

Audit of Pharmacy Benefit Manager Services & Medicare Part D Employer Group Waiver Plan

Item 8A – Group Insurance Board

Jeff Bogardus, Pharmacy Benefit Programs Manager

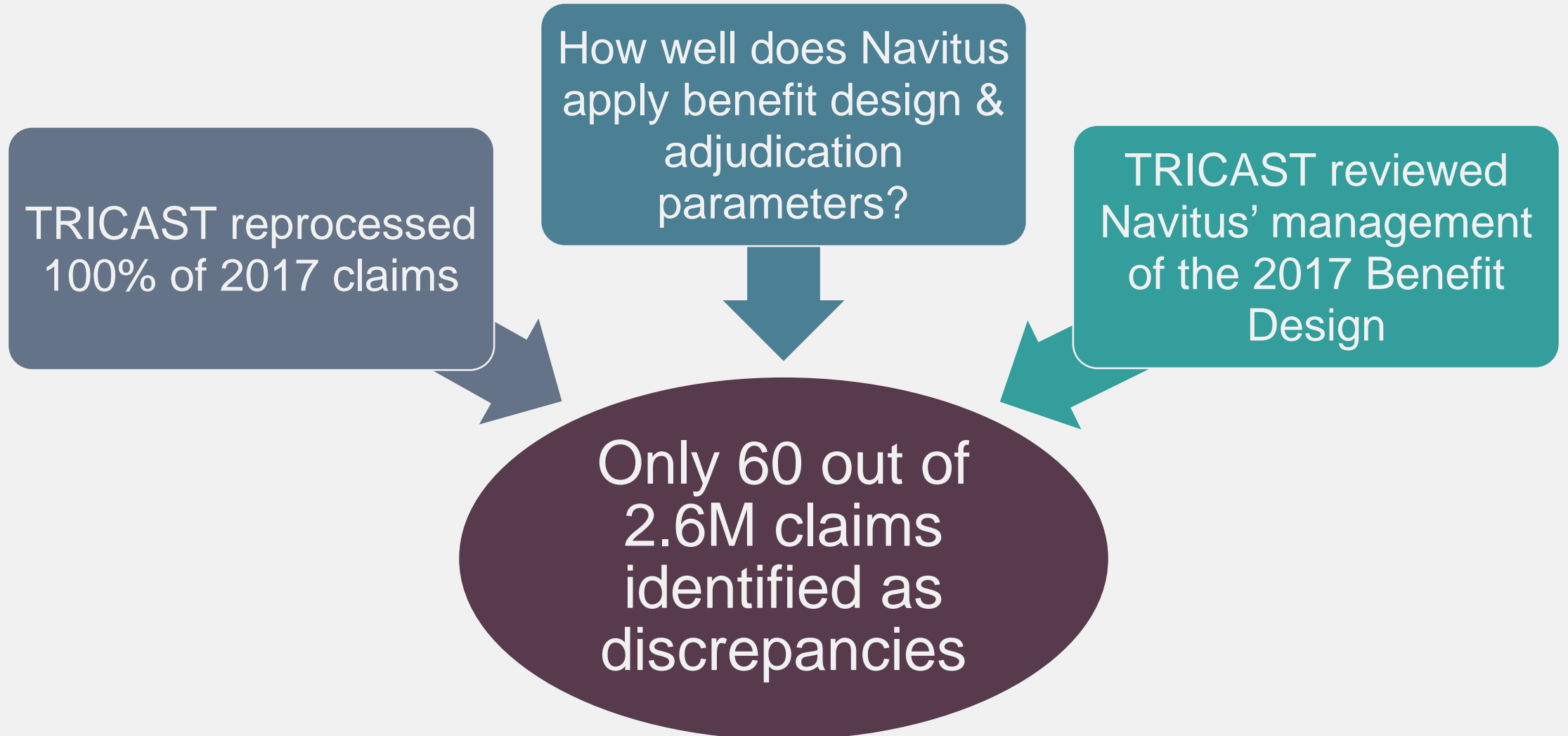
Office of Strategic Health Policy



Agenda

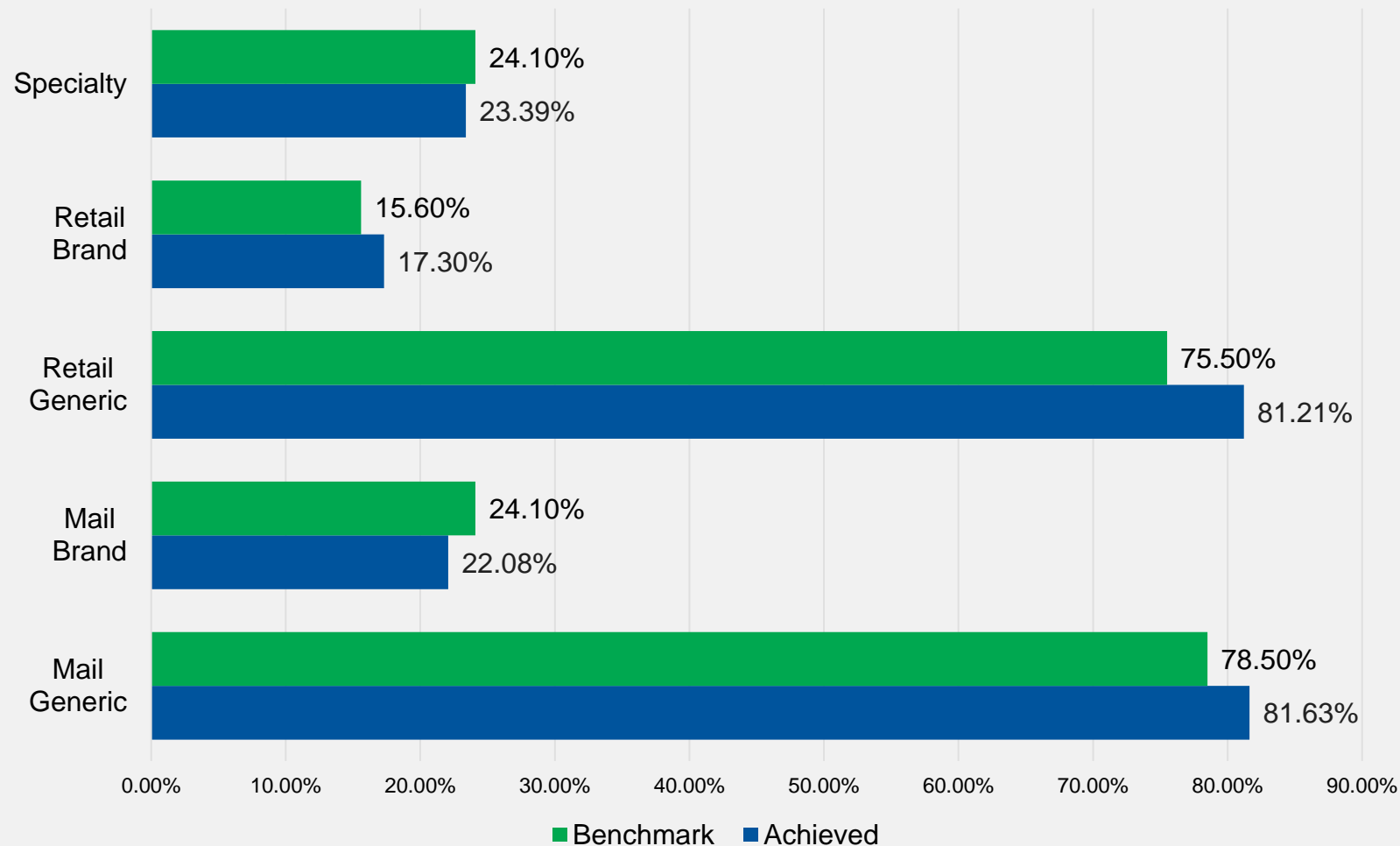
Phase 7 Audit Conducted March 31, 2017 – April 30, 2018	
Plan Year Audited	Audit Segment
2017	PBM Commercial Plan Design
2017	PBM Commercial Pricing Analysis
2016	Pharmacy Network Contracts
2016	Medicare Part D Employer Group Waiver Plan <ul style="list-style-type: none">○ Prescription Drug Event (PDE) Review○ EGWP Pricing Analysis○ EGWP Copayment/Coinsurance Analysis
2016	Fourth Quarter Rebate Audit & Analysis

