

The CARIN Alliance

Real-Time Pharmacy Benefit Check Work Group Kick-Off Meeting

November 9, 2018



LEAVITT
P A R T N E R S

Please remember that this meeting may include representative of companies that compete with one another in the marketplace. Discussions, plans, consensus, arrangements, agreements, strategies, etc., may be unlawful if they relate to any of the following topics:

- Current or future prices or bidding information
- Limits on production of product lines
- Allocating customers and territories
- Individual company marketing strategies, projections, and assessments
- Establishing a practice of dealing with customers or suppliers

| | |
|---|-------------------|
| Welcome, Introductions, and Anti-trust Reminder Ryan Howells, Leavitt Partners | 9:30am – 9:40am |
| Leadership Perspective Aneesh Chopra, CareJourney | 9:40am – 9:45am |
| CARIN's Objectives and the goal of consumer-directed exchange Ryan Howells, Leavitt Partners | 9:45am – 9:55am |
| Legislative and Regulatory Landscape and Opportunities Dave Lee and Anne-Marie Polak, Leavitt Partners | 9:55am – 10:05am |
| What is Real-Time Pharmacy Benefit Check and how is it being used today? Tony Scheuth, Point of Care Partners | 10:05am – 10:45am |
| BREAK | 10:45am – 11:00am |
| What are the opportunities to develop a RTPBC for consumers? Group Discussion | 11:00am – 12:15pm |
| Next Steps Ryan Howells and Anne Marie-Polak, Leavitt Partners | 12:15pm – 12:30pm |
| Adjourn | 12:30pm |

