#### Mass Strategic Health Group Meeting Minutes Meeting of March 9th, 2021 GBS Gallagher

Board Members Present: Doug Willardson Matthew Wojcik Rich Mathieu MaryEllen Cerbone Jeanne Lovett Tim Bell

Others Present: Anthony Lively Emmilie Roach Chris Nunnally Rich Bienvenue AJ Somaini Webster Town Administrator Douglas Town Administrator Dudley Charlton RSD Finance and Operations Manager Dudley Charlton RSD Town of Douglas Town of Webster

Alera/Lively Insurance Arthur J. Gallagher Arthur J. Gallagher Treasurer Confidio

The meeting was called to order at 2:01PM

#### Attendance

There was a roll call of attendees participating via WebEx/conference call.

#### **Pharmacy Conversation**

Mr. Nunnally introduced Mr. Somaini with Confidio, a technology enable pharmacy-consulting firm. Mr. Somaini said he would be giving a high-level overview of Confidio and different pharmacy benefit manager (PBM) options. Mr. Somaini presented three different PBM's, with express scripts showing savings and provides the easiest implementation for Mass Strategic Health Group.

There was further conversation and the board decided to wait and see if they want to make a vote at the next meeting. Please see the attached Confidio presentation for additional information.

#### **Renewal Conversation**

Mr. Bienvenue summarized the treasurer's report and said everything is up to date with all accounts and transactions reconciled. Mr. Bienvenue included the equity position for each entity and the group costs broken down individually.

Mr. Nunnally presented an illustrative financial report through February showing the net pending and the stop loss pending reimbursements for each entity. Mr. Nunnally said overall the Mass Strategic Health Group has built \$768,472 year to date into the trust.

Mr. Nunnally then presented the initial renewal rates to the board. Mr. Nunnally showed two rate options each group for FY22. Mr. Nunnally said he would schedule calls to go into higher detail with everyone individually and vote at the next board meeting.

#### **Other Business**

There was no other business.

#### **Next Meeting**

The next meeting was set for March 23, 2021 at 2:00PM.

Mr. Mathieu made a motion to end the meeting at 3:45PM. Mr. Wojcik seconded the motion. There was a roll call. The motion passed unanimously.

Submitted by, Emmilie Roach Gallagher Benefit Services



- MA Strategic Health Group Pharmacy Discussion 3/9/2021
- AJ Somaini PharmD RPh



#### **About Confidio**

Confidio is a technology enabled pharmacy consulting firm whose mission is to solve clients' pharmacy problems today, while keeping an eye on tomorrow's needs.



- Founded in 2011
- Over 560 clients, from 130 lives to 1M+ lives
- Advisors, Medicaid, Medicare, Commercial, Labor, TPA
- 98% retention

#### MID MARKET PHARMACY SOLUTIONS

Pre – negotiated "GPO" pharmacy contracts that leverage 2.7 million member lives

Municipality / RSD can join to leverage pharmacy pricing and rebates without disrupting medical vendor

#### CONFIDIO CONSULTING SERVICES

Fully customized solutions focused on meeting clients' unique objectives

When MSHG reaches a certain membership level, we will run an open market RFP



#### **About Confidio**

<u>Best-in-Class</u> Pharmacy Pricing and Solutions for: Small, Mid-Market and National Accounts

# Innovation and Differentiation

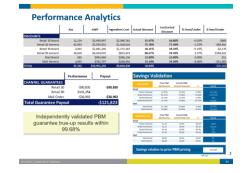
# Protections from Pricing Optics

# Overall Pharmacy Management

#### **Clinical Support and Innovation**

Confidio has developed a suite of clinical services designed to help plan sponsors improve clinical outcomes and manage pharmacy costs in addition to traditional clinical services offered by PBMs.











