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## Correspondence Memorandum

**Date:** July 25, 2019  
**To:** Group Insurance Board  
**From:** Jeff Bogardus, Manager, Pharmacy Benefit Programs  
Office of Strategic Health Policy  
**Subject:** Mail-Order Prescription Services

**This memo is for informational purposes only. No Board action is required.**

This memo is in response to the Board's request that staff provide information about member utilization of the mail-order pharmacy services benefit and efforts being made to promote this benefit. Mail-order services are part of the prescription drug benefits provided under the State of Wisconsin and Wisconsin Public Employers Group Health Insurance Program (GHIP).

To clarify, this memo does not apply to the specialty drug program. While the specialty drug program involves mailing or shipping drugs to members from preferred specialty pharmacies, it is a separate and distinct program focused on specialty medications only.

### Background

Navitus Health Solutions (Navitus), the Board's pharmacy benefit manager, contracts with Serve You DirectRx as the preferred mail-order services pharmacy for our programs. In 2018, Serve You, a Milwaukee-based company, became the preferred vendor. Prior to 2018, two other vendors were used for mail-order services: Prescription Solutions from 2004 through 2011, and WellDyneRx from 2012 through 2017.

The benefit available to GHIP members for mail-order services provides a 90-day supply of maintenance medications that can be shipped directly to the member, as opposed to a 30-day supply typically provided at retail pharmacies. Maintenance medications are usually drugs used on a regular basis to treat chronic conditions, such as high blood pressure or high cholesterol.

Reviewed and approved by Eileen K Mallow, Director, Office of Strategic Health Policy

Electronically Signed 8/1/19

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The criteria members must meet to receive the mail-order 90-day supply include:

- (a) The prescribed drug must be a maintenance medication.
- (b) The member has received three, 30-day prescription fills of the drug.

The three, 30-day fills requirement is to ensure the member is stable on the drug and dosage being prescribed to avoid waste if the doctor is trying to dial in the member's treatment regimen by changing the dosage or the drug.

In addition to convenient home delivery, the other incentive for members to use the mail-order services is financially related. Only two copayments are required for a 90-day supply of drugs when using the mail-order service. At retail pharmacies, one copayment is required for each 30-day supply. If a member is prescribed a 90-day supply and uses a retail pharmacy, they would have to pay three copayments.

From the GHIP's perspective, mail-order pharmacies provide better pricing discounts than retail pharmacies in the network. Mail-order discounts for a 90-day supply of drugs are approximately 5% to 7% better than the discounts at retail pharmacies for a 30-day supply.

### **Mail-Order Utilization**

Historically, the use of mail-order services by GHIP members has been very limited. Utilization has fluctuated between 1% and 3.5% since the prescription drug benefits were carved out in 2004. Recently, ETF has seen utilization between 1.4% and 1.8% for our commercial (non-Medicare) population and between 2.3% and 3.2% for our Medicare population.

Anecdotally, across the pharmacy benefit industry, this level of utilization is typical if the mail-order service is optional. Greater utilization is usually seen if the benefit plan requires mail-order services to be used for all, or some, maintenance medications or if the plan heavily discounts the member's cost share if using the mail-order service (e.g. one copayment for a 90-day supply of drugs, or low flat-dollar copayment).

### **Mail-Order Prescriptions Filled**

As shown in *Table 1*, the Medicare population in the GHIP has a higher number of prescriptions (scripts) dispensed through the mail order pharmacy than the commercial (non-Medicare) population. While still quite low, the Medicare population's utilization percentage is twice that of the commercial population.

Note that utilization declined slightly in 2018 when Serve You became the preferred mail-order vendor. However, it appears that utilization is rebounding in 2019, which may be attributed to Serve You having an increased presence at benefit fairs and open enrollment events in late 2018.

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Table 1: Mail-Order Prescriptions Filled

MEDICARE Pharmacy Type	2017		2018		2019 (Q1+Q2)	
	Script Count	% of Scripts	Script Count	% of Scripts	Script Count	% of Scripts
Retail	604,110	62.7%	580,748	61.8%	178,871	59.6%
Retail Extended Supply	324,111	33.7%	330,188	35.1%	110,822	36.9%
Mail	29,779	3.1%	26,019	2.8%	9,276	3.1%
Specialty	4,849	0.5%	2,740	0.3%	1,032	0.3%
<b>Total</b>	<b>962,849</b>	<b>100.0%</b>	<b>939,695</b>	<b>100.0%</b>	<b>300,001</b>	<b>100.0%</b>

COMMERCIAL Pharmacy Type	2017		2018		2019 (Q1+Q2)	
	Script Count	% of Scripts	Script Count	% of Scripts	Script Count	% of Scripts
Retail	1,506,108	75.2%	1,395,293	73.4%	659,147	72.2%
Retail Extended Supply	454,941	22.7%	465,703	24.5%	233,428	25.6%
Mail	33,022	1.6%	27,304	1.4%	14,344	1.6%
Specialty	8,341	0.4%	12,366	0.7%	6,213	0.7%
<b>Total</b>	<b>2,002,412</b>	<b>100.0%</b>	<b>1,900,666</b>	<b>100.0%</b>	<b>913,132</b>	<b>100.0%</b>

Note: "Retail Extended Supply" mean a 90-day supply provided at a retail pharmacy.

