

# Audit of Pharmacy Benefit Manager

## Item 8 - Group Insurance Board

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Office of Strategic Health Policy



# Informational Item Only

- No Board action is required

# PBM Audit Background



Eleventh annual audit or phase by PillarRx Consulting, LLC. (PillarRx) of the Board's Pharmacy Benefit Program

PillarRx is an independent auditing firm specializing in the pharmaceutical marketplace

PillarRx found this audit to be a passing audit

# What Did This Audit Examine?

Commercial pharmacy claims January 1, 2021 – December 31, 2021

Employer Group Waiver Plan (EGWP) pharmacy claims January 1, 2020 - December 31, 2020

Pharmacy Network January 1, 2020 - December 31, 2020

Pharmacy Rebates October 1, 2020 - December 31, 2020

# Commercial Program Savings 2018-2021

Year	Contracted Claims Ingredient Costs	Actual Claims Ingredient Costs	Savings over Contracted Costs
2021	\$320,203,694	\$294,345,762	\$25,857,932
2020	\$285,008,053	\$269,458,485	\$15,549,567
2019	\$238,100,644	\$225,520,616	\$12,580,028
2018	\$240,881,739	\$229,085,151	\$11,796,588

# EGWP Program Savings 2017-2020

Year	Contracted Claims Ingredient Costs	Actual Claims Ingredient Costs	Savings over Contracted Costs
2020	\$146,211,604	\$137,837,164	\$8,374,440
2019	\$123,967,312	\$116,880,638	\$7,086,678
2018	\$106,709,708	\$102,468,515	\$4,241,193
2017	\$121,570,169	\$110,920,746	\$10,649,423



# EGWP Dispensing Fees

## Dispensing Fee Overcharge

EGWP 2020  
\$122,245

EGWP 2019  
\$165,106

EGWP 2018  
\$172,411

Result of members getting prescriptions filled at a handful of pharmacy groups with very high dispensing fees

# PillarRx Recommendations

State should work with Navitus to ensure all required prior authorization (PA) forms are submitted by members and their prescribers

First year the audit has shown this issue

Going forward yearly audits will closely examine PA form adherence

If problem continues, a corrective action plan will be made with Navitus



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**Questions?**

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# Thank you

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