



Department Of Employee Trust Funds Group Insurance Board

June 29, 2020

Agenda

- Navitus Overview
- ETF Plan Performance
- Specialty and Lumicera Health Services
- COVID-19 Impact and Updates

Introducing Navitus Health Solutions

Navitus is an industry leading, pass-through pharmacy benefit manager (PBM) and serves as an alternative to traditional PBMs. We're committed to making prescriptions more affordable for plan sponsors and their members. That's why we've *reinvented pharmacy benefit management* to more effectively reduce costs and improve health.



- Founded in 2003



- Serves 650+ clients including employers, health plans, government, unions, etc.



- Owned by SSM Health and Costco



- URAC accredited PBM and specialty pharmacy



- 6 million members and growing

- 4.5 out of 5 Stars EGWP Rating by CMS, the highest among PBM-sponsored EGWP Plans*



- Nationwide presence with corporate campuses in Madison and Appleton, WI; Austin, TX; and Phoenix, AZ



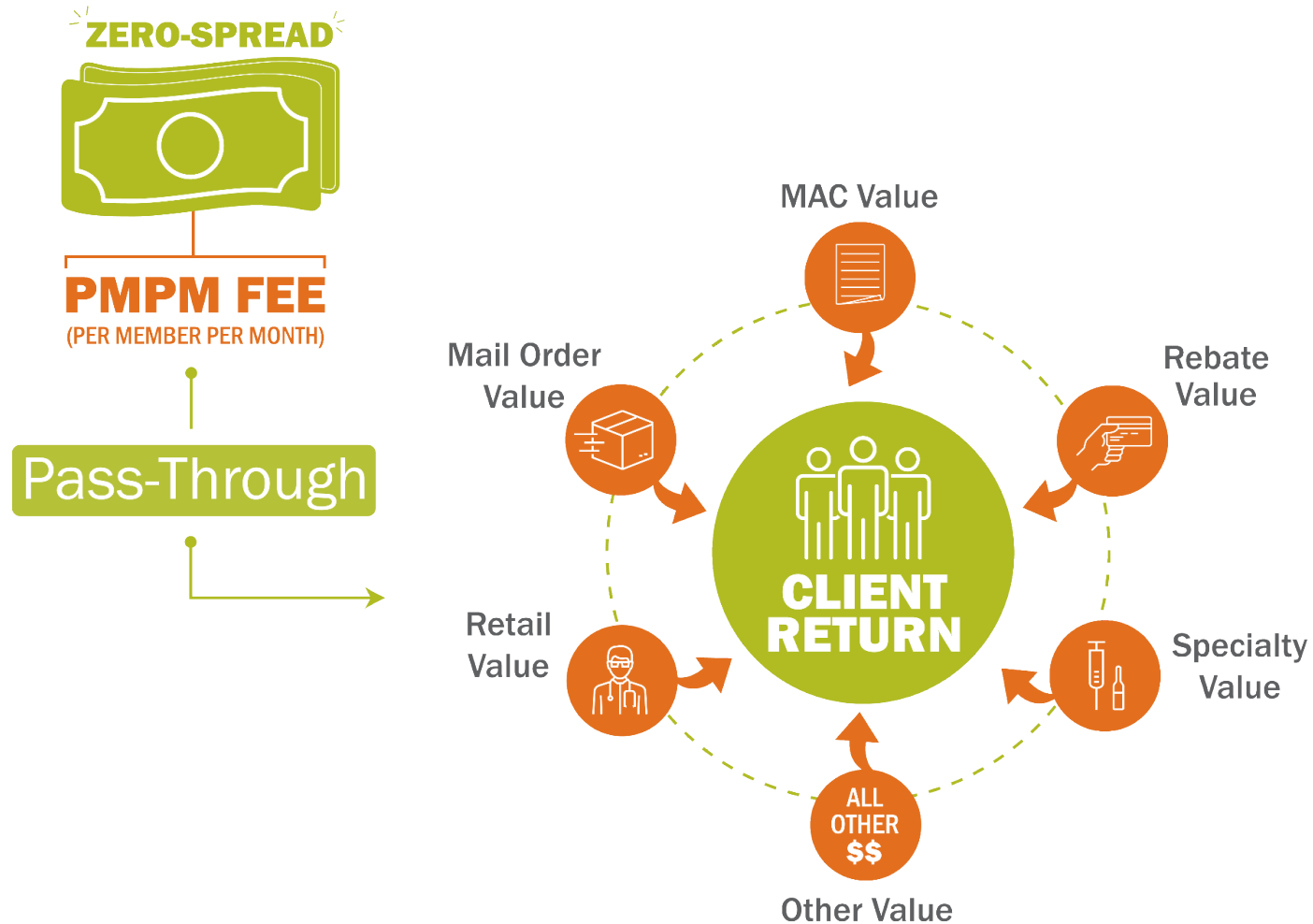
*Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next.

