



DELIVERING **VALUE** SERIES

## BHCWG Strategic Partners: Navitus Health Solutions & Quantum Health

*June 17, 2020*



# Welcome

## Jeffrey Kluever

Executive Director

Business Health Care Group



## **Presenters:** **Navitus Health Solutions**

**David Fields**  
President and CEO

**Steve Jones**  
Regional Vice President, Sales

**David Mockert**  
Sr. Client Services Executive



## Presenters: Quantum Health

Shannon Skaggs  
President

Steven Knight  
Chief Operating Officer

Sarah Simmons Schreiber  
Vice President, Sales



## Delivering Value Series

June 17, 2020

# Navitus Introductions

Navitus	Position	Phone
David Fields	President and CEO	(608) 729-1515
David Mockert	Senior Client Services Executive	(608) 729-1627
Steve Jones	Regional Vice President, Sales	(608) 298-5805

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# Agenda

- CEO message
- Navitus Overview
- 2019 Trend Report
- BHCG & New Client Success

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# Navitus CEO Message





# The Healthcare Experience Is Complex

Our solution is simple

June 17, 2020





# Today's Presenters



**Shannon Skaggs**  
President



**Steven Knight**  
Chief Operating Officer



**Sarah Simmons Schreiber**  
Vice President, Sales

# Who We Are

The industry leader in healthcare navigation

**MOST EXPERIENCED**

**21 years**

Founded the category

**THE LARGEST**

**1.5+ million**

Consumers

**FINANCIALLY STRONG**

**2+ decades**

Profitable with strong reserves

**18 years**

Validated results

**1,300**

Healthcare warriors

**96%**

Retention rate

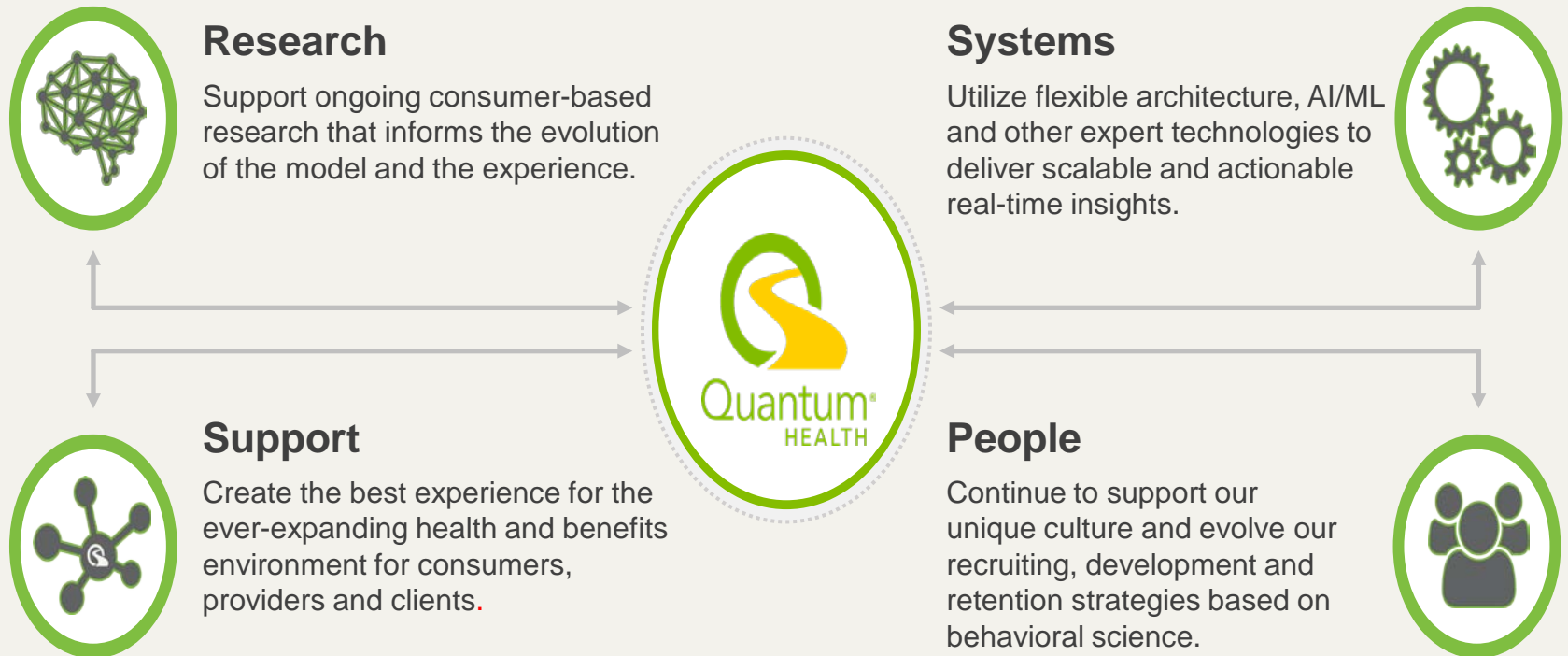
**220+**

Clients across industries



# Human-centered, Tech-enabled

A holistic approach to innovation



# Introducing Navitus Health Solutions

**Navitus is an industry-leading, pass-through pharmacy benefit manager (PBM)** and serves as an alternative to traditional PBMs. We're committed to making prescriptions more affordable for plan sponsors and their members. That's why we've **reinvented pharmacy benefit management** to more effectively reduce costs and improve health.



- Founded in 2003, Madison, WI



- Owned by SSM Health and Costco Wholesale



- 6.1 million members and growing



- Nationwide presence with corporate campuses in Madison and Appleton, WI; Austin, TX; and Phoenix, AZ



- Serves 650+ clients including employers, health plans, health systems, government, unions, etc.