### Taking Control Of Your Pharmacy Benefit A Step-by-Step Approach

**Checking All Of The Pharmacy Boxes** 



Transparency, Data Access, Reporting



Contract Strength (Terms and Conditions)



**Discounts and Rebates** 



**Specialty Medication List** 



Narrowed Network Strategies



Manufacturers Assistance Program



Formulary Strength



Utilization Management Effectiveness



**Contract Compliance Reporting** 



**Drug Switching Program** 



## **Contract Strength**

Rebate Exclusions, Lack of Specialty Discount Guarantee

**Rebates.** PBM shall remit 100% of Rebates received to Plan Sponsor. Subject to Section 7, the Rebate guarantees provided in this Section 5 exclude (i) cosmetic drugs, (ii) appliances, devices, bandages, heat lamps, braces, splints, and artificial appliances, (iii) health and beauty aids, cosmetics and dietary supplements, (iv) over the counter products, other than the diabetic supplies(e.g., syringes, test strips and needles), (v) Member Submitted Claims, (vi) subrogation claims, (vii) secondary claims, (viii) claims older than 180 days, (ix) claims through Sponsorowned, university, long term care, or 340b pharmacies, or pharmacies located on premises of a Sponsor; (x) Medicaid fee-for-services claims, (xi) claims that are reversed, and (xii) claims with invalid identifiers (i.e., pharmacy identifiers), and (xiii) claims pursuant to a 100% Member Copayment plan (collectively, the "Exclusions")).

**Generic Drug** – "Generic Drug" means an off-patent Single-Source or Multi-Source generic drug, which is "therapeutically" equivalent to a brand name drug, determined in accordance with the drug classification requirements of this Contract.

No Specialty medication discount guarantee

## **Discounts and Rebates**

Discount and Rebate guarantees should be at the top of the market and supported by a strong contract

Per Claim Rebate Guarantees		Current	Proposed	Current	Proposed
Brand Rebates (\$)	Jul-20	Jul-21	Jul-21	Jul-22	Jul-22
Retail 1 - 83	104.88	105.93	169	109.11	189
Retail 90	146.83	148.3	464	152.75	546
Mail	328.68	331.92	548.00	341.88	641
Specialty	1063.18	1073.81	1625	1106.02	1810

Discounts		Current	Proposed	Current	Proposed
Brand Discounts (%)	Jul-20	Jul-21	Jul-21	Jul-22	Jul-22
Retail 30	15.25	15.3	18.5	15.35	18.55
Retail 90	22.05	22.1	23.5	22.15	23.75
Generic Discounts (%)	Jul-20	Jul-21		Jul-22	
Retail 30	81.6	81.7	83.8	81.8	84
Retail 90	82.6	82.7	85	82.8	85.1
Specialty	none	none	20.25	none	20.25
Limited Distrib	none	none	14	none	14



#### **Discounts and Rebates**

#### Discount and Minimum Rebate Guarantees are more aggressive than current

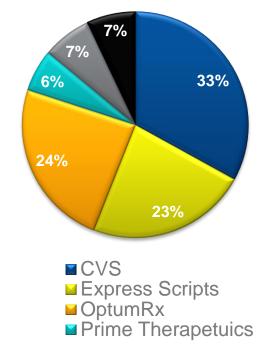
		Total Employees 935		_
Financial Com	parison		2,376	
	INCUMBENT			
	Maxor	Optum Rx	Express Scripts	WellDyne Rx
Ingredient Cost	\$2,977,656	\$2,988,837	\$2,934,527	\$2,974,032
Dispensing Fees	\$21,518	\$12,825	\$13,034	\$11,050
Administration	\$62,293	\$0	\$0	\$0
Member Share	-\$326,479	-\$326,479	-\$326,479	-\$326,479
Rebates	-\$484,938	-\$792,270	-\$719,361	-\$786,571
Net Plan Cost	\$2,250,050	\$1,882,913	\$1,901,721	\$1,872,032
	SAVINGS	\$367,137	\$348,329	\$378,018
	SAVINGS	16.3%	15.5%	16.8%

This financial analysis is based on data provided to Confidio. It may be necessary for Confidio to make assumptions or interpretations when data is not clearly represented therefore analysis is intended as illustrative only.