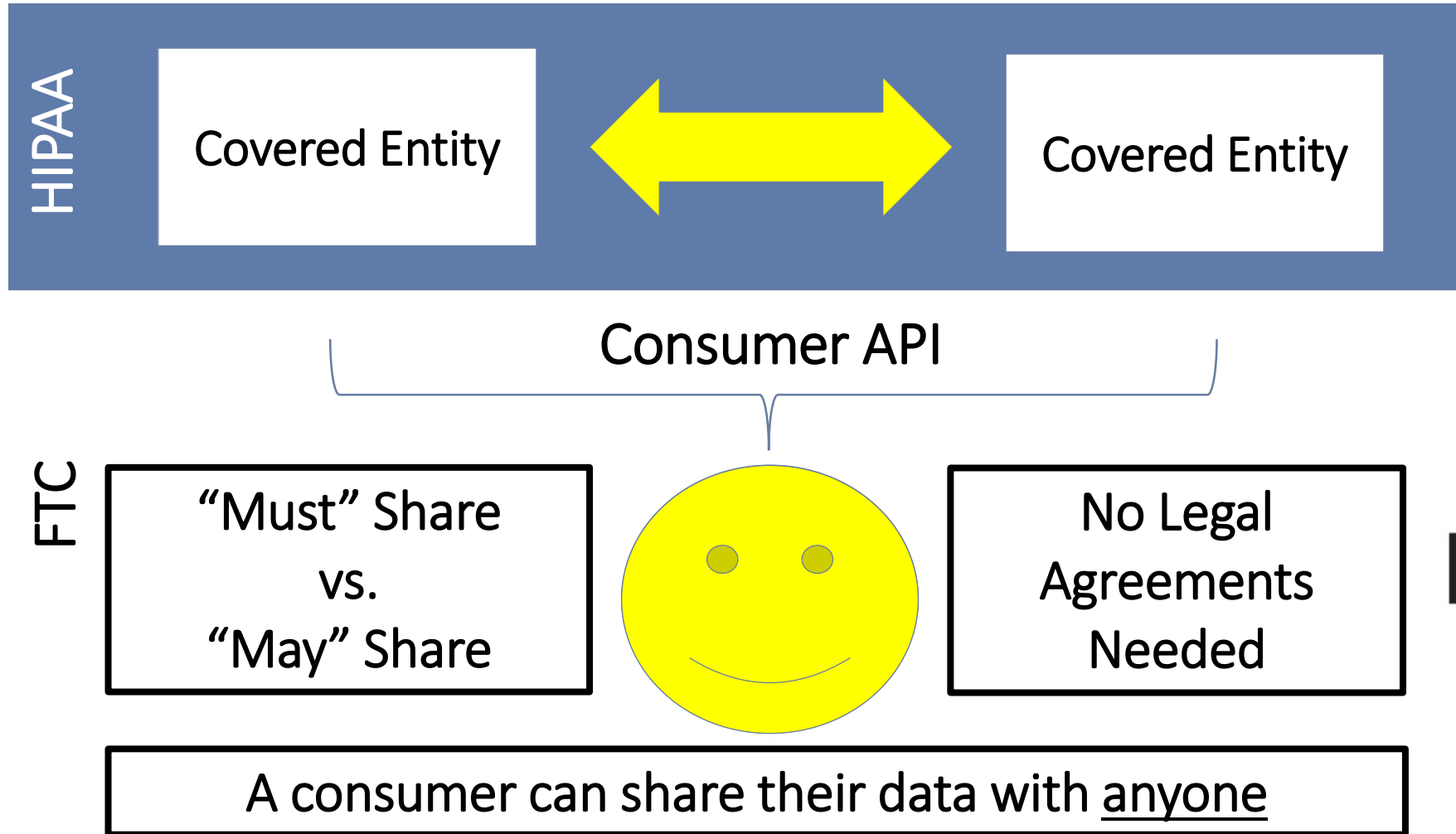
Leadership Perspectives

ANEESH CHOPRA

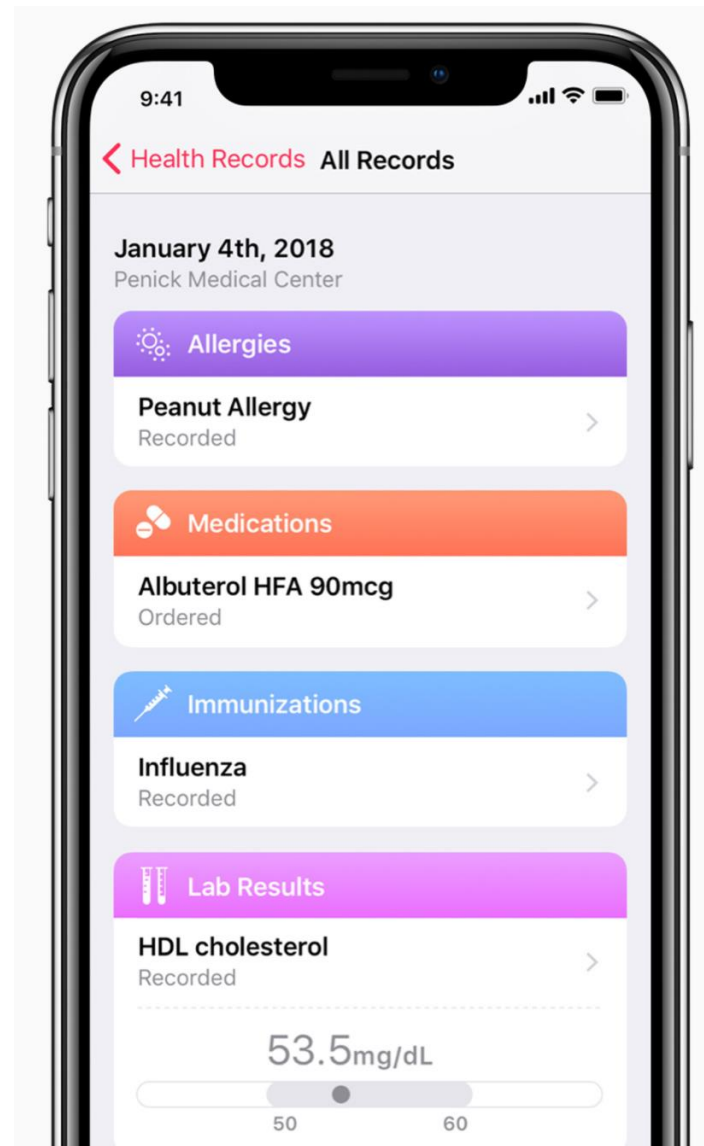
CARIN's Objectives and the Goal of CDEx

RYAN HOWELLS

What is Consumer-Directed Exchange?



