



## ***Navitus Health Solutions – Changing the PBM Game***

**Presentations by:**

***Chris Robbins, CEO, Arxcel Consulting, LLC***

***Steve Jones, Regional Vice President, Sales, Navitus Health Solutions***

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***Colleen Hickman, Clinical Informatics, Associate Manager, Navitus Health Solutions***

***Special Guest: Corinna Fiorvanti, SHRM-CP, Senior Manager of Total Rewards, Blain's Supply***

**June 19, 2019**

**BMO**

**Brookfield, WI**

### **Executive Summary**

Representatives from employers, providers, brokers, consultants and other stakeholders gathered on June 19 at BMO, Brookfield, to attend the third symposium of BHC Group's 2019 Delivering Value Series. The Series was created to impart in-depth knowledge about the best-in-class innovative employer solutions in BHC Group's portfolio.

Prescription drug costs comprise an increasingly larger share of employers' health care costs each year. Employers continue to struggle to get a handle on pharmacy costs, complicated by the significant lack of transparency in the PBM industry. Attendees learned more about the premier level of pharmacy benefit management employers can access through a new and transformative pharmacy management partnership with Navitus Health Solutions – a Wisconsin-based, full pass-through pharmacy benefit provider.

## ***Introduction***

- **BHCG entered into a true partnership with Navitus Health Solutions a year ago**
  - Five BHCG member employers have already made the change to Navitus
  - Looking to have brokers/consultants understand the Navitus financial proposals for their clients
    - Putting together a framework proposal for brokers to use since Navitus' nontraditional model does not spreadsheet well
- **Collaboration with Navitus and other strategic partners/health systems will leverage data and capabilities of strategic partners to improve quality and cost efficiency**
  - Data initiative with GNS Health and Wisconsin Health Information Organization (WHIO) has begun

## **Chris Robbins – Arxcel Consulting**

### ***Industry and BHCG background***

- **State of the Industry**
  - A number of mergers and acquisitions
  - Administration considering eliminating rebates for Medicare/Medicaid
  - Drug companies' CEOs asked to testify before Congress
  - PBMs and pharma companies generating more news and controversy
- **BHCG wanted a transparent model, more clarity and access to data to understand where Rx dollars are going, and a true pass-through model**
  - Traditional PBM model is flawed – as soon as there is money going back and forth there are misaligned objectives
  - In the Navitus model, all PBM revenue comes through an administrative fee – not spread in different buckets as in a traditional big PBM model
- **Traditional PBM model does not help employers with their fiduciary responsibility (making decisions in the best interests of the plan participants)**
  - Too many employers get wrapped up in the rebate game – essentially prepaying for drugs and getting your own money back (but not all)
    - In whose pocket do rebates go?
    - Brokers can play a large role in helping employer representatives understand what is being done with their employer's money
- **Navitus model selected over the flawed traditional one**
  - Clinical expertise is best for patients, not rebates
  - Outstanding customer service
  - Complete access to data (in traditional model, data is not truly the employer's) – data should not be proprietary
    - Carriers traditionally only look at drug data once or twice a year, miss out on potential advantages of drug changes – Navitus is a better advocate for patients
    - Mail order lists continue to get bigger (playing games with drug lists to make more money)

- Best in class contract – only revenue is administrative fee – no revenue from other sources
  - Ancillary programs are on a cost basis passed through
  - No hidden language/clauses – easy to negotiate
- **BHCG/Navitus partnership**
  - Five current employer groups; full pipeline of prospects (more and more are seeing the value and moving forward)
    - Will have case studies available
  - Administrative fee will decrease as pricing thresholds are met
  - Expect data initiative will provide positive results
  - Having problems getting other PBM data to show the value proposition of Navitus – need to have pushback on PBMs for data
    - Spreadsheets is not useful for the Navitus model – higher rebates mean PBMs are incentivized to use a more expensive drug
    - Navitus uses best in class pricing
- **Average Navitus savings for the first year is 15-16%**
  - Some employers have saved as much as 30% in the first year
  - Potential savings can be hard to determine with the lack of data from previous PBMs (will show three or four case studies in addition to using all the data available)

## **Steve Jones, Navitus Health Solutions**

### ***Navitus Overview***

- **Started out as pass-through transparent model in 2003 (unique to the industry)**
  - 600+ clients in diverse industries across the U.S.; based in Madison and privately held
  - Have a client advisory group (specialty pharmacy, Lumicera, born out of this group)
- **How a traditional PBM makes money**
  - Administrative fee, mail order spread, MAC spread, rebate maximization, specialty spread, retail spread, DIR fee (this is why spreadsheets is very difficult)
    - Try to optimize how much money is made in each category (making changes in a traditional model is very difficult)
  - Transparent model is the opposite – lowest net cost and most clinically effective; “a roadmap to make decisions in your best interest”

### ***PBM Legislation***

- **Lots of state legislation is being considered to regulate pharmacy**
  - About 500 bills around the nation in three different categories
    - Drug price & PBM transparency
    - Licensure /registration
    - Step therapy
- **Navitus is actively involved with writers of all current legislation in WI (step therapy & PBM Bills)**