Our Mission

Navitus Health Solutions is committed to lowering drug costs while improving the health of your members & delivering superior service in a manner that inspires trust and confidence.

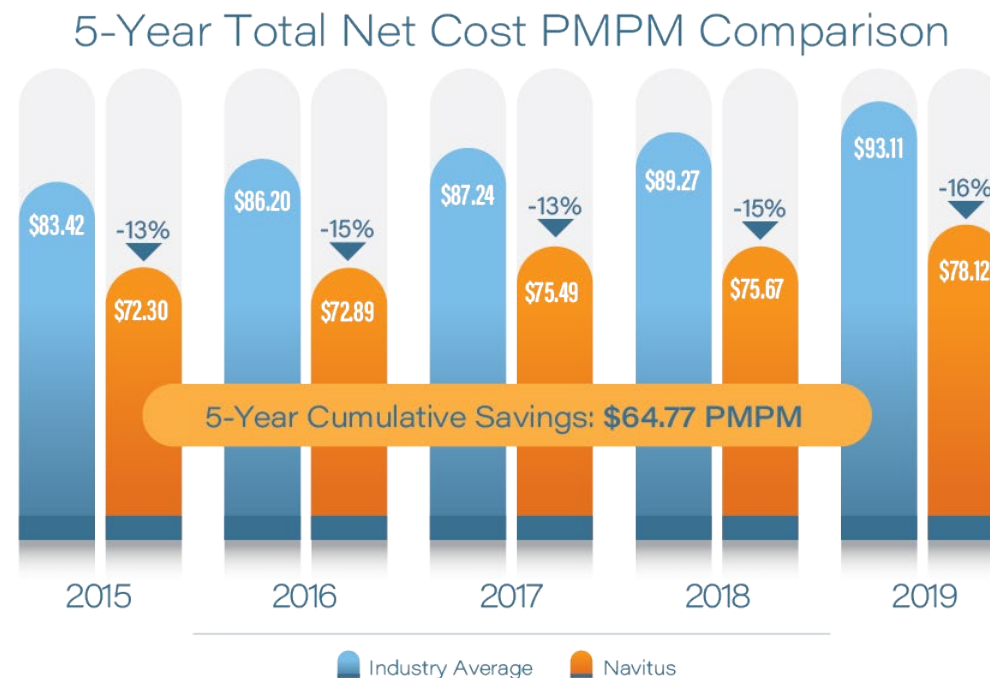
- **Lowering Drug Costs** – Through Navitus' completely transparent business model, all hidden costs associated with the purchase of prescription drugs are eliminated. We negotiate discounts and rebates with drug manufacturers and contract with pharmacies on behalf of plan sponsors - enabling us to pass 100 percent of savings onto our plan sponsors.
- **Improving Health** – In addition, by ensuring formulary development and quality improvement decisions are reviewed and approved by prescribers and pharmacists, Navitus provides the highest quality pharmaceutical care to our members.
- **Delivering Superior Customer Service** – At Navitus, we offer a wide variety of pharmacy benefit management services, including benefit design and consulting, formulary management, pharmacy network management and clinical programs. All efforts are developed and implemented with our members' best interests in mind.

Transformative Pass-Through Approach



The Savings Continue After Year One

The Navitus Difference



We're generating long-term savings with a 5-year cumulative PMPM of \$64.77, which is 16% less than the industry average.

Source: Navitus drug trend analysis, published PMPM figures from other PBMs in the industry including Express Scripts and CVS Health (2015-2018). Forecasted industry average PMPM was calculated by taking the published average 2018 PMPM and applying a 4.3% trend forecasted trend increase as seen in the 2020 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers from the Drug Channels Institute.

Generating Top Satisfaction Ratings From Our Clients

2019 Client Satisfaction Survey



94% of respondents were **extremely satisfied** or **very satisfied**



100% of respondents **would recommend** Navitus to other organizations

37% Response Rate (2019)

Surveys are conducted annually and include clients with claims utilization in both 2018 and 2019. TPA clients not included.

Just a Sampling of ETF Member Compliments

- Navitus Book of Business Member Satisfaction Survey shows **96% overall satisfaction rate for members** who interact with Navitus Customer Care.
- On 5/28/20 Customer Care spoke with an **ETF member** who asked to speak with a supervisor to let them know the Customer Care agent did an **AWESOME** job! He said she was very patient with him, and he was blown away when she inquired if he had any complaints. He is a first time retiree and said that while going through his benefits, he's taking a lot of notes. He appreciated the assistance and information the agent provided.
- On 5/15/20, an **ETF member** wanted a Customer Care supervisor to pass along that **whoever does the hiring for Navitus does an awesome job!** She said she is always happy with us and we are all sweeties.
- On 5/7/20, as part of a routine call audit process, a Customer Care supervisor observed an **ETF member** thank an agent for being **exceedingly patient and how very kind the agent was to her.** The member finished up the call by adding how grateful she is for the agent's time and Navitus being open 24/7.