#### Pricing Comparison

		INCUMBENT										
	Maxor			0	ptum R	×	Ехрі	ress Scr	ipts	WellDyne Rx		
				Retail30_B	road , Retai	il90_Broad	Nat_P	lus , Standa	ard90	Nati	onal , Reta	190
	R30	R90	Mail	R30	R90	Mail	R30	R90	Mail	R30	R90	Mail
Brand Discounts	17.08%	21.47%	18.12%	16.25%	18.50%	26.00%	18.50%	22.50%	25.00%	18.70%	22.20%	25.20%
Generic Discounts	79.35%	85.18%	89.35%	83.10%	83.95%	86.50%	83.80%	85.00%	87.20%	82.50%	84.75%	85.00%
Specialty Discounts	20.86%			20.30%	<ldd< td=""><td>20.30%</td><td>14.00%</td><td>&lt; LDD</td><td>20.25%</td><td>14.00%</td><td>&lt; LDD</td><td>19.10%</td></ldd<>	20.30%	14.00%	< LDD	20.25%	14.00%	< LDD	19.10%
Dispensing Fees	\$1.00	\$1.00	\$0.00	\$0.75	\$0.00	\$0.00	\$0.70	\$0.25	\$0.00	\$0.65	\$0.00	\$0.00
Traditional Rebates	\$244.67	\$244.67	\$244.67	\$185.00	\$535.00	\$585.00	\$169.00	\$464.00	\$548.00	\$170.00	\$510.00	\$535.00
Specialty Rebates	\$244.67		\$244.67		\$	\$1,785.00	\$1,625.00			\$1,493.00		
Administration Fees <sup>1</sup>		\$2.18			\$0.00			\$0.00	_		\$0.00	
Implementation Fund <sup>2</sup>					\$19,008			\$16,632			\$11,880	
1	While fees may be asse	ssed upon a variety of m	ethods, the above illustr	ates at a per m	ember per m	onth for nor	malization					

<sup>2</sup> Fund represents a 1x implementation credit per member per the 3-year contract



\*\*\*The big 3 PBMs control almost 80% of the volume and therefore drive the market



# **Contract Compliance Reporting**

Confidio validates that all contractual guarantees have been met by the PBM, any underperformance will be paid back dollar for dollar

ent ABC											PERFOR	ANCE
f Name						h	lime Perio	d				
PBM XYZ							/1/2017 -	12/31/20	17			
DISCOUNT					Actua	I Effectiv	re Discou	ints				
GUARANTEE	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-1
	25% 17.3%	17.3%	17.3%	17.7%	17.7%	17.7%	17.3%	17.3%	17.3%	17.4%	17.3%	17.
Retail 30 Generic 77.		70.2%	69.7%	74.1%	75.4%	76.7%	74.5%	80.1%	76.5%	72.5%	72.6%	71.
	00% 25.0%	25.0%	25.3%	25.7%	25.5%	25.6%	25.8%	25.4%	25.4%	25.9%	25.6%	25.
Mail Generic 81.	00% 70.1%	73.1%	63.2%	78.7%	76.8%	68.5%	92.5%	84.5%	79.4%	83.6%	81.6%	76.
count Guarantee v	s Actual											
			Actual Perf	ormance			Contractual	Guarantee				
Retail 30 Bra	nd						tail 30 G	eneric				
7.8%					-	2.0%						
7.7%	$\sim 1$					0.0%				$\wedge$		
7.6%	1-1									$ \land $		_
7.3%						6.0%		/	$\sim$			
7.45			$\mathbf{A}$			205		1				
7.48	1		$^{\prime}$			1.0%	- /	-				-
7.18							$\sim$					
7.2%						Lin						
7.1%						105						
7.0%						105						
1000	مر مر مر ه	10 00	000	1			a	A	A	a	a	2
	* * *	• •		•								
							ail Gener	ic				
Mail Brand					3	00.0%						
5.2N											-	
6.2N			^			90.0%			$\sim$			
15.2N 15.0N			$\wedge$			10.0N -		$\sim$	$\mathcal{A}$	~		
5.8N	$\sim$		$\wedge$		1	80.0%	$\sim$		$\checkmark$	<u> </u>		
5.85 5.85 5.85	$\sim$		$\wedge$			70.0%	$\sim$	$\frown$	$\checkmark$			
6.2N 6.0N 5.8N 5.4N 5.4N	$\sim$		$\wedge$			10.0% 70.0% 60.0%	~	$\sim$	$\checkmark$	~		<
62N 60N 58N 58N 54N 52N	$\sim$		$\wedge$			80.0% 70.0% 60.0% 50.0%	~		$\checkmark$	~		<
62N 55N 55N 55N 55N 55N 55N 55N	$\sim$		$\wedge$			80.0%	~	$\sim$	<i>✓</i>			
518 558 558 558 558 558 558 558 558	$\sim$		$\wedge$			80.0% 70.0% 60.0% 50.0% 50.0% 50.0% 50.0%	~	~	<i>_</i>			
11.2N 15.4N 15.4N 15.4N 15.2N 15.0N 15.0N	~		$\wedge$	<u>\</u>		80.0%	~		<i>_</i>			