my
health
data



Our Vision



Creating Access to Real-time Information Now
through Consumer-Directed Exchange

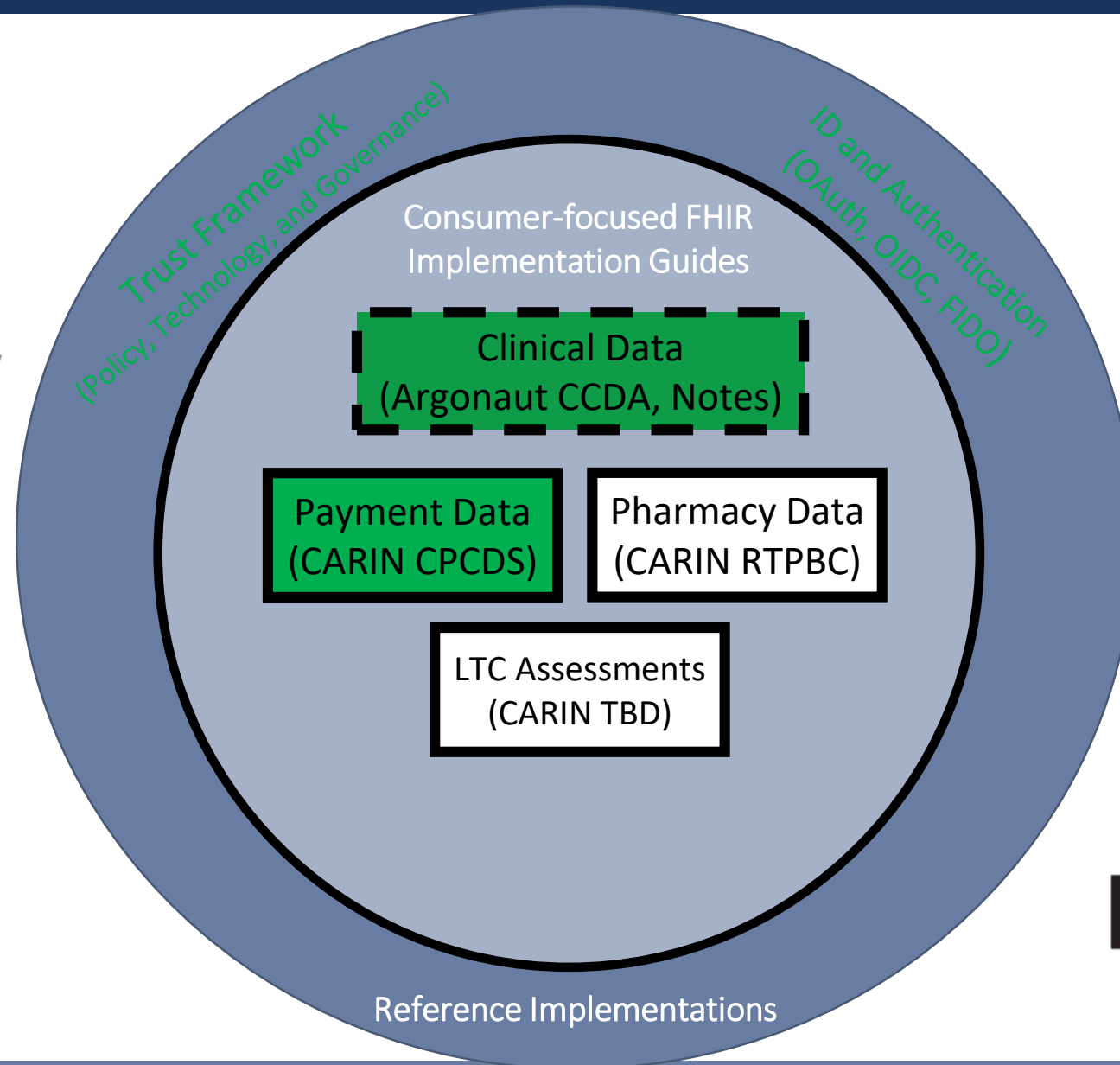
www.carinalliance.com

 @carinalliance

Outside
CARIN's Scope

In Flight
Projects

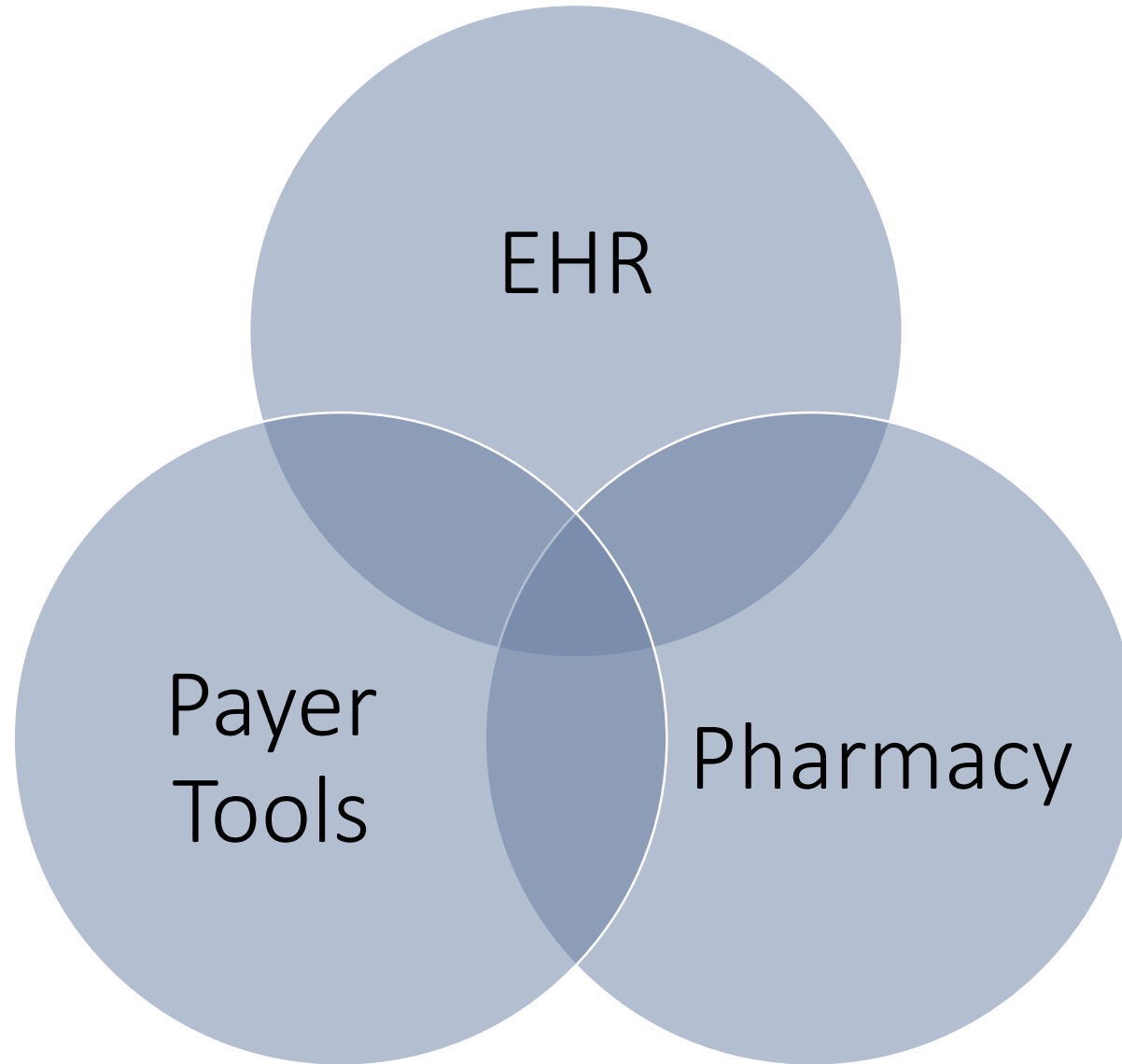
Proposed



my
healthe
data

Legislative and Regulatory Landscape

DAVE LEE AND ANNE-MARIE POLAK



Drug Pricing

- Transparency
- Therapeutic Equivalence
- Formulary Placement
- Rebates

Consumer Engagement in Health Care

- HSAs
- DTC Advertising

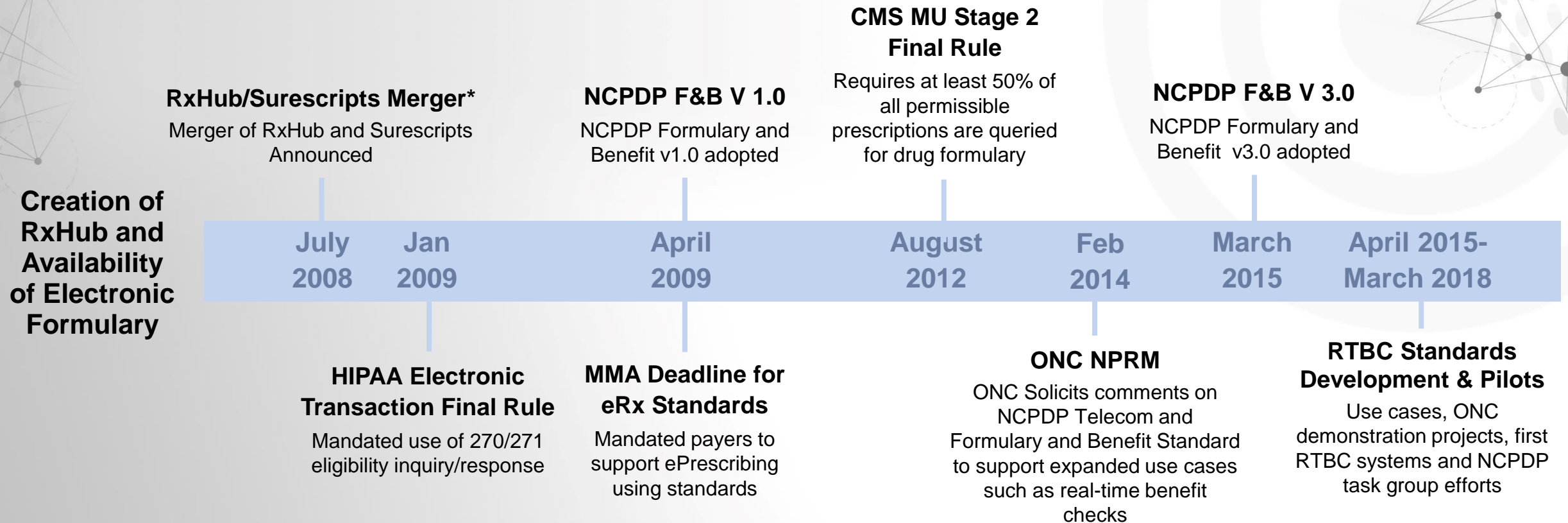
Insurance Practices

- Surprise Billing
- Step Therapy
- Prior Authorization

What is RTPBC and how is it being used today?