- URAC-accredited PBM and specialty pharmacy



- 4.5 out of 5 Stars EGWP Rating by CMS, the highest among PBM-sponsored EGWP Plans\*

\*Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next.



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## Our Mission

Navitus Health Solutions is a full-service pharmacy benefit company committed to **lowering drug costs**, **improving health**, and providing superior customer service in a manner that instills *trust* and *confidence*.

# Navitus Stands out as a Disruptor Among the Competition

- Surging pharmacy costs demand greater transparency and affordability
- Navitus founded as a disruptor - Industry needs more disrupting
- Navitus alignment with client's interests
- Consolidation of large traditional PBMs and National Payors underway
  - Plan sponsors have fewer options, less transparency
  - Creates more opportunity for increased costs (i.e. hidden Rx spread)
  - Integration preserves their status quo, not your business costs
- Other stand alone PBMs still exist



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# Navitus Overview

# Reinventing Pharmacy Benefit Management

Offering a powerful solution built on a:



Transformative  
Pass-Through Approach



Lowest-Net-Cost  
Philosophy



Outstanding  
Clinical Care Model

Together, these components work more effectively to improve health and generate real savings!

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# Full-Service, URAC-Accredited PBM



**ACCREDITED**

Pharmacy  
Benefit  
Management  
Expires 11/01/2022

## ■ In-house

- NaviClaimRx – claims adjudication platform
- Retail network contracts
  - National Network
  - National Retail 90
  - Custom Retail Networks
- Full service pharmacy help desk
- Formulary contracts with all major pharma companies
- Clinical programs to manage care and cost
- Specialty pharmacy – Lumicera

## ■ Out-source

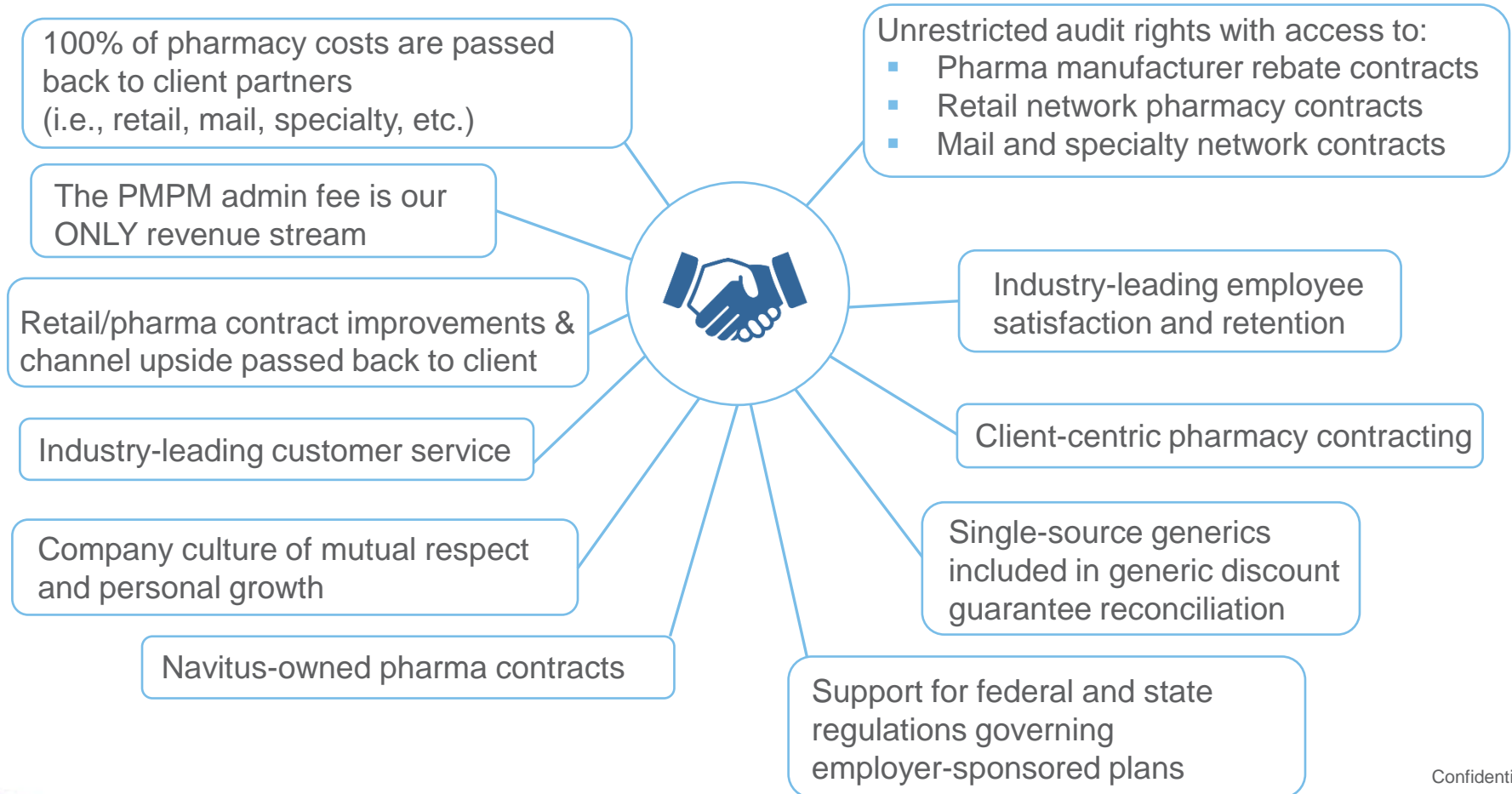
- Mail order – partner with ServeYou (and others)

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# Our Clients Believe Model Matters

Navitus is dedicated to an unwavering alignment with its clients' best interests.

