



**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, 2021 – December 31, 2021

Commercial Plan: January 1, 2022 – December 31, 2022

November 2, 2023



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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 drugs costs in excess of \$400 million.

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

<b>Client Name</b>	State of Wisconsin ETF
<b>PBM Name</b>	Navitus
<b>EGWP Claims Period</b>	01/01/2021 through 12/31/2021
<b>Commercial Claims Period</b>	01/01/2022 through 12/31/2022
<b>Pharmacy Network Period</b>	01/01/2021 through 12/31/2021
<b>Rebate Periods</b>	10/01/2021 through 12/31/2021

## 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, which were all explained by Navitus and deemed correct.
- **Plan Design:** PillarRx found no issues within prior authorizations, day supply, drug exclusions, quantity limits or gender edits.
- **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, 2021, through December 31, 2021, and originally found 43,645 discrepancies between the source claim and the associated PDE, which is less than 4 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 ETF 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 found no issues within prior authorizations, day supply, drug exclusions, quantity limits, or gender edits.



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**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.

### Invoice Reconciliation Audit

Upon reconciliation for 1/1/2022 – 12/31/2022 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 ETF 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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