TONY SCHUETH, POINT OF CARE PARTNERS

Formulary & Benefits/Real-Time Pharmacy Benefit Check (RTPBC) Timeline

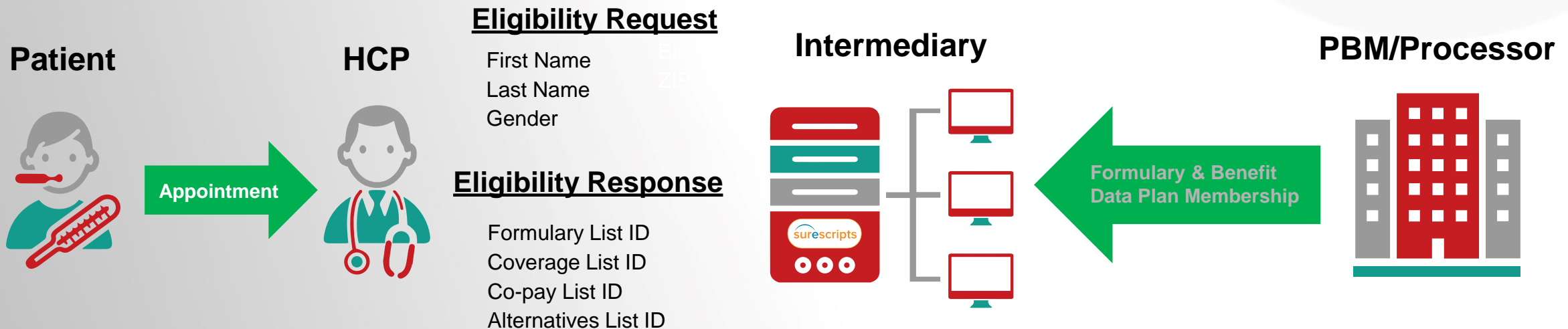


1. The merger of RxHub and Surescripts was a major catalyst in connecting patient identities with a specific formulary
2. NCPDP developed a standard format in which PBMS/payers should send formulary data to EHRs
3. Government regulations helped to push along mandatory use of electronic formulary data by physician practices
4. ONC NPRM released in Feb 2014 was the catalyst for NCPDP efforts around RTBI and subsequent demonstration projects.

Addresses Deficiencies in Current Formulary & Benefits

Challenges with accuracy of current Formulary & Benefit data led to a search for a better solution

- Formulary data is based on “Plan-” or “Group”-level; not patient specific
- Prior Authorization flag often missing or inaccurate
- Formulary tier/preferred level often not accurately displayed for HCP
- Issue is payer providing the data, not the standard



RTPBC Provides Patient Specific Benefit Information

Real-Time Pharmacy Benefit Check (RTPBC) provides patient specific benefit information, improving transparency and ensuring accurate display of tier/preferred information to health care professionals (HCPs)

Formulary status

Tier or Preferred Level

Coverage alerts

Age & Quantity Limits, Prior Authorization (PA), Step Therapy

Channel options

Retail, Mail Order, Specialty

Member Price

Member Copay and Cost Sharing Details

Alternative drugs

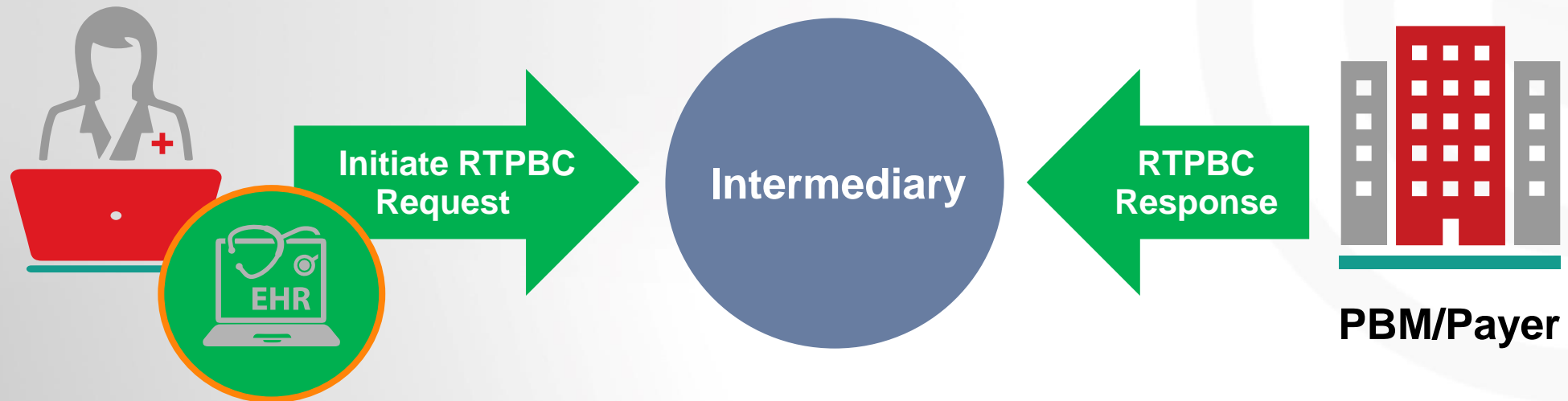
Preferred Formulary/ Lower Cost Options

Real-Time Pharmacy Benefit Check (RTPBC) – Why, How, When

- RTPBC solves data issues surrounding formulary and benefit information including:
 - Inaccurate display of preferred status and tier level
 - PA indicator missing or incorrect
 - Benefit information at plan, not patient level
- RTPBC data pulled in real-time and direct from payer
 - Provides for more detailed benefit information at patient level
- Formulary and Benefit files will not be replaced
 - Provides “directional” guidance during the initial prescription decision
 - On/Off Formulary -> Formulary Status
 - Tier Level -> Copay Tier, Dollar or Percentage Co-pay
 - PA required
- Can help determine if a RTPBC is even necessary



RTPBC Response Data Elements



Prescription covered by benefit:

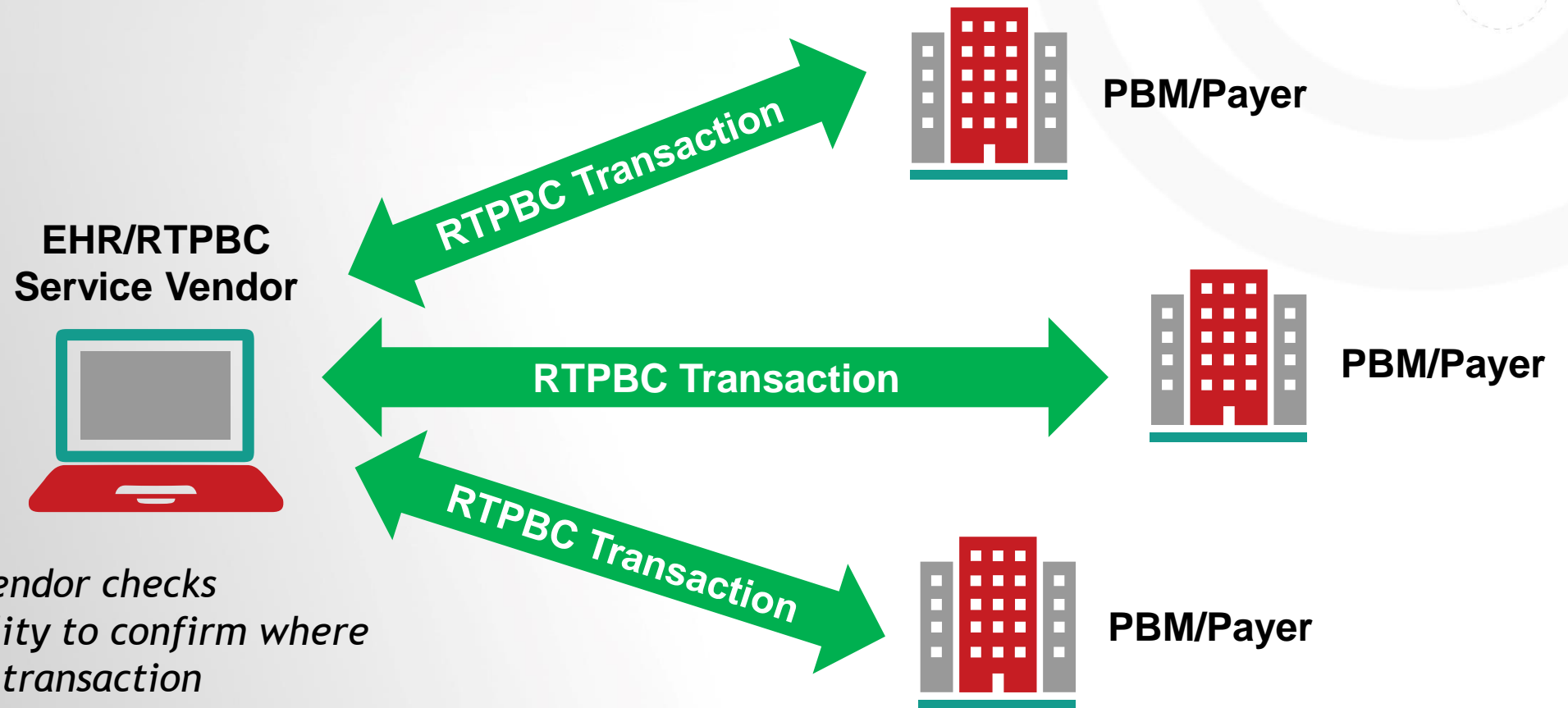
- Patient financial responsibility

Prescription not covered by benefits:

- Reason for Denial
- Alternatives
- Coverage Limits
- PA required
- Step therapy
- Drug Utilization Review (DUR) alert

RTPBC Direct Connection

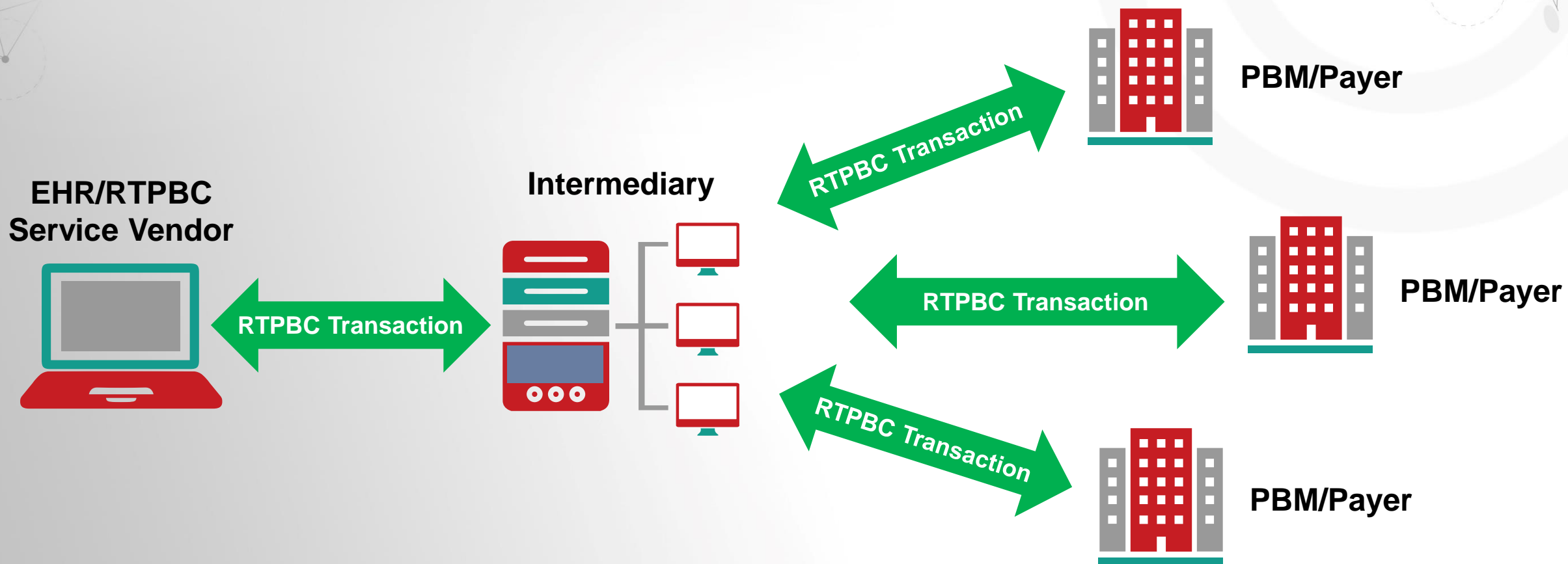
With a Direct Connection, prescription benefit information comes directly from the PBM/Payer to the EHR or RTPBC Service Provider. The EHR/RTBC Service Vendor needs to connect directly to multiple PBMs



