



**Consultant's Report
Board Meeting
December 5, 2017**

(1) Pharmacy Benefit Administration

Sherrill Morgan recommends that the Committee adopt Ventegra as the plan's pharmacy benefit manager rather than Pharmacy Data Management (PDM). MedBen would still act as the TPA responsible for pharmacy administration, but the vendor they use for that purpose would change. While the transparent, pass-through pharmacy program being utilized by PDM provides savings from traditional pharmacy benefit management programs, Ventegra improves those savings through a different reimbursement approach: Acquisition Cost Index (ACI) pricing. ACI pricing changes the way the plan considers pharmacy charges. Instead of an Average Wholesale Pricing Model (the type currently being used by PDM and the rest of the industry), which adds a drug cost markup, Acquisition Cost Index pricing starts with the actual purchase price of the drug, saving the plan money. Essentially, the plan pays the pharmacy a higher dispensing fee in exchange for the pharmacy charging the plan its actual acquisition cost of the drug and not just an agreed-upon discount from the AWP.

This change will yield significant savings with no employee disruption. Current formularies, coverages, quantity limits, and prior authorization requirements would be retained, and the only change from the member's perspective would be a new card.

We recommend that the Committee approve this change for an effective date of March 1, 2018, unless the "Own Use" pharmacy program¹ is able to be implemented by July 1, 2018. If the Own Use program is able to be implemented by July 1, 2018, then we recommend the Committee adopt Ventegra pharmacy administration on that date also, so that new cards only have to be issued once.

(2) Prior Authorization of Certain Prescription Drugs

As part of the transition from Meritain to MedBen for pharmacy administration, a thorough review of current coverages and prior authorization requirements was conducted by participating employers. New prior authorization requirements originally went into effect on October 1, 2017, but the number of employees who were unaware of the changes became immediately apparent. The effective date of the new requirements has, consequently, been delayed until January 1, 2018, in an effort to educate employees about the need to get prior authorization for certain drugs. MedBen has prepared an employee communication piece that they can mail directly to each employee. The cost of this mailing will be \$6,715. Sherrill Morgan recommends approval of the mailing.

(3) Out-of-Network Claims for EPO Plan

A few employees who were enrolled on the EPO Plan for the months of July and August of 2017, but who enrolled in the Copay Plan effective September 1, 2017 had claims for psychiatrists or psychologists denied because the providers utilized were not in-network, and the EPO Plan has no out-of-network benefits. With the Copay Plan, they can see any provider, so this will not be an issue going forward for these employees. Given the short amount of time in which their providers fell out of network (a consequence of moving to a new network in July), and the small amount of

¹ "Own Use" pharmacy will allow the plan to purchase drugs at the same deeply discounted rate a partner hospital is able to purchase them

claims involved (approximately \$1,600), Sherrill Morgan is recommending that the Committee approve paying those claims as exceptions to the plan.

(4) 3-D Mammography

The Affordable Care Act requires that mammography be covered at 100%, but in the past that coverage has generally not been extended to 3-D mammograms, which are relatively new technology, but which are rapidly being utilized by most providers. The National Comprehensive Cancer Network, an alliance of cancer treatment centers, has recommended that 3-D mammography be covered, because it is more accurate than 2-D, especially for women with dense breast tissue. Sherrill Morgan recommends that the Committee approve covering 3-D mammography at 100% at the earliest possible effective date.

(5) CareHere

Based on heavy utilization at the Bartlett clinic, CareHere is recommending an increase of four hours per week of appointment time, on Tuesday and Thursday morning from 7:00 to 9:00 a.m. Services would be provided by a Medical Assistant and would be limited to “nurse only” services. The approximate cost of the extended hours would be \$3,000 per year. Sherrill Morgan recommends that the Committee approve this extension.