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							PERFORM
PBM Name				Time Period			<u> </u>
PBM XYZ				1/1/2017 - 12	/31/2017		
	Total Rxs	AWP	Ingredient Cost	Adjudicated Rate	Contracted Discount	% Variance	\$ Variance
DISCOUNTS							
Retail Brand	1,420	\$529,242	\$436,951	17.44%	17.25%	0.2%	\$99
Retail Generic	7,056	\$895,606	\$236,884	73.55%	77.00%	-3.4%	-\$30,89
Retail Specialty Pharmacy	14	\$16,530	\$11,358	31.29%	NA	0.0%	\$
Mail Brand	162	\$142,546	\$106,370	25.38%	25.00%	0.4%	\$54
Mail Generic	527	\$221,586	\$49,661	77.59%	81.00%	-3.4%	-\$7,56
Mail Specialty Pharmacy	60	\$217,314	\$176,026	19.00%	15.00%	4.0%	\$8,69
TOTAL	9,239	\$2,022,824	\$1,017,249				-\$28,22
	1		Total	Adjudicated	Contracted	Per RX	\$ Variance
	Tota	l Rxs	Dispensing Fee	Dispensing Fee	Dispensing Fee	Variance	y variance
DISPENSING FEES	Tota		Fee	Fee	Fee		•
Retail Brand	Tota	1,420	Fee \$1,278	Fee \$0.90	Fee \$0.90	\$0.00	şı
Retail Brand Retail Generic	Tota	1,420 7,056	Fee \$1,278 \$6,350	Fee \$0.90 \$0.90	Fee \$0.90 \$0.90	\$0.00 \$0.00	şı
Retail Brand Retail Generic Retail Specialty Pharmacy	Tota	1,420 7,056 14	Fee \$1,278 \$6,350 \$13	Fee \$0.90 \$0.90 \$0.90	Fee \$0.90 \$0.90 \$0.90	\$0.00 \$0.00 \$0.00	si si si
Retail Brand Retail Generic Retail Specialty Pharmacy Mail Brand	Tota	1,420 7,056 14 162	Fee \$1,278 \$6,350 \$13 \$0	Fee \$0.90 \$0.90 \$0.90 \$0.90	Fee \$0.90 \$0.90 \$0.90 \$0.90 \$0.00	\$0.00 \$0.00 \$0.00 \$0.00	51 51 51 51
Retail Brand Retail Generic Retail Specialty Pharmacy	Tota	1,420 7,056 14	Fee \$1,278 \$6,350 \$13	Fee \$0.90 \$0.90 \$0.90	Fee \$0.90 \$0.90 \$0.90	\$0.00 \$0.00 \$0.00	\$ \$ \$

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Note: The metrics on this page reflect the exclusions detailed in the contract.