Assumption: Vendor checks patient eligibility to confirm where to send RTPBC transaction

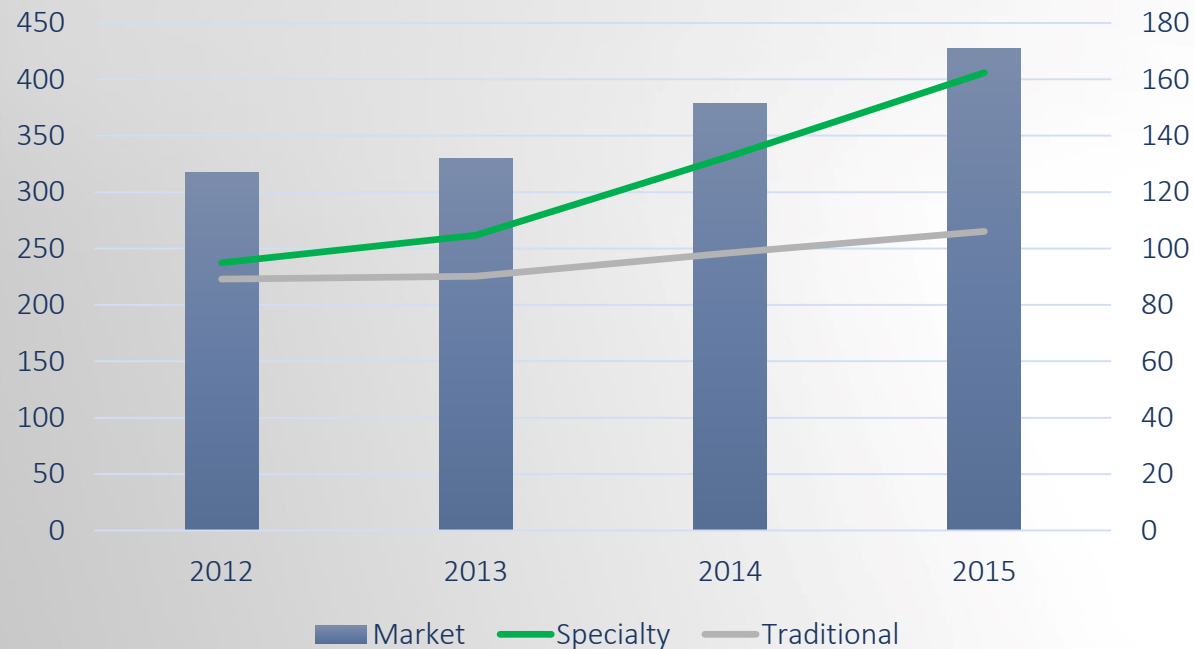
RTPBC Intermediary Solutions

Intermediaries already have connections to PBMs/Payers for formulary information. The existing connections are used to send and receive an RTPBC transaction

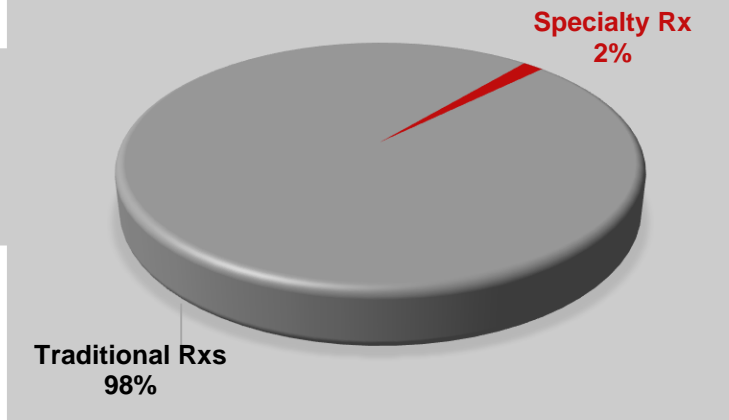


Overall Spend and Volume Trends

Total Drug Spend by Category



Percent of Total Prescription Volume by Category*

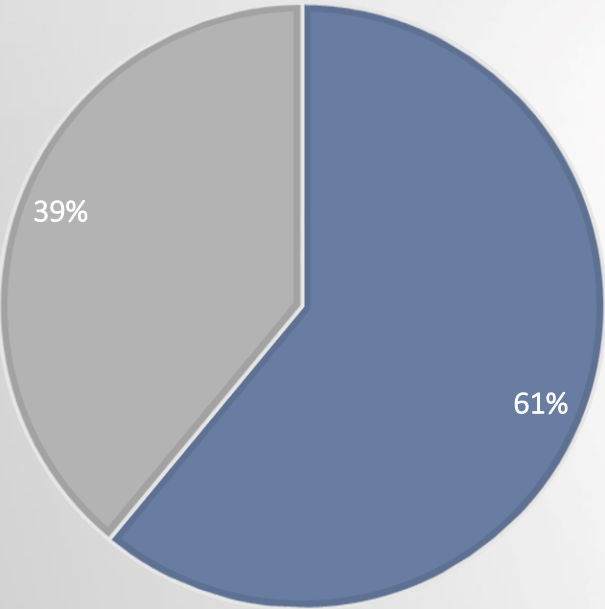


**...but there are other transactions that are and could be facilitated to support the process*

Specialty medications continue to be a growing part of overall drug spend, yet Rx volume remains low. Due to the nature of these medications, the “value” of a single transaction is high