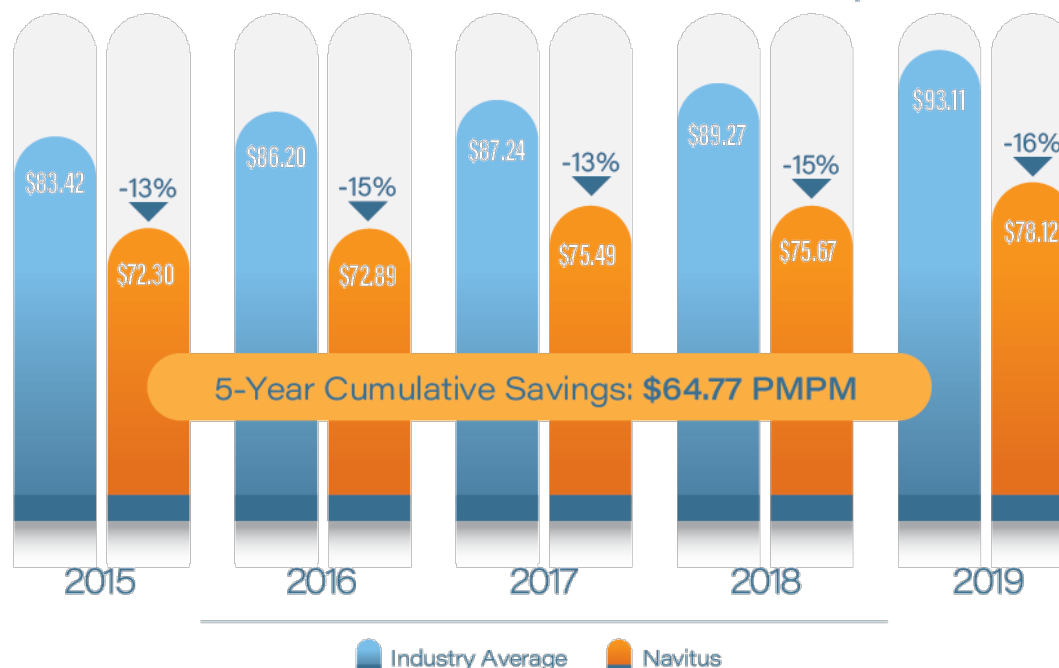


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# The Savings Continue After Year One

## The Navitus Difference

### 5-Year Total Net Cost PMPM Comparison



We're generating long-term savings with a 5-year cumulative PMPM of \$64.77, which is 16% less than the industry average.

Source: Navitus drug trend analysis, published PMPM figures from other PBMs in the industry including Express Scripts and CVS Health (2015-2018). Forecasted industry average PMPM was calculated by taking the published average 2018 PMPM and applying a 4.3% trend forecasted trend increase as seen in the 2020 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers from the Drug Channels Institute.

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# Why Navitus

- **Powerful solution** with complete pass through, a lowest-net-cost formulary and an outstanding clinical care model
- **100% pass through**, including all ongoing network rate and rebate improvements, and all pharma-related dollars
- **Complete visibility down to the claim level**
- **Flexible agreement aligned to your goals** for easy plan adjustments
- **Seamless implementation** with a history of 100% satisfaction
- **Member-centric service**, including multi-channel engagement, evidence-based clinical programs and a CMS 4.5 out of 5 Stars EGWP program, to improve health
- **Industry-leading customer satisfaction**, with a 97% retention rate

Achieve industry-leading savings of 10-15% for the life of the contract!

# Total Net Cost Trend – Commercial BoB

CY 2019 (with Rebates)

	Total Net Cost PMPM 2018	Total Net Cost PMPM 2019	PMPM Difference	PMPM Change %
Overall	\$75.67	\$78.12	\$2.45	3.2%
Non-Specialty	\$44.40	\$42.77	(\$1.63)	-3.7%
Specialty	\$31.27	\$35.35	\$4.08	13.0%

Total Net Cost PMPM of \$78.12 is still the lowest in the industry

# Total Cost Trend – Modulators and Drivers

CY 2019 (with Rebates)

	Total Trend	Utilization Trend	Unit Cost Trend
Overall	3.2%	2.3%	0.9%
Non-Specialty	-3.7%	2.3%	-6.0%
Specialty	13.0%	14.7%	-1.7%

Unit cost increase kept under 1% despite significant brand list price inflation

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# Generating Greater Savings

## 2019 New Client PMPM Savings Snapshot

Clients	Membership	Former PBM PMPM Cost	Navitus PMPM Cost	Change	Former PBM
Retail	1,430	\$107.64	\$62.32	↓42%	NPS
Food	1,283	\$91.54	\$56.02	↓39%	OptumRx
Hospital System	2,695	\$131.53	\$84.63	↓36%	CVS/Caremark
City	2,376	\$79.58	\$56.16	↓29%	OptumRx
Manufacturing	1,893	\$144.09	\$104.08	↓28%	Aetna
Health Care Provider	1,038	\$96.50	\$72.35	↓25%	UMR PBM
County	47,333	\$149.89	\$111.73	↓25%	CVS/Caremark
City	2,143	\$81.86	\$65.01	↓21%	OptumRx
Food	3,218	\$59.64	\$53.20	↓11%	CVS/Caremark
School District	7,491	\$121.84	\$109.92	↓10%	Envision
Financial	7,449	\$80.39	\$76.20	↓5%	OptumRx

**Average New Client Savings of 25%**

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## BHCG & New Client Success