- Look to clients as to where they want Navitus to go (e.g., Lumicera Specialty is not a profit center, but created to meet employer need)
- Use Serv-U for mail order – local company to help state economy

## Julie Olson, Navitus Health Solutions

### ***Population Health***

- **Using data and metrics to make sure population health care clinical programs are evidence-based**
- **Member engagement includes strategic partnerships with vendors:**
  - Mobile apps/texting/video chat
  - Bluestar self-management for diabetes
  - Kiio for reducing opioid prescriptions – proactive approach to avoiding narcotics using virtual physical therapy
- **Pharmacogenomics program**
  - Working with Mayo Clinic’s precision medicine program to help drive people to the right meds based on genetics
  - Optional program for patients with over five prescriptions or chronic conditions
    - Lots of interest and participation in the last six months
- **Medication therapy management**
  - Health care services by pharmacists, includes telephonic outreach and personalized clinical engagement
  - Can provide data to clinical staff
- **Opioid safety solutions**
  - Educational resources across varied media
  - Safety programs
  - Tailored to employer culture – can put in limits on length of supply (e.g., 3 days vs. 7)
- **Prescriber engagement**
  - Prospective drug utilization review – prescribing insights compared with peers
    - Gives providers drug cost info which they usually don’t have
  - Retrospective Drug Utilization Review (RDUR) safety program
    - Identifies multi-prescribers and prescription and doctor shoppers
    - Positive feedback from providers
  - Medication adherence programs
    - Predictive analytics for non-adherence – looks at all categories

## Colleen Hickman, Navitus Health Solutions

### **2018 Navitus Drug Trend**

- **Overall Navitus total net cost drug trend for its commercial book of business was very low (0.3%) compared with other published drug trends**
  - Non-specialty drug trend: -6.5%

- Specialty drug trend and utilization higher than non-specialty: 11.7%
- Driving increases are slight increase in utilization and larger increases in price inflation and changes in drug mix (increase in specialty); driving reductions are better network discounts and rebates
- **Key statistics**
  - Negative PMPM trend compared to previous year for roughly half of clients
  - Members' cost share percentage decreased from 13.2% to 12.9%
  - First year average reduction in cost for new Navitus employer clients was 16%
- **New client trend performance of 16-17% savings is consistent**
  - Savings continue after year one
  - Five-year cumulative PMPM of \$57.13 is 14% less than the industry average
  - Formulary changes and utilization management result in cost reductions
    - Really optimization, not disruption
    - Employers have complete control over formularies
    - Partner with clients to support their goals
  - Can provide [case studies](#) and [audits](#) of employer clients
- **Average cost per unit is lower than traditional PBMs**
  - Top generics unit costs were much lower (represents the spread traditional PBMs take)
- **Big PBMs say they get better pricing because of larger client base, but how much are they sharing with clients (doesn't come out in the spreadsheet)?**
  - Have "by client" contracts for sharing savings vs. Navitus' one contract for all payers
  - One study found 50% revenue coming from spread for traditional PBMs
  - No administrative fee does not equal lower cost
- **BHCG performance – seeing savings across the board in 2019 YTD**
  - Even without any changes to drug mix, Navitus is able to save money just based on spread savings and increased rebates

### ***Access to Data***

- **Employers have full access to Navitus data and so do their advisers**
  - Flexibility allows employers to track what they want
  - Three kinds of claims extracts
  - Provide claims to WHIO
  - 3D tool to "slice and dice"
    - 40 months of data reloads every morning (paid, reversals and rejections)
- **Will provide benchmarking for BHCG employers for comparison purposes**
- **Dynamic reporting is heavily utilized to create your own optics by picking fields**
  - Ease of use – very simple
  - Also offers standard reports
- **BHCG has negotiated enhanced servicing**

### ***Questions***

- **Can employers pick broad or narrow pharmacy networks with Navitus?**
  - Yes, however, narrow networks provide deeper discounts

- State of WI went to a narrower network and experienced practically no disruption (had anticipated a lot more)
- **What about patient coupons?**
  - Do have co-pay assistance programs to help the member get access to drugs (built into program, especially for specialty)
  - Generally drive to formulary but members have a choice to pay out of pocket or get coupons if so desired

### **Corinna Fiorvanti – Blain's Supply**

- **Navitus customer service is tailored to your needs**
  - Relationship is really a partnership – very hands on, did not want a cookie cutter approach (went with Navitus in 2008)
  - Very accommodating for communication needs
- **Receive a year-end report with observation summaries to generate conversations about changes to consider**
- **Cost comparison tool is very useful to find more affordable alternatives**
  - Have member testimonials
  - Employee facing tools show cost per drug per pharmacy
    - Shows employee cost and plan cost (helps members see true cost of drugs and make educated decisions)

Slides from presentations by [Chris Robbins](#) and [Navitus](#) are available for review.