ETF Plan Performance

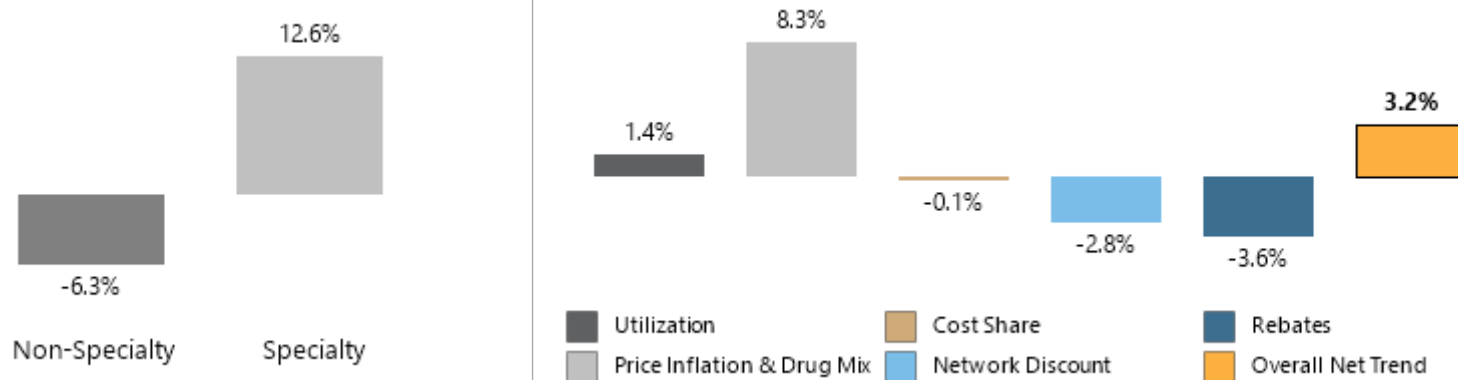
Plan Paid PMPM Trend & Trend Drivers

Commercial

Previous	Current	Change	Trend	BoB Trend
\$69.34	\$71.56	\$2.21	3.2%	2.3%

- ETF Commercial had a strong Generic Utilization Rate in 2019 of 87.5%
- Specialty Plan Paid PMPM increased by 12.6%
- Price Inflation & Drug Mix increased spend by 8.3%
- Rebates decreased spend by 3.6%

TREND DRIVERS



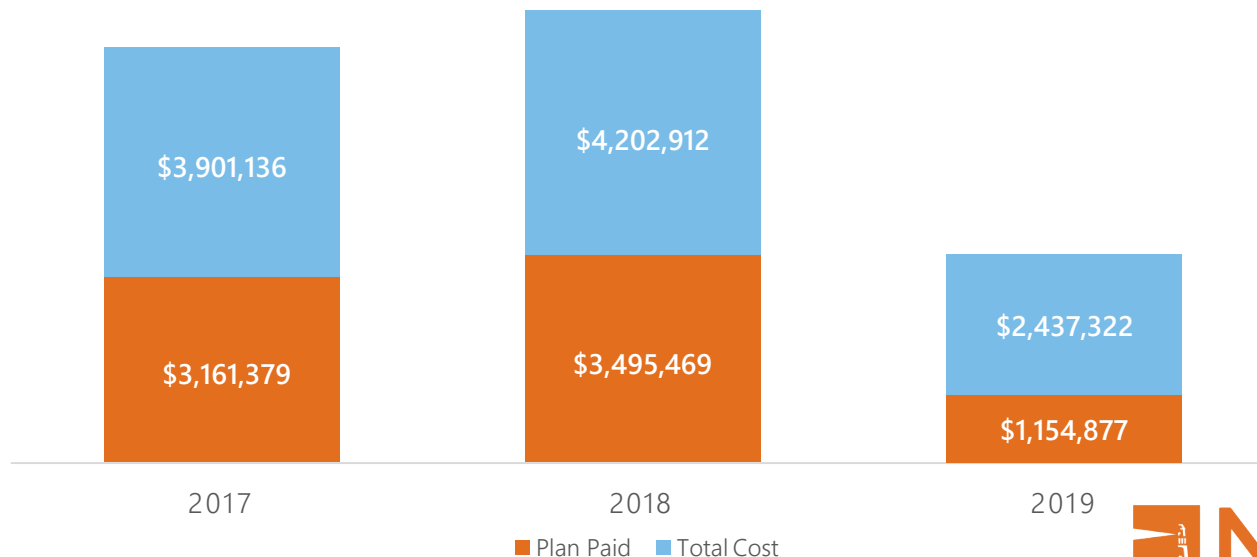
Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
 Rebates are factored into all plan paid calculations and are estimated for claims submitted after 7/1/2019.

