



PillarRx
C o n s u l t i n g

CUSTOMIZED PHARMACY SOLUTIONS

Pharmacy Program Oversight Executive Summary

Created for

State of Wisconsin ETF

Audit Period:

EGWP Plan: January 1, 2020 – December 31, 2020

Commercial Plan: January 1, 2021 – December 31, 2021

September 29, 2022



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I. Auditor's Report

State of Wisconsin, Department of Employee Trust Funds (ETF), on behalf of the State of Wisconsin Group Insurance Board (Board), is assessing the performance of the Board's Pharmacy Benefit Manager (PBM), Navitus Health Solutions, LLC (Navitus). ETF is completing this audit to maintain ongoing oversight efforts and obtain a thorough understanding of the performance of the contracted PBM.

ETF provides pharmacy benefit program management for nearly 240,000 participating members associated with annual total drug costs in excess of \$400 million.

PillarRx performed a comprehensive audit of Navitus' administration of the pharmacy benefits for ETF.

Client Name	State of Wisconsin ETF
PBM Name	Navitus
EGWP Claims Period	01/01/2020 through 12/31/2020
Commercial Claims Period	01/01/2021 through 12/31/2021
Pharmacy Network Period	01/01/2020 through 12/31/2020
Rebate Periods	10/01/2020 through 12/31/2020

II. Auditor's Findings

Commercial Plan Design and Pricing Audits

- **Copay:** Miscellaneous minor inconsistencies were found in collected copays that represented a minimal overall variance, that were all explained by Navitus and deemed correct.
- **Plan Design:** PillarRx noted 1 discrepancy within prior authorizations and no issues noted in day supply, drug exclusions, quantity limits or gender edits. The 1 discrepancy is listed below:
 - 1 claim was paid without a PA incorrectly. Navitus has confirmed the observation and corrected the Generic Product Identifier (GPI). Product is Testosterone. PillarRx recommends that the State work directly with Navitus regarding the impact analysis.
- **Pricing:** PillarRx concludes that Navitus is over performing based on the commercial contract.

Onsite Review of Pharmacy Network Contracts

PillarRx concludes that all the pharmacies, including the large chains, were compliant with their contracts and were performing as expected.

Rebate Audit

PillarRx concludes that Navitus is processing and paying rebates for ETF in compliance with the contracts with the manufacturers.

Employer Group Waiver Plan (EGWP) Audit

- **PDE Analysis:** PillarRx audited 100% of the Prescription Drug Event (PDE) records processed from January 1, 2020 through December 31, 2020, and originally found 40,153 discrepancies between the source claim and the associated PDE, which is less than 2 percent of all PDE's. Navitus addressed the issues satisfactorily. PillarRx concludes that PDE records have been accurately and appropriately generated.
- **Pricing:** PillarRx concludes that Navitus is over performing on discount rates based on the EGWP contract and is under performing in dispensing fees. The Navitus contract guarantees with the State allow the offsetting of the discount guarantee with the dispensing fee guarantee, therefore the overall EGWP Pricing performance was an over performance.

- **Plan Design:** PillarRx noted 1 discrepancy within prior authorizations and no issues noted in day supply, drug exclusions, quantity limits or gender edits. The 1 discrepancy is listed below:

1 claim was identified as an observation and Navitus has a correction in process. Product is KISQALI. PillarRx recommends that the State work directly with Navitus in regards to the impact analysis.

Copayment Analysis: PillarRx’s copay analysis includes verifying True Out of Pocket (TrOOP) calculation, formulary match, Low Income Cost Sharing (LICS) calculations and GAP discount calculations based on CMS guidance. PillarRx reviewed all responses from Navitus and agrees that copays are adjudicating according to plan design and CMS guidance with exception of 6 claims that had to be reprocessed.

6 claims were identified to require reprocessing to correct the Member Out of Pocket (MOOP). PillarRx recommends that the State work directly with Navitus in regards to the impact analysis.

Invoice Reconciliation Audit

Upon reconciliation for 1/1/2021 – 12/31/2021 invoices, PillarRx found that all invoiced dollars and claim counts matched what was found on the claim records for the given period. PillarRx concludes that Navitus is invoicing the State accurately.

III. Auditor’s Conclusions

PillarRx considers this a passing audit. All variances identified were validated as appropriate by Navitus. After review of Navitus’ responses to our findings, we are comfortable that State of Wisconsin, Department of Employee Trust Funds plans are being administered per the plan design documentation.

PillarRx will continue to review pricing, rebates, EGWP and commercial plan design on behalf of the State of Wisconsin, Department of Employee Trust Funds.

PillarRx considers the State of Wisconsin ETF relationship with Navitus to be well founded. Performance on pricing exceeds benchmarks in the industry and adherence to the benefit structure also compares most favorably to the market.



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This document has been prepared in good faith on the basis of information provided to PillarRx Consulting, without any independent verification. If the data, information, and observations received are inaccurate or incomplete, our review, analysis, and conclusions may likewise be inaccurate or incomplete. Our conclusions and recommendations are developed after careful analysis and reflect our best professional judgment.

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