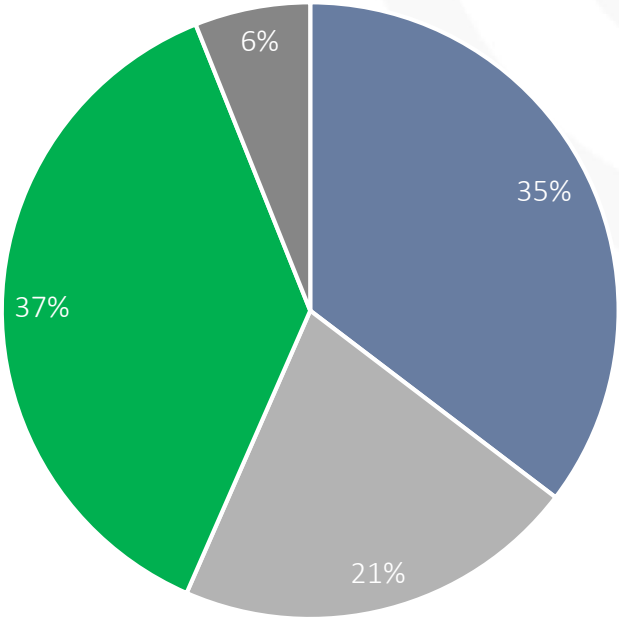
2017 Specialty Spend Distribution

BENEFIT DISTRIBUTION



■ Pharmacy Benefit ■ Medical Benefit

MEDICAL BENEFIT
Distribution by Site of Care



■ Physician Office ■ Home ■ Outpatient Hospital ■ Other

Specialty Medication Stakeholders



IDNs



Manufacturers



Hub & Hub
Services



Providers



Patient



Pharmacy Benefit
Managers



EHRs



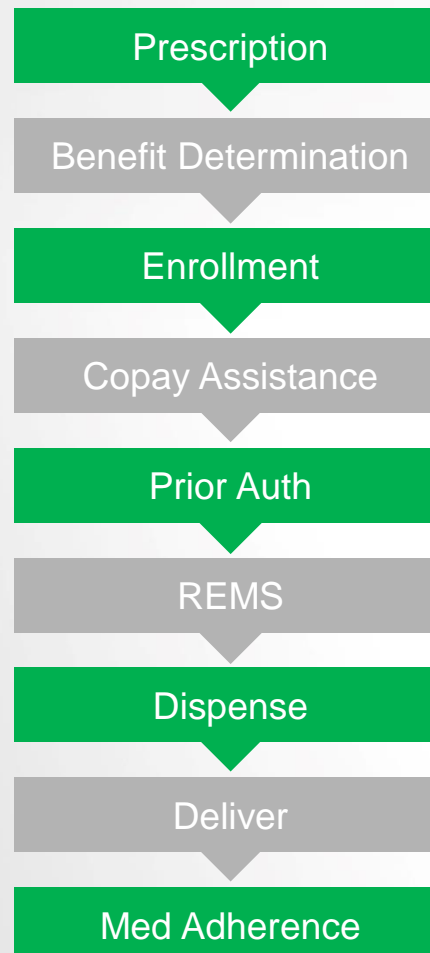
Pharmacies



Medical Payers

The Complexity of Specialty Drug Dispensing

There is a significant amount of complexity involved with dispensing specialty medications and a number of areas to focus on in regards to standards and moving processes electronic



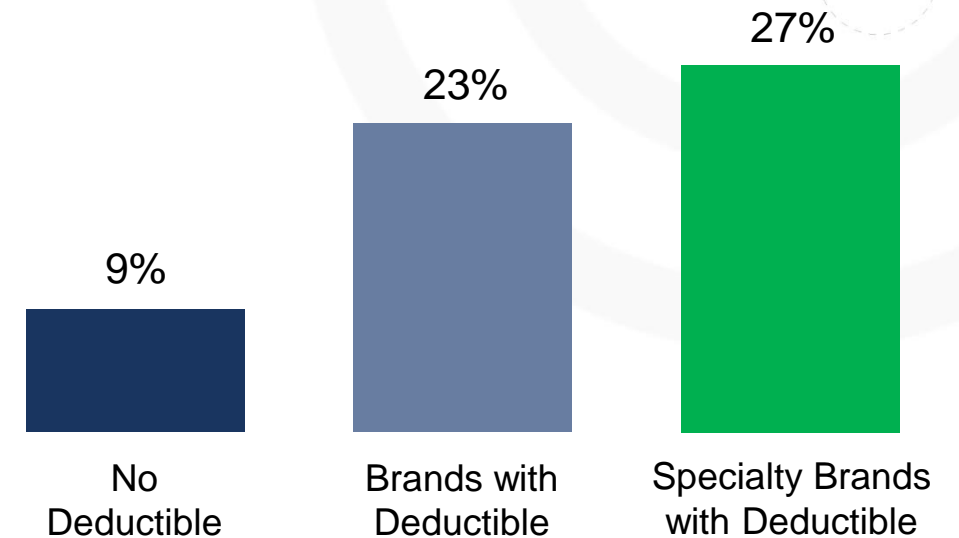
Prices for Januvia tab 100mg (30 day's supply)

| TYPE | PHARMACY INFORMATION | YOUR COST |
|--|--|--|
| <div><div><div></div></div></div> <div>Mail Order</div> | Mail-Order price reflects a 90 day supply. | NA Generic \$1,061.67 Branded |
| <div><div><div></div></div></div> <div>BAEDERWOOD PHARMACY</div> <div>Directions</div> | 1585 THE FAIRWAY JENKINTOWN, PA 19046-1496 (215) 887-7877 Hours: <div>Mon - Fri: 9AM - 9PM Sat: 9AM - 7PM Sun: 9AM - 4PM</div> | NA Generic \$439.44 Branded |
| Pricing Details: | | |
| <div>Day Supply30Generic Difference\$0.00</div> <div>Total Quantity30Tax\$0.00</div> <div>Annual Cost\$5,347.25Your Cost\$439.44</div> <div>Copay\$0.00Plan Pays\$0.00</div> <div>Deductible\$439.44Deductible Remaining\$588.86</div> <div>Over Maximum\$0.00</div> | | |
| <div><div><div></div></div></div> <div>PATIENT FIRST ABINGTON</div> <div>Directions</div> | 938 OLD YORK RD ABINGTON, PA 19001-4703 (267) 620-0237 Hours: <div>Mon - Sun: 8AM - 10PM</div> | NA Generic \$430.42 Branded |
| <div><div><div></div></div></div> <div>GIANT PHARMACY</div> <div>Directions</div> | 737 HUNTINGDON PIKE HUNTINGDON VALLEY, PA 19008 (215) 379-3257 Hours: <div>Mon - Fri: 9AM - 9PM Sat: 9AM - 6PM Sun: 10AM - 4PM</div> | NA Generic \$423.73 Branded |