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DAW (Cost Sharing) Implementation

- Effective 1/1/19, ETF implemented a DAW (Dispense As Written) penalty for brand drugs with a generic equivalent
 - Previous coverage: Level 3 Copay (max of \$150/month) without coverage review
 - New coverage: Level 3 Copay + Cost differential (Brand-Generic equivalent)
 - FDA MedWatch documentation required to bypass the DAW Penalty
- Plan Paid Savings of \$2.3MM (67% decrease in Brands with Generic Equivalents)
- Utilization of Brand with Generic Equivalents experience a 33% decrease

ORIGINAL BRAND NAME DRUGS



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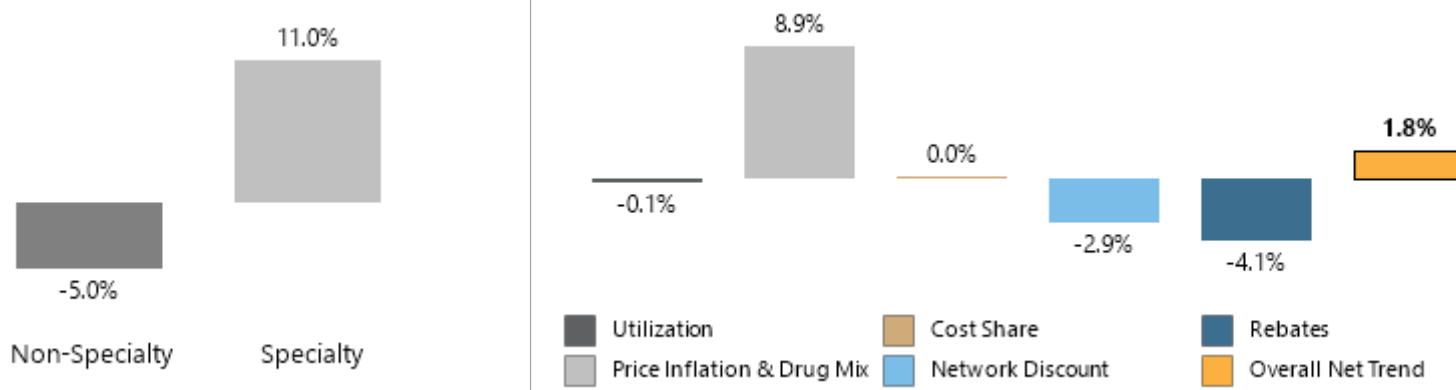
Plan Paid PMPM Trend & Trend Drivers

EGWP

Previous	Current	Change	Trend	BoB Trend
\$242.13	\$246.56	\$4.43	1.8%	4.0%

- ETF EGWP had a strong Generic Utilization Rate in 2019 of 87.1%
- Specialty Plan Paid PMPM increased by 11.0%
- Price Inflation & Drug Mix increased spend by 8.9%
- Rebates decreased spend by 4.1%
- EGWP MedicareRx estimated 2019 subsidies reduced the 2019 PMPM to \$126.51. This is a trend decrease of 13.2% compared to the 2018 PMPM of \$143.35 with subsidies.

TREND DRIVERS



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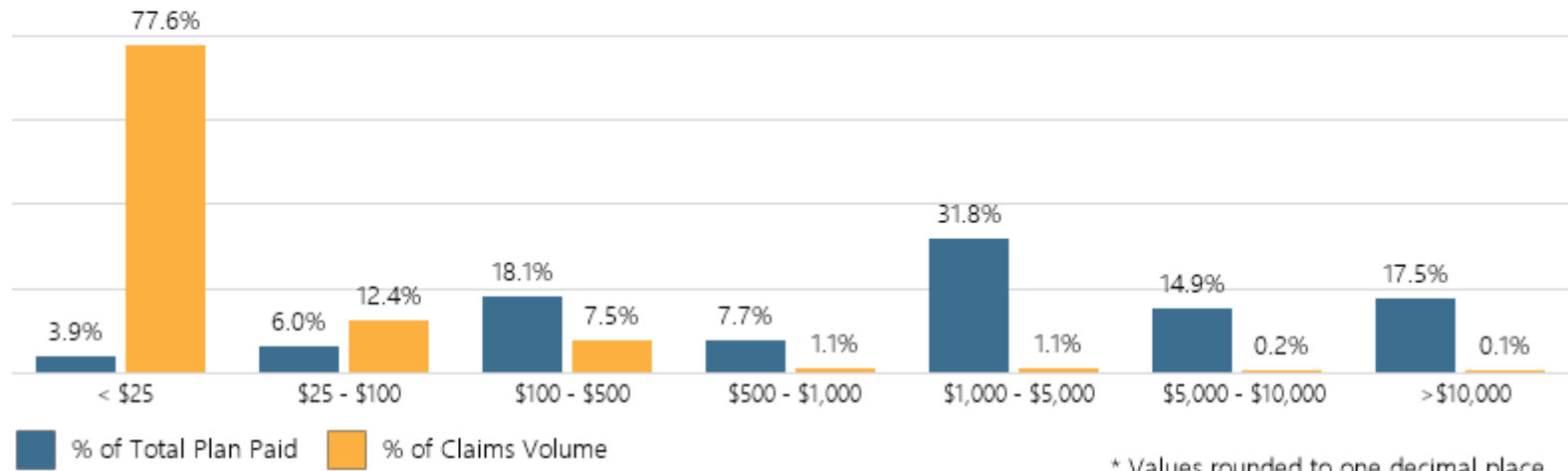
Script Cost vs. Script Volume