# 2019 Client Financial Success

	Incumbent 2018 Net Cost PMPM	Navitus 2019 Net Cost PMPM	Change	Navitus 2019 Net Savings
Baird*	\$76.03	\$67.51	↓11%	\$124,249
City of Kenosha	\$79.58	\$56.80	↓29%	\$649,389
Masters Gallery Foods	\$71.34	\$43.08	↓40%	\$443,428
Paragon Development Systems	\$101.11	\$48.64	↓52%	\$182,686
Praxair	-	\$57.07	-	-
Sargento	-	\$48.85	-	-

\*Second half of 2019

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# BHCG Growth

## ■ Current List of Navitus BHCG clients:

- AFSCME Council 31
- Baird
- Charter Manufacturing Company
- Cielo
- City of Kenosha
- Masters Gallery Foods
- Nordco
- Oak Creek-Franklin Joint Schools
- Olympus Group
- Paragon Development Systems
- Praxair
- Sargento Foods
- Sendik's Food Market

## ■ BHCG Client Gross Cost\* Q1 2020 PMPM of \$76 compared with the industry average of \$93 and Navitus Commercial BoB of \$78

\*Gross Cost = Plan Paid plus Member Paid less rebate

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# Generating Top Satisfaction Ratings from our Clients

## 2019 Client Satisfaction Survey



**90%** of respondents said Navitus is **better than** other PBMs



**94%** of respondents were **extremely satisfied** or **very satisfied**



**100%** of respondents **would recommend** Navitus to other organizations

37% Response Rate (2019)

Surveys are conducted annually and include clients with claims utilization in both 2018 and 2019. TPA clients not included.

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# Proven Implementation Methodology

Proven Execution—100% Successful Implementation Record



## ■ Process

- Sales-to-Implementation transition
- Implementation Readiness Assessment
- Project kick-off meeting
- Document requirements and client approval
- Post-implementation review
- Implementation-to-Client Services transition

## ■ Tools

- BHCG specific intake form (New for 2020)
- Experienced project management
- Well-developed implementation guide
- Defined, documented process
- Custom web-based project update site

For seven consecutive years, 100% of post-implementation survey participants have rated their overall satisfaction as very satisfied or extremely satisfied

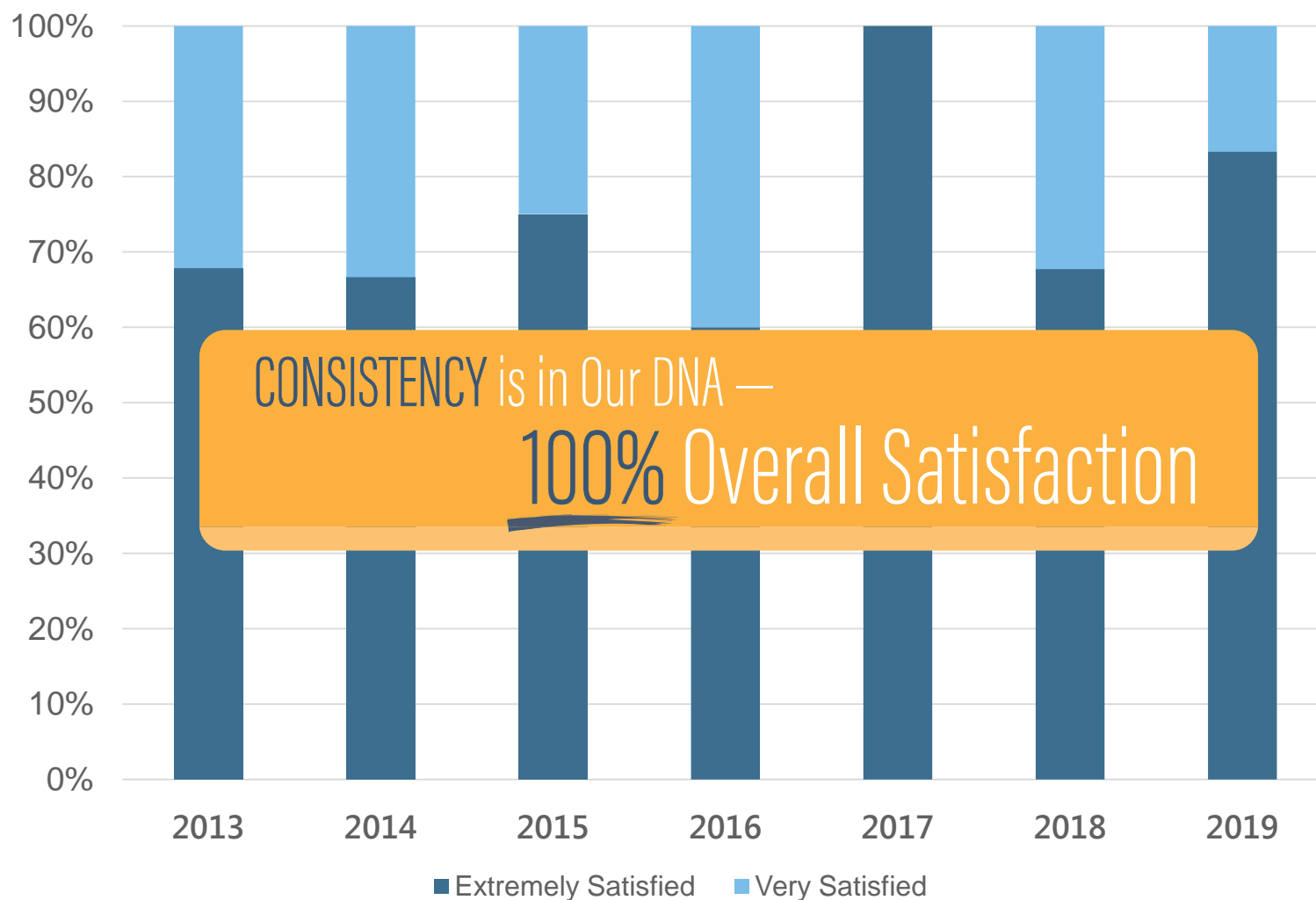
# Implementation Results

## Benefit Design Transition

- Conduct thorough review of existing benefit designs
  - Quantity limits, step therapy protocols, prior authorization limits
  - Mail and specialty benefits and any exceptions
- Develop matrix to assist in setup and tracking of benefits
  - Creation and testing of plans
  - Address exceptions – including clinical transition/disruption management
- Manage eligibility and enrollment data feeds
  - Coordinate eligibility and enrollment data feeds
    - Determine scope and timeline
    - Test loads
- Manage member formulary transition

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# 2013 - 2019 Implementation Satisfaction Survey



n = 36 (2019). TPA clients not included.