# Manufacturers Assistance Program (SavonSP)

Not all PBM programs are created equally, and they are representing a significant savings opportunity for employers

Drug Name	Monthly Copay	Drug Name	Monthly Copay
Abraxane	\$830	Firazyr	\$1,666
Actemra	\$1,250	Forteo	\$750
Adcetris	\$1,666	Gazyva	\$2,080
Advate	\$1,000	Gilenya	\$1,666
Afinitor	\$1,250	Gilotrif	\$2,080
Alecensa	\$2,080	Glatiramer	\$1,000
AlphaNine	\$5,000	Glatopa	\$1,000
Alprolix	\$1,000	Granix	\$1,000
Aubagio	\$2,000	Haegarda	\$1,000
Austedo	\$1,000	Harvoni	\$7,500
Avastin	\$2,080	Herceptin	\$2,080
Avonex	\$600	Humira	\$1,666
Benefix	\$1,000	Hemlibra	\$1,250
Benlysta	\$1,250	Ibrance	\$2,080
Bosulif	\$2,080	Ilaris	\$2,666
Cabometyx	\$2,080	Ilumya	\$1,330









# Manufacturers Assistance Program (SaveonSP)

Not all PBM programs are created equally, and they are representing a significant savings opportunity for clients

Data illustrated represents the Incumbent's performance statistics as observed in the claims

		data provided using methodologie assumptions when data lacks clari	s consistent in t	he industry. It		
	TOP 25 DRUGS by PLAN COST					
tance per CLAIM		INDICATION	Aggre	gate Plan Cost	Per Rx	
•	HUMIRA PEN	Rheumatoid/Psoriatic Arthritis			Rank	
	ENBREL SURECLICK	· · · · · · · · · · · · · · · · · · ·	1	\$268,210	12	\$5,474
		Rheumatoid/Psoriatic Arthritis	2	\$250,712	13	\$5,334
	REVLIMID	Cancer	3	\$143,641	5	\$15,960
	STELARA	Psoriasis	4	\$112,916	2	\$22,583
	HUMIRA	Rheumatoid/Psoriatic Arthritis	5	\$110,215	11	\$5,511
	TRIKAFTA	Cystic Fibrosis	6	\$96,233	1	\$24,058
	CRYSVITA	Misc. Endocrine Disorders	7	\$90,751	10	\$6,981
	TRULICITY	Diabetes	8	\$78,292	42	\$1,030
	CREON	Pancreatic Enzyme Replacement	9	\$71,728	14	\$5,123
	JARDIANCE	Diabetes	10	\$58,784	74	\$668
	SUCRAID	Misc. Gastrointestinal	11	\$46,923	6	\$11,731
	LATUDA	Antipsychotics	12	\$43,729	29	\$1,458
	SYMBICORT	Asthma/COPD	13	\$36,138	119	\$402
	ELIQUIS	Blood Clot Prevention	14	\$34,677	65	\$708
	DUPIXENT	Misc. Skin Disorders	15	\$34,329	20	\$3,121
	HUMIRA PEN-CD/UC/HS STARTER	Rheumatoid/Psoriatic Arthritis	16	\$32,742	4	\$16,371
	HUMALOG	Diabetes	17	\$31,333	33	\$1,205
	AIMOVIG	Migraine Prophylaxis	18	\$27,353	84	\$595
	FLOVENT HFA	Asthma/COPD	19	\$25,081	156	\$237
	OTEZLA	Rheumatoid/Psoriatic Arthritis	20	\$24,943	17	\$3,563
	XARELTO	Blood Clot Prevention	21	\$22,127	53	\$820
	JANUVIA	Diabetes	22	\$21,942	99	\$535
	ZEJULA	Cancer	23	\$21,757	3	\$21,757
	XIFAXAN	IBS w/ Diarrhea	24	\$21,606	9	\$7,202
	TRUVADA	HIV	25	\$19,256	19	\$3,209