Commercial

- 77.6% of scripts cost the plan less than \$25 and made up 3.9% of total Plan Paid
- 1.4% of scripts cost the plan more than \$1,000 and made up 64.3% of total Plan Paid

Plan Paid Amount	Script Count	Plan Paid
< \$25	1,429,048	\$6,912,813
\$25 - \$100	228,097	\$10,498,036
\$100 - \$500	137,997	\$31,838,794
\$500 - \$1,000	19,945	\$13,568,208
\$1,000 - \$5,000	20,994	\$56,000,502
\$5,000 - \$10,000	3,708	\$26,250,824
> \$10,000	1,867	\$30,845,521

Volume and Plan Paid Distribution



Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
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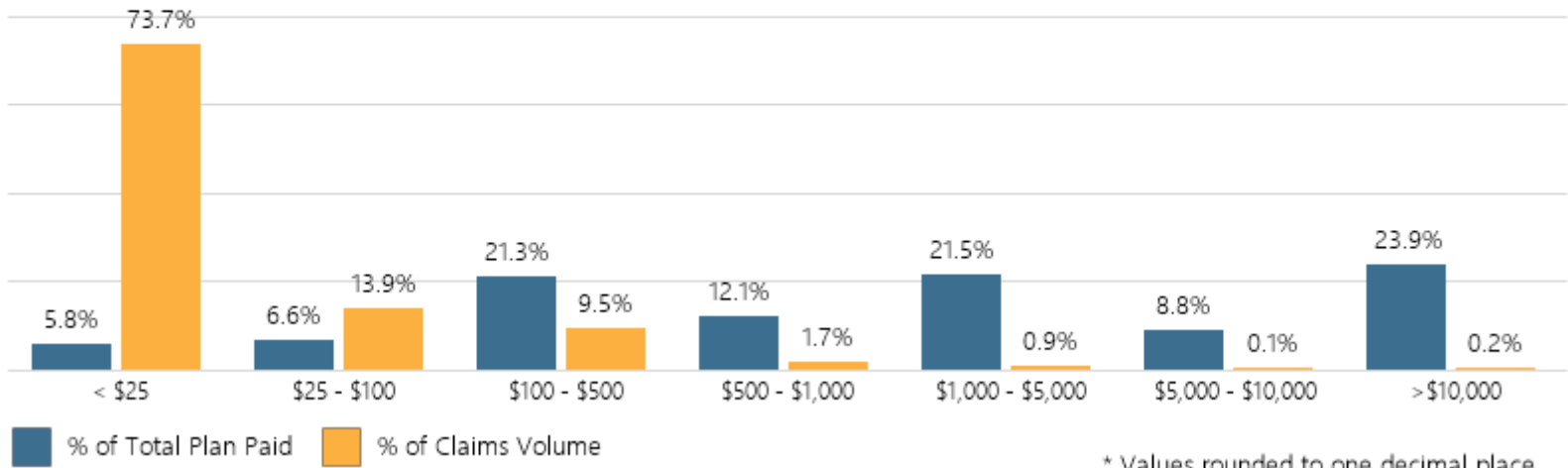
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Script Cost vs. Script Volume EGWP

- 73.7% of scripts cost the plan less than \$25 and made up 5.8% of total Plan Paid
- 1.2% of scripts cost the plan more than \$1,000 and made up 54.2% of total Plan Paid

Plan Paid Amount	Script Count	Plan Paid
< \$25	690,715	\$5,528,305
\$25 - \$100	130,105	\$6,234,601
\$100 - \$500	89,048	\$20,266,919
\$500 - \$1,000	15,890	\$11,509,038
\$1,000 - \$5,000	8,337	\$20,415,093
\$5,000 - \$10,000	1,092	\$8,403,666
> \$10,000	1,585	\$22,706,340

Volume and Plan Paid Distribution



* Values rounded to one decimal place

Previous Period: 1/1/2018-12/31/2018 ; Current Period: 1/1/2019-12/31/2019
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Specialty & Lumicera Health Services

Top Specialty Conditions

Commercial

- Chronic Inflammatory Disease was ranked #1 and cost the plan \$46,270,500, which was 48% of Plan Spend on specialty conditions
- Atopic Dermatitis had the largest increase in Plan Paid PMPM Trend of 196.3%

