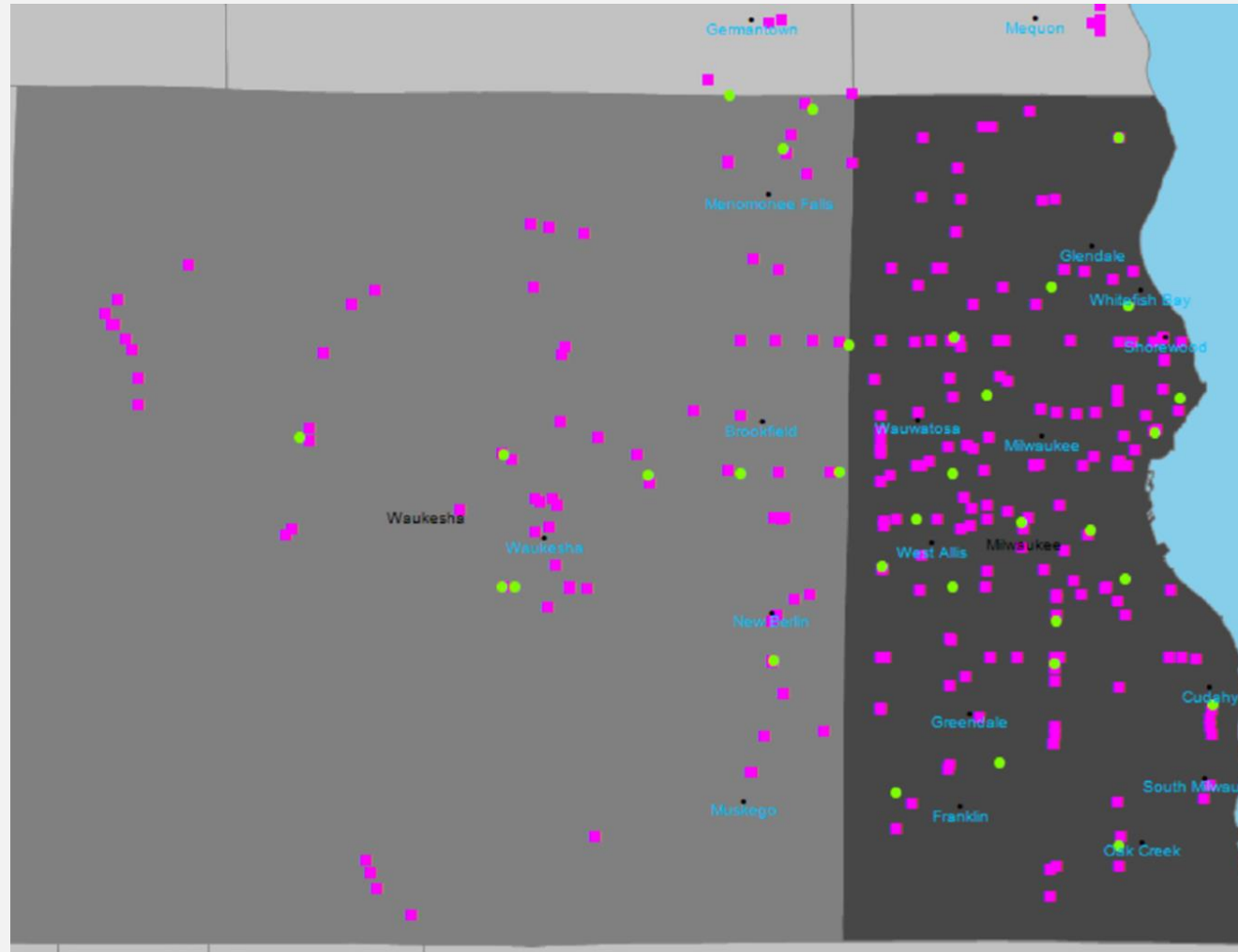
# Statewide Disruption



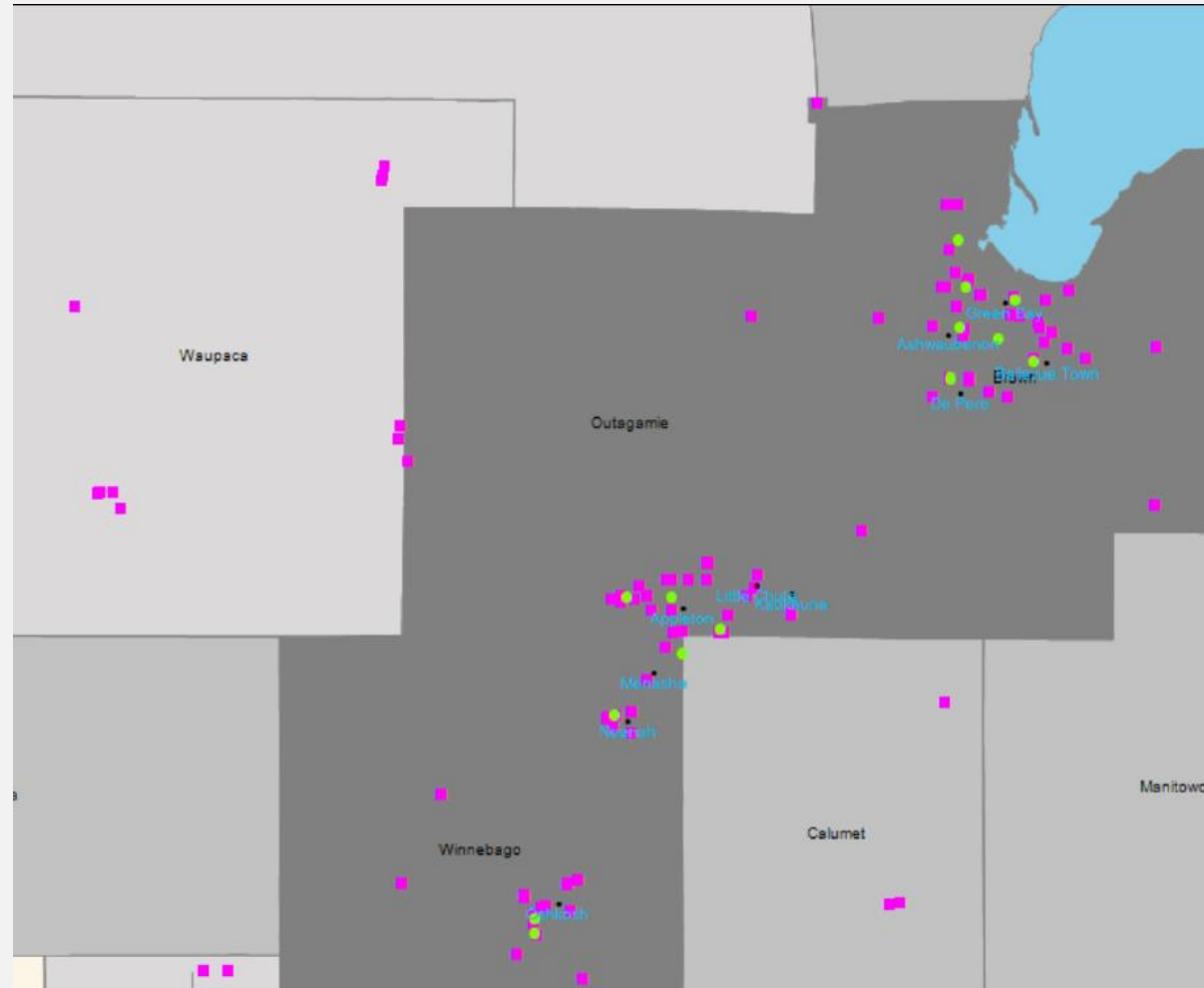
# Dane County



# Milwaukee & Waukesha Counties



# Fox Valley





The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**

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# Thank you

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