Rx costs account for ~18-25% of employers’ total healthcare dollar... With Rx costs expected to double by 2020.
Is your PBM Program a puzzle you can’t solve?

- Skyrocketing Rx costs
- Surging costs of specialty medications
- Complicated contracts with no regular review
- No oversight of Rx waste, fraud & abuse
STATE OF THE INDUSTRY

- Growth rate of Rx costs outpacing the rest of healthcare. Costs rising across brand, generic and specialty categories.

- Drug spend is 18% - 25% of all medical/Rx spend…expected to double by 2020.

- Individual Rx claims are commonly approaching $500,000 to $1,000,000+.

- 70% of all FDA approvals, currently, are for specialty drugs.

- 600 to 700 new to market specialty drugs in next 24 months – ½ will be oncology related.

- Less than 1% of all scripts are specialty drugs yet they account for more than 25% - 30% of employee’s total prescription drug costs.

- Specialty scripts expected to increase 1.5% - 2% of all scripts and account for 40% of total employer prescription drug costs by 2018.

- Annual specialty Rx cost per member per year (PMPY) projected to be $845 in 2018, up from $290 in 2012.

- The quick evolving world of PBM now necessitates a contract review every 18 to 24 months, at least, to remain financially competitive and current with contract language.

MSW’s PBM RFP services have generated savings of 8% - 17% of total drug spend for clients.

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THE OPIOID CRISIS

1 in 5 people, with a 10-day supply of opioids, becomes a long-term user
*Center for Disease Control and Prevention’s Morbidity and Mortality Weekly Report (MMWR) – March 2017

$53 Billion per year – U.S. Prescription opioid abuse cost
*Pain Medicine 2014; 15 : 1450 – 1454

25% of all workers’ compensation costs relate to opioids
*HR Today: Combatting the Prescription Drug Crisis, March 1, 2016, accessed at:
on 09.23.2016

Workers who use prescription opioids for 3 months or more almost never return to work
*HR Today: Combatting the Prescription Drug Crisis, March 1, 2016, accessed at:
on 09.23.2016
McGriff, Seibels & Williams, Inc. (MSW) provides Pharmacy Benefit Manager (PBM) consulting & brokerage services to address the rising costs of Rx and improving PBM contractual terms. Through our Rx brokerage & consulting services our clients experience:

- Optimized financial results
- Up-to-date market contract language
- Improved fraud, waste and abuse programs
- Better integration with medical and disease management programs
- Increased levels of satisfaction with their PBM relationships
- Access to PBM cost transparency smart phone app (FREE)
- PBM integration with onsite/near-site clinics (if applicable)
MSW’S PBM PROGRAM ASSESSMENT

The evaluation of your PBM program focuses on improved financial results, improved contracts and improved accountability. The following are some of the factors carefully considered by MSW:

### Financial Terms:
- Network pricing (generic & brand)
- Rebates
- Administrative fees
- Guarantees (discounts & rebates)
- Allowances

### Utilization Management:
- Product selection (generic vs. brand)
- Product dosing
- Step therapy
- Non-compliance/omissions of therapy
- Fraud, waste & abuse
- Custom formulary

### Specialty Drug Management:
- Custom prior authorization list
- Site of Care
- Specialty drug carve out

### Other Important Factors:
- Mail & Specialty pricing
- Shared savings provisions
- Clinical program fees
- Reporting fees
- New to market drugs
- Prior Authorizations
CONSULTING SERVICES

Current Contract Review to Identify
• Weaknesses/strengths of definitions
• Insufficient data & audit rights
• Drug classification issues
• Pricing irregularities
• Relative market strength
• Overall plan performance

RFP Services to Include
• Proprietary technology Rx bid platform ensuring bid accuracy & time efficiency
• Standard contract definitions
• Clear drug classification
• Drug re-pricing for accurate claims comparison based on submitted bids
• Plan modeling
• Quantitative analysis
• Qualitative analysis
CONSULTING SERVICES

Implementation Management

- Regular attendance alongside client for implementation calls & in-person meetings
- Pre and/or post implementation audits
- Negotiation of new contract
  - Confirm bid definitions honored
  - Loopholes identified
  - Network validation (on/near-site clinic pharmacies, if applicable)
  - Confirm proposed pricing & rebate schedule
  - Full audit/data rights provided
  - Performance guarantees
  - Improved allowances (implementation, clinical marketing)

PBM Program Audits

- Maintain plan integrity
- Mitigate fiduciary liability
- Ongoing Bill Review
- Enforce critical pricing guarantees
- Improve future RFP’s
- Enhanced Specialty Drug Analytics Platform*
  *for groups of 10,000+ members
  - Full visibility into all specialty costs
  - Includes medical spend benchmarks
  - Identify specialty drug waste & management opportunities
CLIENT CASE STUDY

CLIENT 1

- 15,500 employees (26,000 members)
- Industry: Poultry / Protein
- 5 carriers solicited – Catamaran Rx, CVS Health, Envision, Express Scripts, Optum Rx
- Traditional & Transparent pricing offers requested
- Total 3 Year Estimated Savings – Traditional Pricing Structure (by winning bidder)
  - Initial Proposal: $5,679,974 (10.16%)
  - Best & Final: $9,936,258 (17.78%)

CLIENT 2

- 5,500 employees (11,000 members)
- Industry: Manufacture & Service Utility Trucks
- 7 carriers solicited – Catamaran Rx, CVS Health (CoreTrust), Envision, Express Scripts, Magellan Rx, Optum Rx, Prime Therapeutics
- Traditional, Transparent & Average Script Price pricing offers requested
- Total 3 Year Estimated Savings – Traditional Pricing Structure (by winning bidder)
  - Initial Proposal: $2,443,506 (9.27%)
  - Best & Final: $3,523,147 (13.37%)
CLIENT FOCUSED, INTEGRITY DRIVEN.

BIRMINGHAM EMPLOYEE BENEFITS DIVISION
Bob Reynolds – Executive Vice President
205.581.9123 | BRey@McGriff.com

McGRIFF, SEIBELS & WILLIAMS, INC.
2211 7th Avenue South | Birmingham, AL 35233
Phone: (205) 252-9871  Fax: (205) 581-9293

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