Plan Paid Rank Prev	Plan Paid Rank	BoB Plan Paid Rank	Specialty Health Condition	Plan Paid	Plan Paid PMPM	Plan Paid PMPM Trend	BoB Plan Paid PMPM Trend	Utilizing Members Prev	Utilizing Members
1	1	1	CHRONIC INFLAMMATORY DISEASE	\$46,270,500	\$18.82	21.6%	17.3%	945	1,318
2	2	3	MULTIPLE SCLEROSIS	\$13,946,495	\$5.67	-1.0%	-4.6%	241	306
3	3	2	ORAL CHEMOTHERAPY	\$13,850,929	\$5.63	9.8%	13.8%	165	322
4	4	4	CYSTIC FIBROSIS	\$7,709,253	\$3.14	-7.6%	3.0%	49	57
6	5	13	NEPHROPATHIC CYSTINOSIS	\$2,186,264	\$0.89	37.1%	35.7%	2	2
5	6	6	NARCOLEPSY	\$1,930,956	\$0.79	10.0%	18.8%	16	20
11	7	8	OSTEOPOROSIS	\$1,132,560	\$0.46	75.2%	13.2%	31	69
15	8	7	ATOPIC DERMATITIS	\$930,447	\$0.38	196.3%	184.3%	15	56
8	9	5	PULMONARY ARTERIAL HYPERTENSI...	\$907,745	\$0.37	-14.6%	-11.9%	13	14
9	10	19	NEUTROPENIA	\$860,880	\$0.35	-16.9%	-29.6%	47	125
			Total	\$96,144,022	\$39.11	12.6%	-	1,756	2,622

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Top Specialty Conditions EGWP

- Oral Chemotherapy was ranked #1 and cost the plan \$20,203,920, which was 46% of Plan Spend on specialty conditions

Plan Paid Rank Prev	Plan Paid Rank	BoB Plan Paid Rank	Specialty Health Condition	Plan Paid	Plan Paid PMPM	Plan Paid PMPM Trend	BoB Plan Paid PMPM Trend	Utilizing Members Prev	Utilizing Members
1	1	1	ORAL CHEMOTHERAPY	\$20,203,920	\$52.40	11.8%	18.8%	209	266
2	2	2	CHRONIC INFLAMMATORY DISEASE	\$11,896,647	\$30.85	11.8%	8.5%	256	278
3	3	3	MULTIPLE SCLEROSIS	\$2,905,883	\$7.54	-17.6%	-9.1%	64	66
4	4	4	OSTEOPOROSIS	\$2,006,465	\$5.20	17.5%	31.6%	91	112
5	5	5	IDIOPATHIC PULMONARY FIBROSIS (IPF)	\$1,768,582	\$4.59	3.9%	19.3%	23	21
6	6	6	PULMONARY ARTERIAL HYPERTENSI...	\$741,471	\$1.92	-25.7%	-16.9%	10	11
7	7	13	NEUTROPENIA	\$709,805	\$1.84	13.0%	0.3%	35	33
10	8	10	NARCOLEPSY	\$514,896	\$1.34	89.6%	76.8%	2	4
8	9	14	THROMBOCYTOPENIA	\$413,133	\$1.07	42.2%	11.5%	3	5
14	10	12	PARKINSON'S DISEASE	\$330,860	\$0.86	76.0%	52.0%	9	14
Total				\$44,219,289	\$114.69	11.0%	-	784	934

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LUMICERA SERVICE EXCELLENCE

Patient Experience – All Lumicera Patients



Satisfaction Rate

(Satisfied or Very Satisfied)

2019

Metric	Average Score
Timeliness and condition of medication delivery	4.9/5
Accuracy of order	4.9/5
Knowledge of patient care specialist	4.9/5
Overall Satisfaction with Lumicera services	4.9/5

LUMICERA CLINICAL EXCELLENCE

Patient Experience – All Lumicera Patients

97% Satisfaction Rate
(Satisfied or Very Satisfied)

2019

Metric	Average Score
Confidence in taking and managing medications	4.5/5
Pharmacist listened to and addressed my concerns	4.6/5
Recommend Lumicera pharmacist to friends and family	4.6/5
Overall quality of care and services provided by Lumicera pharmacist	4.8/5

COVID-19 Updates

Navigating the Pandemic

Navitus Operations

▪ Business Continuity

- Navitus activated Business Continuity/Disaster Recovery operations the week of March 16th.
- All departments including customer care, specialty pharmacy and prior authorizations are fully operational and fully staffed.
- The remote workforce is doing well and has adapted to the new virtual work environment.
- Our technical infrastructure is supporting all activities.