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# Strategic Partnership

- First line of accountability
- Acknowledgement and follow up
- Ensure day-to-day needs successfully met
- Provide actionable data and decision support
- Project log tracking
- Regular review meetings on utilization and spend trends and forecasting
- Understand and track aligned goals and objectives of each client
- Road map 12-18 months out



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# Account Team Communication

- Client Services Executive AND Clinical Account Executive – lead roles regarding pharmacy management oversight with client
- Customized reports and topics – collaborate with client
- Annual meeting preparation in collaboration with client – determine dates, participants, reports and topics
- Annual in-person meeting
- Telephonic meetings, as needed
- On-line presentation

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# Providing VALUE to BHCG Members

- Engage client in developing strategic objectives throughout account review process
- Leverage the expertise of client to co-develop plan improvements through regular touch points
- Engage analytics experts to determine areas for cost savings and plan improvement opportunities through data analysis
- Review and modify plan components; obtain client's approval of identified areas for improvement

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# Benefits to BHCG Members

- Pre-negotiated Agreement with Enhanced Terms and Conditions
- Improved Administrative Fee Pricing
- Custom Implementation Intake Form

BHCG Member Lives with Navitus	Year 1 of Client Agreement	Year 1 of Client Agreement	Year 1 of Client Agreement	Year 1 of Client Agreement	Year 1 of Client Agreement
<30,000 Lives	\$2.21 PMPM	\$2.21 PMPM	\$2.21 PMPM	\$2.28 PMPM	\$2.35 PMPM
30,000 – 80,000 Lives	\$2.15 PMPM	\$2.05 PMPM	\$2.05 PMPM	\$2.11 PMPM	\$2.17 PMPM
>80,000 Lives	\$2.01 PMPM	\$1.91 PMPM	\$1.91 PMPM	\$1.97 PMPM	\$2.03 PMPM

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# Navigating the Pandemic

## Navitus Operations

### Business Continuity

- Navitus activated Business Continuity/Disaster Recovery operations the week of March 16<sup>th</sup>. All departments including customer care, specialty pharmacy and prior authorizations are fully operational and fully staffed. The remote workforce is doing well and has adapted to the new virtual work environment. Our technical infrastructure is supporting all activities.

### Account Management

- Fully remote and no issues reported
- Monitoring trends for spikes, changes in channels (moves to mail order and 90 day supplies)
- Delivering business reviews as scheduled via virtual technology

### Formulary Operations

- Monitoring medication availability and FDA announcements and making adjustments to formulary as needed
- Activated weekend “on call” schedule for benefits team to respond to any urgent changes or updates required

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# Navigating the Pandemic

## Navitus Activities

### Weekly Client Communications

- Updates on activities and response implementations
- Monitoring of disaster declarations, emergency set ups of limits on days' supply for drugs that are touted as potential cures or remedies for COVID-19

### Pharmacy Availability

- Navitus provider services reports minimal pharmacy impacts across the networks
  - A few pharmacies have reduced hours of operation and some may have briefly closed but have now re-opened
  - RxOpen.org has been activated by National Council for Prescription Drug Plans (NCPDP)

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# Navigating the Pandemic

## Lumicera Operations

### Staffing

- Quickly implemented social distancing measures and “grouping”-based approach to maintain operations, limit risk and put into place a mitigation plan in the instance that one of the “groups” had positive COVID cases within it
- Implemented more wide-spread use of PPE (call center staff) for prevention of spreading the virus-leading to 12 second answer rate through COVID and 94.57% answered within 30 seconds
- Enhanced existing cleaning and sanitizing procedures

### Patient Support

- Providing counseling to patients to calm fears of shortages and prevent stockpiling of medications
- Educating patients on supply projections

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# Why Navitus?

## Service & Clinical Excellence

- White-glove service; customer-centric member experience
- Industry-leading customer satisfaction scores
- 100% client implementation satisfaction
- Evidence-based clinical programs
- Formulary strategy aligned with clinical effectiveness and lowest net cost

## Contractual Alignment

- Audit rights to ALL claims with pharmacies & pharma manufacturers
- Clear, reconcilable contract terms & definitions
- Administrative fee-only revenue stream
- Strategically aligned interests

BHCG  
Member  
Employers

## Financial Savings

- 360° financial transparency
- 100% pass-through, including all ongoing network rate and rebate improvements, and all pharma-related dollars
- Industry-leading Rx trend management — consistently out-perform national trend
- Unique specialty pharmacy model with 2% cost savings

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# Thank You.



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# The Healthcare Experience Is Complex

Our solution is simple

June 17, 2020



# Today's Discussion

- Consumer healthcare challenges
- Navigating the healthcare journey
- Real- Time Intercept and impact
- Validated results
- Conclusion



# The Healthcare Environment Is Ever-changing

The reality is a complex, frustrating consumer experience





We believe that no one should have to go through the healthcare experience alone.