Manufacturers Assistance per CLAIM

Humira \$1,666

Enbrel \$1,250

Revlimid \$830

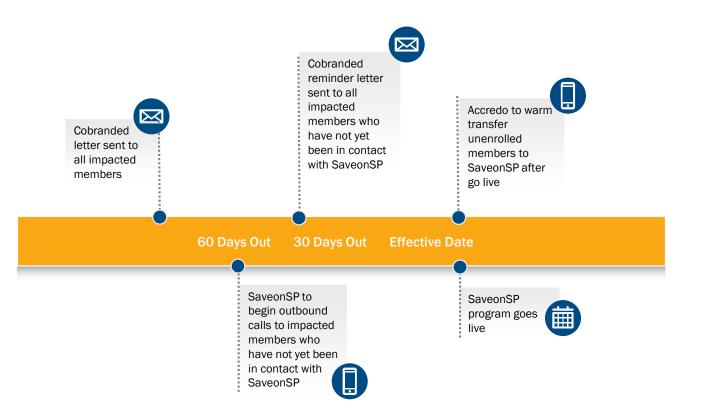
Stelara \$1,666

Otezla \$1,000

Dupixent \$1,000

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# **Member Communication Timeline (SaveonSP)**





# **Group Specific Member Transition Detail**

Dudley Charlton RSD	Express Scripts	TEMAZEPAM BP WASH DAPSONE	1 1 1	6 3 3	ALBUTEROL SULFATE HFA CRESTOR	1	3 2	
Town of Webster	Express Scripts	CARISOPRODOL TEMAZEPAM	1 1	2 2	BUDESONIDE-FORMOTER LYRICA TOPROL XL INTUNIV BUTRANS EPIDUO FORTE	5 2 1 1	20 8 8 6 2 2 2	
Town Of Douglas	Express Scripts				ALBUTEROL SULFATE HFA CELEXA	2	5	



# **Drug Switching Savings Program**

Powered by Prescription Care Management (PCM)

*Embedded Member engagement solution that switches members from high-cost drugs to lower cost alternatives* 



Implementation requires no plan changes. Customized reporting shows savings Touches 10% of population. Communication works with employees' doctors then employee.



Educates doctors to improve prescribing habits and choose cost-savings alternatives for employees.

# Reduce Plan Cost on Average by 5%



# **Utilization Management**

Client culture and data will drive decisions on how strictly clients will manage the benefit

#### Saxenda Clinical Prior Authorization Criteria

- V. Coverage of Saxenda is recommended in those who meet all of the following criteria:
- Weight Loss in Adults ≥ 18 years of Age. <u>Note</u>: For individuals who have not completed the initial 4 months of therapy, criterion 1, A must be met (do not use continuation criteria if the initial 4 months were not completed).
  - A) Initial Therapy. Approve for 4 months if the patients meets the following criteria (i, ii, and iii):
    - i. Patient currently has a BMI ≥ 30 kg/m<sup>2</sup>, or a BMI ≥ 27 kg/m<sup>2</sup> for those with risk factors besides obesity (e.g., diabetes mellitus, impaired glucose tolerance, dyslipidemia, hypertension, coronary heart disease, sleep apnea) [Appendix A contains a BMI chart]; AND
    - **ii.** Patient has engaged in a trial of behavioral modification and dietary restriction for at least 3 months and has failed to achieve the desired weight loss; AND
    - iii. Patient is currently engaged in behavioral modification and on a reduced calorie diet.
  - B) <u>Patients Continuing Therapy</u>. Approve for 12 months if the patient meets the following criteria (i, ii, <u>and</u> iii):
    - Patient had an initial BMI ≥ 30 kg/m<sup>2</sup>, or a BMI ≥ 27 kg/m<sup>2</sup> for those with risk factors besides obesity (e.g., diabetes mellitus, impaired glucose tolerance, dyslipidemia, hypertension, coronary heart disease, sleep apnea); AND
    - ii. Patient is currently engaged in behavioral modification and on a reduced calorie diet; AND
    - **iii.** Patient has lost  $\geq$  4% of baseline body weight.

The change in body weight with Saxenda should be evaluated 16 weeks after initiating Saxenda.<sup>29</sup> If the patient has not\_lost  $\geq$  4% of baseline body weight, Saxenda should be discontinued because it is unlikely that the patient will achieve and sustain clinically meaningful weight loss with continued treatment.



MSHG is about creating an environment that encourages collaboration and discussion across members to share experiences and best practices that have led to success in their pharmacy benefit from both a savings and member experience perspective

# **THANK YOU!**