The Patient Burden

- Patient out-of-pocket costs vary widely between medical and pharmacy benefit and between dispensing sites
- The patient may not be aware of co-pay assistance programs and may abandon therapy if co-pay is too high, particularly if the medication falls under the medical benefit
- Patients are forced to be their own advocates
- Employer benefit changes are particularly challenging for patients and cause therapy delays that negatively impact outcomes

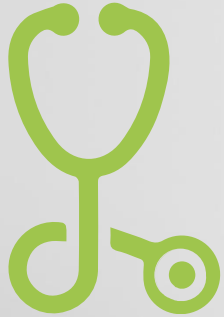
Abandonment Rates for Branded Medicines



Almost 1 in 4 Prescriptions Are Abandoned By Patients During Their Deductible Phase

Source: Amundsen Consulting (a division of QuintilesIMS) analysis for PhRMA; IMS FIA; Rx Benefit Design, 2015

Addressing Barriers: Da Vinci Project Coverage Requirements Discovery



PROVIDER

Order Procedure,
Lab or Referral



Discover Any
Requirements



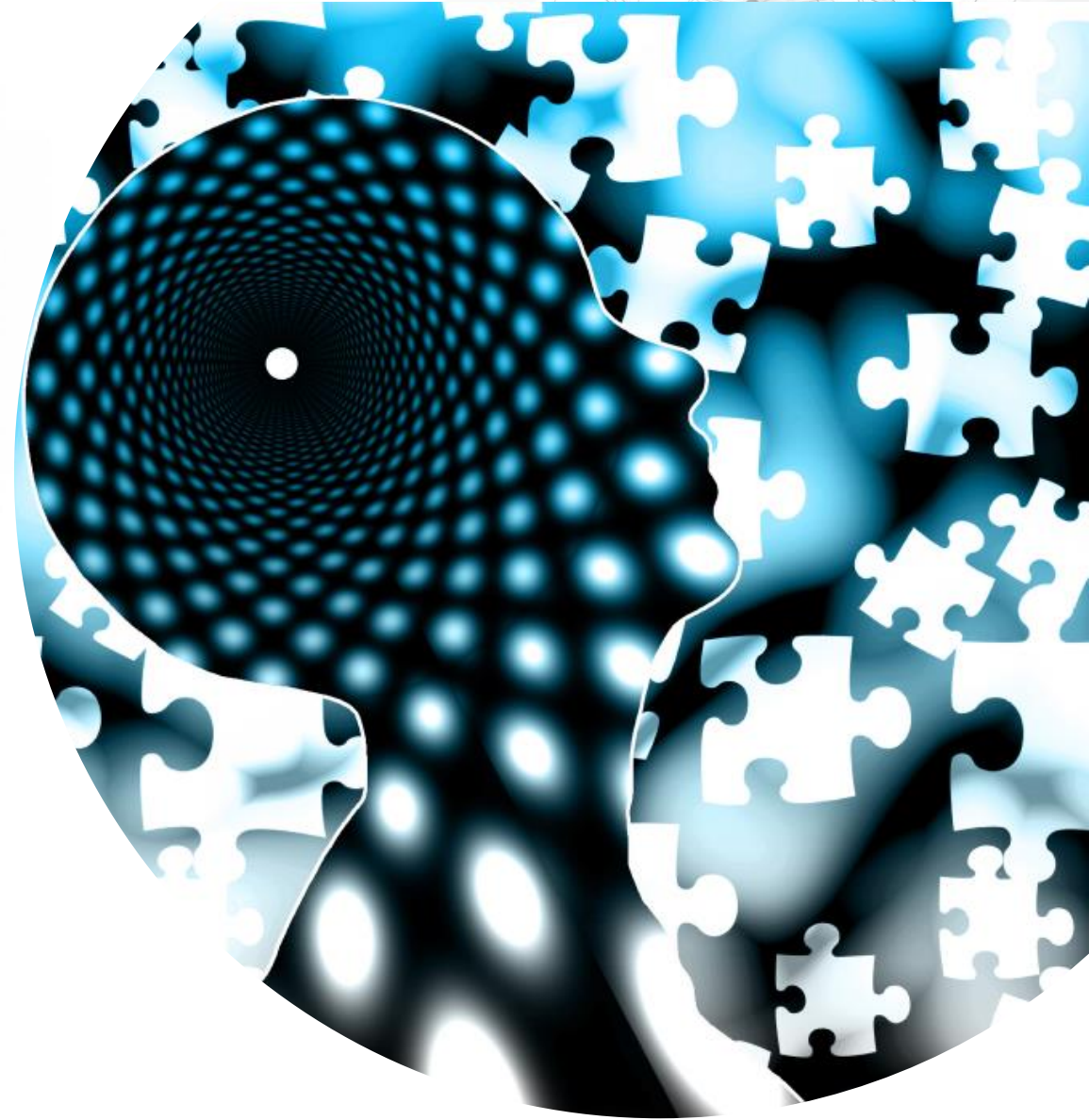
PAYER



- Providers need to easily discover which payer covered services or devices have
 - Specific documentation requirements or guidance,
 - Rules for determining need for specific treatments/services
 - Requirement for Prior Authorization (PA) or other approvals
- FHIR based API enables providers to discover payer-specific coverage requirements in **real-time**
 - Answer to discovery request
 - A list of services, templates, documents, rules
 - URL to retrieve specific items (e.g. template)

Considerations, Drivers, Future

- Innovators/Early Adopters will help determine the value and lessons learned/best practices
- There are costs to both the payers/PBMs and EHRs
- Formulary and Benefit (F&B) will not go away with introduction of RTBC; there's debate but both are likely needed
- What will drive wide-spread adoption of RTBC?
 - Regulations
 - Business model



BREAK

What are the opportunities for a
consumer-facing RTPBC?

GROUP DISCUSSION

- Would this group be interested in creating an implementation guide for consumer-facing RTPBC?

At a minimum, the Implementation Guide would include:

- Listing the required and situational data elements (What)
 - Defining the manner in which the fields and data elements should be displayed (How)
 - Developing reference implementations
 - Collaboration with SDOs (NCPDP, HL7)
- Should we limit the scope to how RTPBC is currently defined or should we re-examine from a consumer perspective?
 - Who else needs to be around the table?

Next Steps

RYAN HOWELLS AND ANNE-MARIE POLAK