## Navigation Is Essential for Your Business



# Support for Every Consumer

We engage over 84% of all households



## **Incidental**

Those dealing with a specific healthcare challenge or decision



## **Be Healthier**

Those seeking to maintain/improve their health



## **On the Journey**

Those who have complex healthcare issues



**EPISODIC**

**COMPLEX**



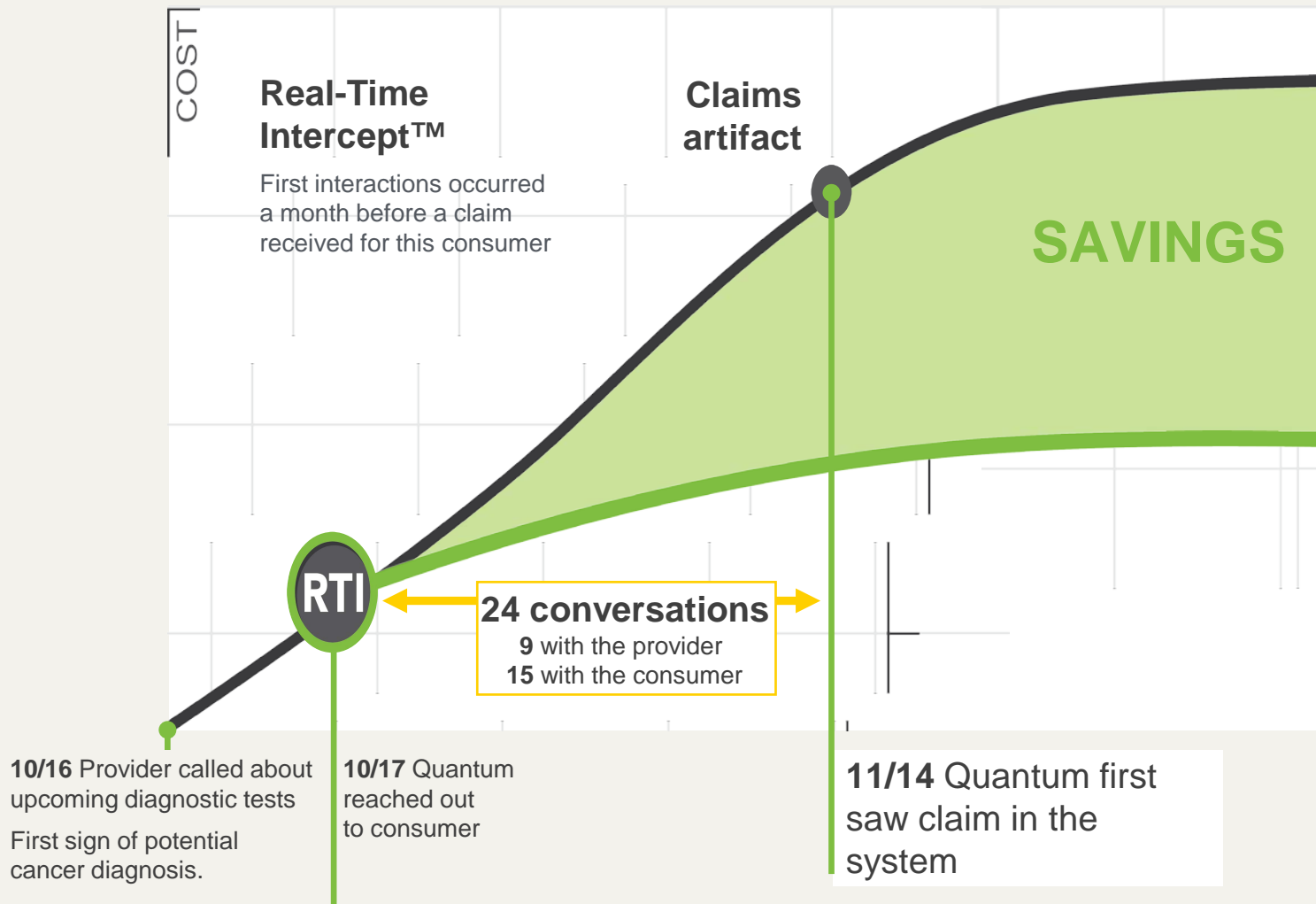
# Simplifying the journey

A single healthcare and benefits navigation platform



# Intercepting Consumers Earlier

Mining data and provider inquiries to coordinate care



# Impact of Real-Time Intercept™

Provider engagement is key to lower costs

**60%**

of first contacts are through  
provider intercepts

**4x**

difference in savings when intercepted  
4-6 months before a trigger month

**88%**

of high-cost claimants  
engaged through  
Real-Time Intercept

**83%**

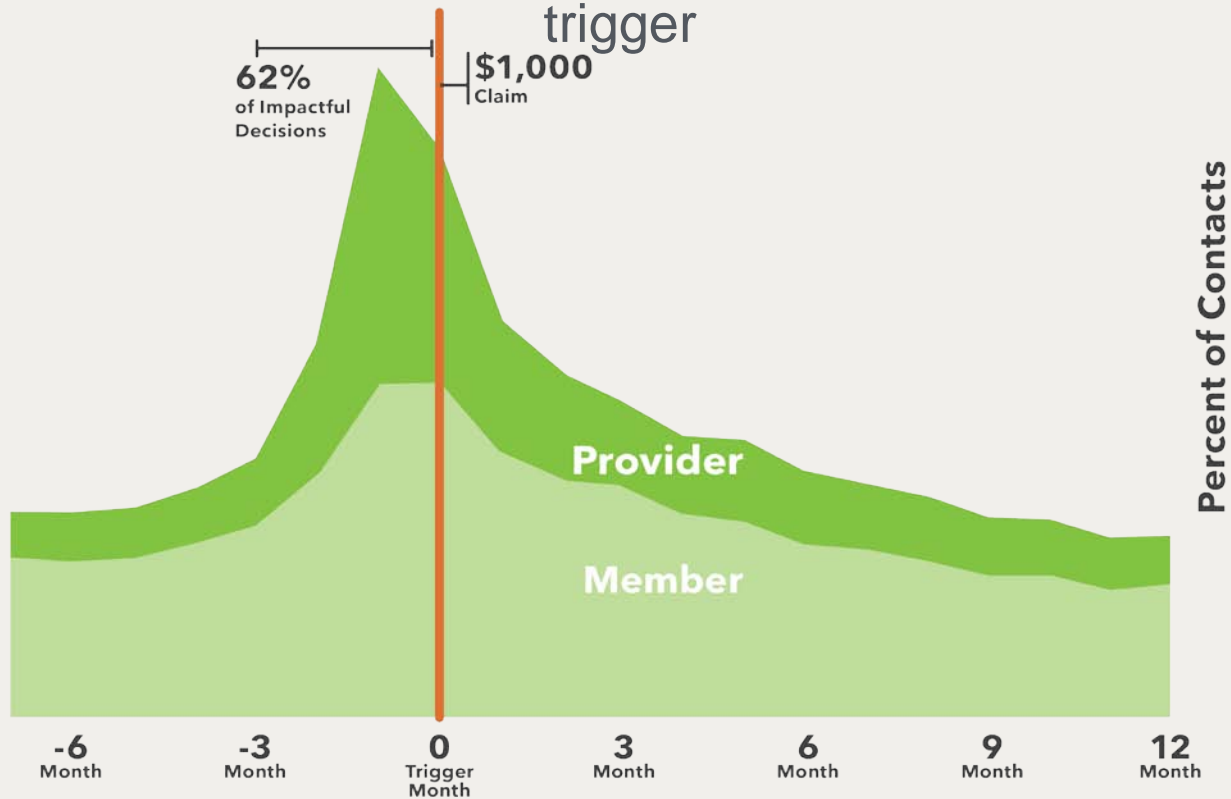
of provider intercepts are benefits oriented –  
traditional UM alone will not adequately trigger