## Members Using Mail-Order Services

As expected, there is a definite correlation between the number of members utilizing mail-order services and the number of prescriptions dispensed by mail-order pharmacies. When comparing the data in *Table 2* with the data from *Table 1*, there is little to no variation between the percentage of members using the mail-order services and the prescriptions filled through the mail-order pharmacy.

Table 2: Members Using Mail-Order Services

MEDICARE Pharmacy Type	2017		2018		2019 (Q1+Q2)	
	Utilizing Mbrs	% Mbrs	Utilizing Mbrs	% Mbrs	Utilizing Mbrs	% Mbrs
Retail	41,896	64.2%	42,708	61.8%	36,048	59.6%
Retail Extended Supply	21,013	32.2%	24,257	35.1%	22,379	37.0%
Mail	2,023	3.1%	1,935	2.8%	1,875	3.1%
Specialty	326	0.5%	207	0.3%	181	0.3%
<b>Total</b>	<b>65,258</b>	<b>100.0%</b>	<b>69,107</b>	<b>100.0%</b>	<b>60,484</b>	<b>100.0%</b>

COMMERCIAL Pharmacy Type	2017		2018		2019 (Q1+Q2)	
	Utilizing Mbrs	% Mbrs	Utilizing Mbrs	% Mbrs	Utilizing Mbrs	% Mbrs
Retail	366,713	61.4%	348,988	60.2%	202,368	60.3%
Retail Extended Supply	218,836	36.6%	220,576	38.0%	125,246	37.3%
Mail	9,111	1.5%	8,077	1.4%	4,715	1.4%
Specialty	2,761	0.5%	2,544	0.4%	3,029	0.9%
<b>Total</b>	<b>597,421</b>	<b>100.0%</b>	<b>580,185</b>	<b>100.0%</b>	<b>335,358</b>	<b>100.0%</b>

Note: "Retail Extended Supply" mean a 90-day supply provided at a retail pharmacy.

## Increasing Mail-Order Utilization

One of the reasons for the 2018 switch to Serve You as the preferred mail-order pharmacy was due to low member satisfaction with services provided by previous mail-order pharmacies. Since Serve You came on board, staff have not received complaints

about the customer service or prescription fulfillment services provided by Serve You. With previous mail-order pharmacies it was not unusual to see more than 20 complaints annually. In addition, Serve You has made a concerted effort to attend benefit fairs and events during the open enrollment period to gain exposure to GHIP members and directly interact with them. Previous vendors did not attend these types of events and lacked personal exposure to members.

To increase the number of GHIP members utilizing mail-order services, ETF staff have worked with Navitus and Serve You to develop an outreach campaign. This effort will be targeted at approximately 32,000 members who are prescribed maintenance medications, who have met the 3-fill threshold and who use retail pharmacies. The goal of this effort is to get 10% of the targeted members to enroll in mail-order services.

Serve You will be hiring additional staff on a temporary basis to handle the higher volume of calls and contacts the mailer is expected to generate. The temporary staff will be dedicated to this effort and will receive training specific to the GHIP programs and benefits.

The initial mailings will be sent to members in early August 2019. The mailer will be co-branded with ETF to increase the chance that the member reacts to the mailer and does not immediately consider it junk mail. A copy of the mailer is attached to this memo (see Attachment 1). Once the response to the initial mailing is known, Serve You, Navitus and ETF staff will determine the best follow-up efforts to be employed as we work towards our goal. ETF will provide updates to the Board as this outreach evolves.

Staff will be at the Board meeting to answer any questions.

Attachment: Serve You DirectRx Outreach Mailer

Attention State & Wisconsin Public Employer Group Health Insurance Program Members

# START SAVING

with **SERVE YOU**  and 

<FIRSTNAME> <LASTNAME>  
<ADDRESS>  
<CITY>, <ST> <ZIP>



**Save time and money** by using the home delivery pharmacy benefit offered by your health benefit program. As a plan member, you can have the medications you take on a regular basis **delivered right to your door by Serve You DirectRx Pharmacy.\***

## Serve You DirectRx Pharmacy offers:

1

**LOWER COST** for a larger supply. Get a 3-month supply of your medication for only 2 copays, instead of the 3 you pay at retail counters.

2

**EASY REFILLS.** Order online or sign up for FREE EZAUTOfill – no calls to the pharmacy necessary!

3

**PHARMACIST SUPPORT** 24/7 for medication questions that you can ask from the comfort of home.

4

**SECURE PACKAGING** that's discreet, safe, and respects privacy.

5

**FREE & FAST** home delivery<sup>±</sup> with most orders shipped within 24 hours of receipt.



**Start saving today! Call 800-481-3340**

**Customer Service Available M-F 7:30 AM – 9 PM / SAT 8 AM – 6 PM / SUN 9 AM – 3 PM**

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\*Serve You DirectRx Pharmacy, located in Milwaukee, WI, administers the home delivery prescription benefit for the State of Wisconsin Group Health Insurance Program.

<sup>±</sup> Delivery is free for standard shipping and packages can be delivered to your home or address of your choosing.

Recipients of this letter were selected in collaboration with Navitus Health Solutions and the Department of Employee Trust Funds. Any selection criteria related to this letter is confidential and is not shared with non-medical personnel, or personnel not directly involved with managing State and Wisconsin Public Employers Group Health Insurance Programs' pharmacy claims