▪ Account Management

- Fully remote and no issues reported
- Delivering consultative reviews as scheduled via virtual technology

▪ Formulary Operations

- Monitoring medication availability and FDA announcements and making adjustments to formulary as needed
- Activated weekend “on call” schedule for benefits team to respond to any urgent changes or updates required

Navigating the Pandemic

Navitus Operations

- Weekly Client Communications

- Updates on activities and response implementations
- Monitoring of disaster declarations, emergency set ups of limits on days' supply for drugs that are touted as potential cures or remedies for COVID-19

- Pharmacy Availability

- Navitus provider services reports minimal pharmacy impacts across the networks
 - A few pharmacies have reduced hours of operation and some may have briefly closed but have now re-opened
 - RxOpen.org has been activated by National Council for Prescription Drug Plans (NCPDP)

Navigating the Pandemic

Lumicera Operations

■ Staffing

- Quickly implemented social distancing measures and a “grouping”-based approach to maintain operations, limit risk and put into place a mitigation plan in the instance that one of the “groups” had positive COVID cases within it.
- Implemented more wide-spread use of PPE (call center staff) for prevention of spreading the virus– leading to 12 second answer rate through COVID and 94.57% answered within 30 seconds
- Enhanced existing cleaning and sanitizing procedures

■ Patient Support

- Providing counseling to patients to calm fears of shortages and prevent stockpiling of medications
- Educating patients on supply projections

Navigating the Pandemic

Pharmacy Operations

■ Pharmacy Availability

- Navitus provider services reports minimal pharmacy impacts across the networks
 - A few pharmacies have reduced hours of operation and some may have briefly closed but have now re-opened
 - RxOpen.org has been activated by National Council for Prescription Drug Plans (NCPDP)

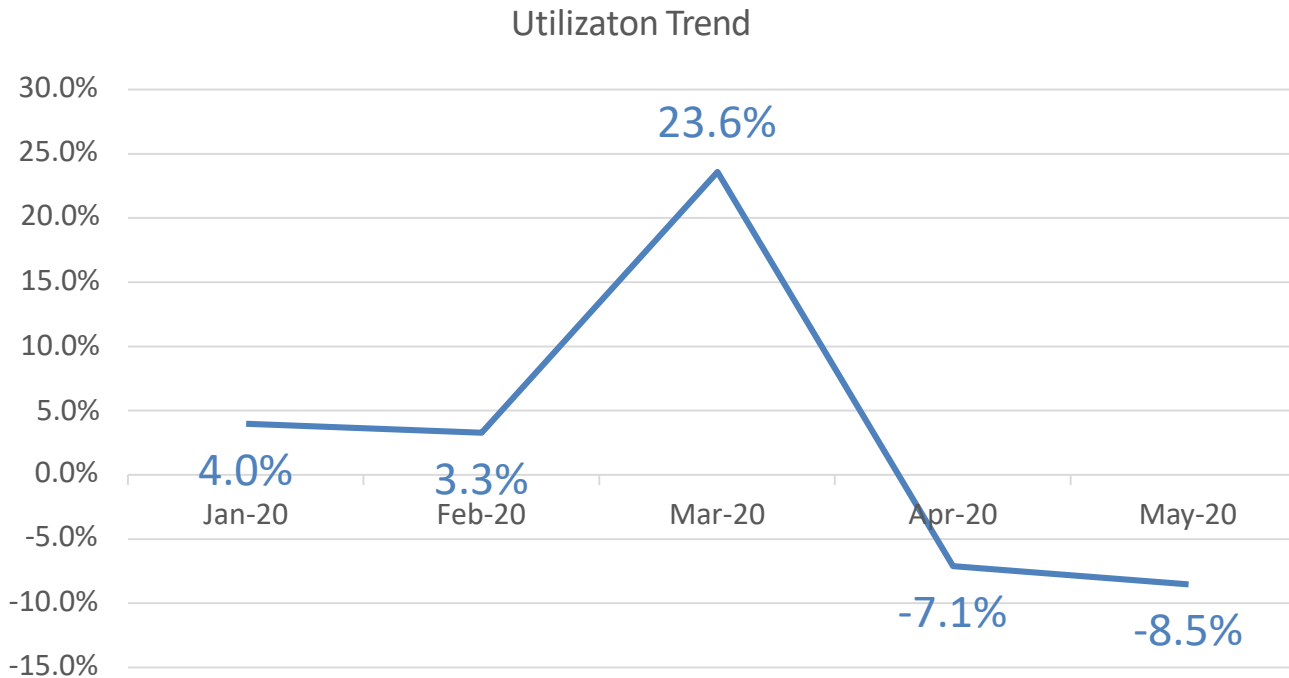
■ Pharmacy Testing

- Pharmacies are administering testing for COVID-19
 - “Big 5” offering testing at limited number of sites across the US:
 - Wal-Mart, Walgreens, CVS, Kroger, Rite Aid
- NCPDP recently published guidance for pharmacy testing billed through the pharmacy benefit
 - Navitus is currently reviewing and evaluating the contracting, pharmacist and benefit requirements associated with implementation