**12%**

lower costs in cases with RTI initiated  
by a provider inquiry

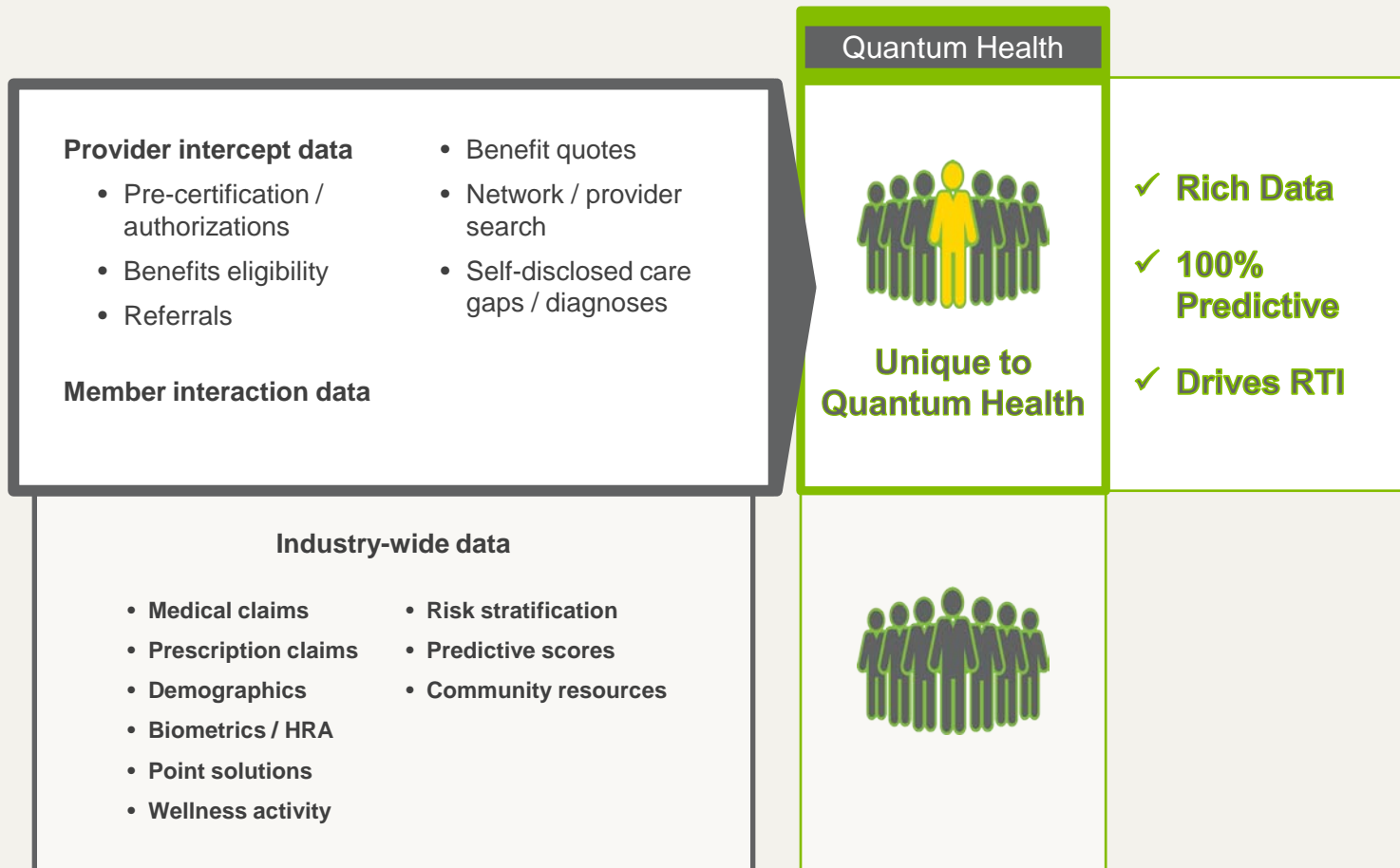
# Real-Time Intercept™

Pattern of activity prior to claim trigger



# Data Drives Actionable Insights

Unparalleled data leads to individualized experiences





Simpler, Cost-effective Healthcare Is  
More Than Possible — It's Proven







# Healthcare Navigation Impact

Supporting your business



**Lower healthcare  
cost trend**



**Improve consumer  
experience and  
satisfaction**



**Help recruit and  
retain top talent**

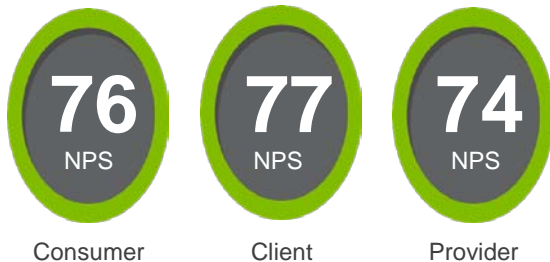


**Reduce HR  
burden**

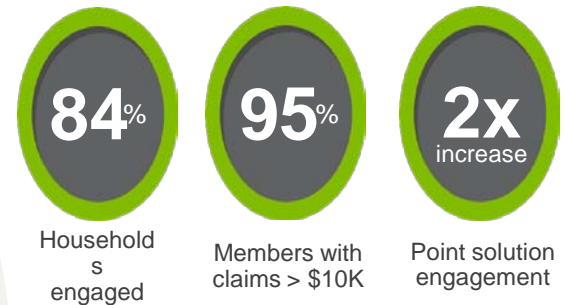
# Return On Investment

We consistently beat industry norms

## Satisfaction



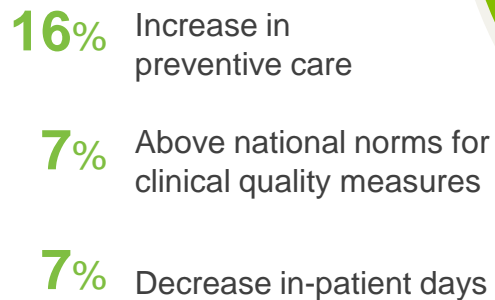
## Engagement



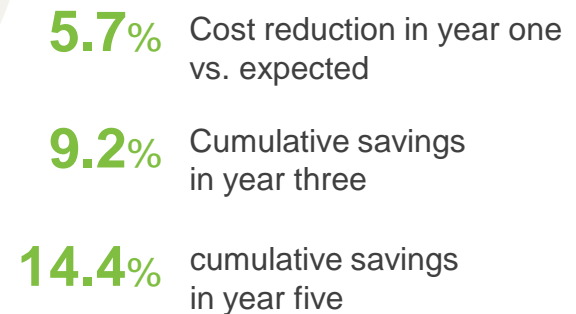
18

years of  
validated  
results

## Outcomes<sup>1</sup>



## Savings<sup>2</sup>



<sup>1</sup> Quantum Health Internal Data, 2019.

<sup>2</sup> Third-Party Actuarial Review: 2000 - 2018. Conducted by Dale Yamamoto, FCA, MAAA of Red Quill Consulting, 2020.

# Helping You With Your Mission

## Our commitment

### Alignment with BHCG and Strategic Partners

Delivering a best in class comprehensive solution

#### **Simpler, dramatically better employee experience**

76 employee NPS, better use of all benefits

#### **Engage more people sooner**

84% household engagement,  
95% > \$10K in claims engagement,  
88% via Real-Time Intercept™

#### **An extension of your HR team**

Dedicated Pod teams,  
real-time feedback, open access

#### **Seamless implementation**

We lead with dedicated project managers  
and work with your carrier(s)

#### **Sustainable, proven savings**

5.7% cost reduction in year one  
9.2% cumulative savings in year three

#### **Guarantee on performance**

Performance on savings, engagement,  
employee satisfaction, implementation

#### **Important intangibles**

- Cultural alignment:  