2017 Commercial Plan Design



2017 Commercial Pricing Analysis

Commercial Discounts - Achieved vs Benchmarks



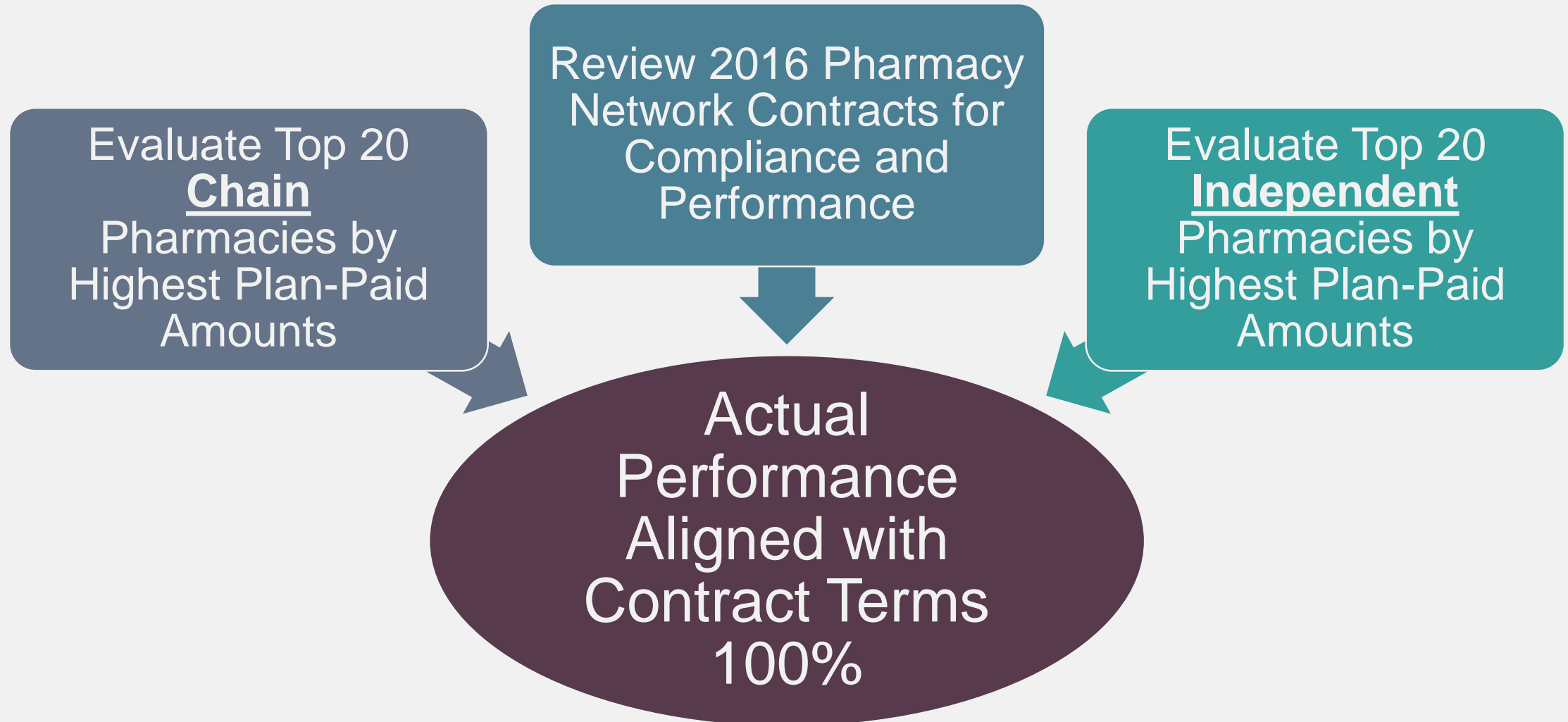
Navitus is out performing audit benchmarks established by TRICAST

Achieved discounts exceed benchmarks by \$26M



2016 Pharmacy Network Contracts

Onsite Review



2016 Employer Group Waiver Plan (EGWP)

Medicare Part D - Prescription Drug Events (PDE) Review

1.6M

**PDE records with
associated claims
reviewed**

68

**Records required
follow-up action**



**Navitus processed claims and reported PDEs to CMS
appropriately**

2016 Employer Group Waiver Plan (EGWP)

Medicare Part D - EGWP Pricing Analysis

\$20M

**Discounts beyond
TRICAST
benchmark**

+2%

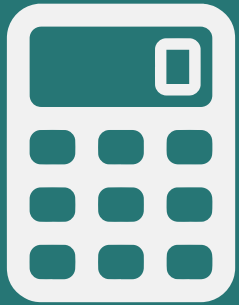
**Variance
(comparable to
similar plans)**



**Navitus achieved
competitive
discounts and
pricing**

2016 Employer Group Waiver Plan (EGWP)

Medicare Part D - EGWP Copayment/Coinsurance Analysis



Verified calculations of

- True Out Of Pocket (TrOOP) costs
- Low Income Cost Share (LICS) subsidies
- Gap Discount funds



Navitus adjudicated member cost share according to plan design & CMS guidance

-2%

**Copay variance
(favorable compared
to benchmarks)**

2016 Rebate Audit & Analysis

Navitus' administration of rebates is in compliance with manufacturer contracts

Actual rebates vs. rebates calculated by TRICAST show a +2.37% variance

Manufacturer	Actual Rebate Dollars	TRICAST Calculated Rebates	Variance
Commercial #1	\$2,237,811	\$2,023,638	\$214,173
#2	\$1,343,461	\$1,346,754	\$(3,293)
#3	\$1,754,460	\$1,772,864	\$(18,404)
#4	\$935,731	\$942,215	\$(6,484)
Medicare D #1	\$500,936	\$500,629	\$307
#2	\$638,539	\$638,037	\$502
#3	\$296,823	\$296,832	\$(9)
#4	\$353,044	\$352,881	\$163
	\$8,060,806	\$7,873,850	\$186,955

The background is a dark blue gradient with numerous bokeh light effects in shades of blue and purple, scattered across the frame. The text 'Questions?' is centered in the lower half of the image.

Questions?

Thank you



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