■ Free Delivery

- Several large chains are offering free delivery

ETF Utilization Trend by Month



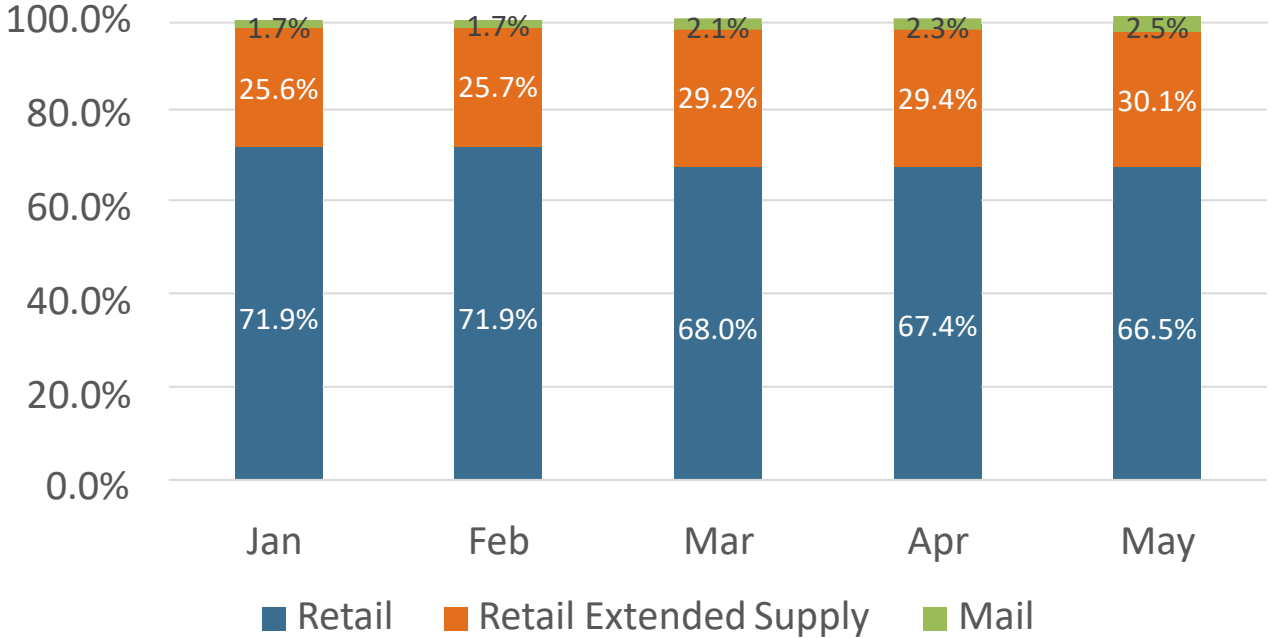
Utilization was up 24% in March compared to same period in 2019

Drug Categories Driving Increases

May 2019 vs May 2018

Drug Category	Utilization Trend
ANTI-DEPRESSANTS	27%
ANTI-ASTHMATIC AND BRONCHODILATOR AGENTS	70%
ANTI-HYPERTENSIVES	24%
ANTI-HYPERLIPIDEMICS	21%
ANTI-DIABETICS	28%
CONTRACEPTIVES	20%
DIURETICS	31%
THYROID AGENTS	20%
BETA BLOCKERS	23%
ANTI-CONVULSANTS	23%
CALCIUM CHANNEL BLOCKERS	28%
NASAL AGENTS - SYSTEMIC AND TOPICAL	35%
ANTIHISTAMINES	27%
ANTI-ANXIETY AGENTS	32%
ANTI-MALARIALS	44%
Overall	24%

Channel Migration



90 Day Retail penetration has jumped up 4% since March at the expense of Retail 30

COVID-19 Investigational Therapies

Anti-Viral Agents

Remdesivir

- Ebola treatment
- Positive NIAID trial results

Favipiravir & umifenovir

- Global influenza treatments used in Asia

Leronlimab

- Investigational HIV therapy

Chloroquine/Hydroxychloroquine

- Approved anti-malarial treatments

Tamiflu (oseltamivir) & Xofluza (baloxavir)

- Approved influenza treatments

Ivermectin

- Approved anti-parasitic agent

Kaletra (lopinavir/ritonavir)

- Approved HIV therapy

COVID-19 Investigational Therapies

Additional Therapies

Existing anti-inflammatory therapies

- IL-6 Inhibitors
- JAK Inhibitors
- IL-1 inhibitors
- Corticosteroids

Supportive therapies

- Heparin
- Alteplase (t-PA)
- Nitric oxide
- IV immune globulin

Other therapies

- Convalescent plasma
- Alinia (nitazoxanide)
- Azithromycin
- Vitamin C

COVID-19 Vaccine Development

- As of April 20th, per WHO:
 - 5 vaccine candidates in clinical trials
 - 71 vaccine candidates in preclinical evaluation
- Unprecedented degree of pre-trial at-risk production
 - Oxford University
 - Johnson & Johnson
 - Moderna
 - GSK/Sanofi
- Complexity of novel vaccine development

Thank You.



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