Your values and our pillars
- Client networking panels
- Executive leadership engagement
- Provider relations





# Thank You



# Navitus & Quantum Health Partnership

- There was a formulary change for 2020 excluding the brand name Epipen.
- A Member contacted her Quantum Health Care Coordinator expressing concern she would not be able to obtain the medication due to financial limitations.
- The Care Coordinator contacted Navitus. Navitus located two alternatives and copay assistance programs for the member, eliminating any financial barriers.
- The Quantum Health Care Coordinator contacted the member's provider and had the prescription modified so the member could receive her medication.
- The Care Coordinator and Navitus Team Member were able to ease a member's financial concern and ensure she adhered to her clinical plan.





# Navitus & Quantum Health Partnership

- A Quantum Health Personal Care Guide Nurse was working with a provider on a Friday, to place an authorization on file for radiation and oral chemotherapy.
- The Personal Care Guide Nurse worked with the member to understand his care plan and walk him through the actions the team would take for him to receive his medication.
- The Personal Care Guide Nurse gathered clinical information from the provider and contacted Navitus regarding the authorization.
- The Navitus team worked to review the necessary information and expedite the medication.
- The member received the oral chemotherapy 6 days after the initial provider conversation.
- Through efficient, open channels of communication between Navitus, Quantum Health and the provider, the member received his oral chemotherapy the following Wednesday, six days after the initial dialogue.





DELIVERING **VALUE** SERIES

## Thank You!

A recording of today's webinar, as well as presenters' slides, will be made available. Watch your inbox or visit [bhcghi.org](http://bhcghi.org).

Stay safe & be well!