



BHCG Strategic Partners: Navitus Health Solutions & Quantum Health

Presentations by:

David Fields, President and CEO, Navitus Health Solutions

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

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Webinar

Executive Summary

Representatives from employers, providers, brokers and other stakeholders attended the second BHCG symposium of the 2020 Delivering Value Series via webinar. Attendees heard an overview of the transformative services Navitus Health Solutions and Quantum Health offer BHCG member employers and learned about the initial results for member employers utilizing their unique employer solutions. The webinar also featured an examination of the synergies and additional value created when employers access both solutions.

Navitus Health Solutions' approach to pharmacy benefit management combines financial performance, demonstrated service and clinical excellence with a 100 percent pass-through business model that aligns incentives with the best interests of its customers. Quantum Health uses a research-driven, consumer behavioral model that offers a single point of contact to deliver care coordination, navigation and patient advocacy services.

David Fields, Navitus Health Solutions

CEO Message

- **Navitus is pleased to partner with BHCG to reduce pharmacy spend while creating a great experience for members**
 - Founded in 2003 to serve the State of Wisconsin Employee Trust Fund
 - Looked for a PBM model built to advantage the employer instead of the PBM
 - Current ownership – SSM Health (Catholic not-for-profit health system)
 - Costco has a minority ownership position in Navitus; very successful experience partnering with Navitus over the last seven years to serve their members; last year, Costco offered Navitus to all its 300,000 employees and dependents
- **Navitus has 6.2 million members nationwide in 43 states and growing**
 - Four office locations with headquarters in Madison, WI
 - Serves a robust and broad client base with 650+ groups
- **Take quality and compliance very seriously as a core competency**
 - Need to be able to demonstrate through external qualification
- **Founding principle – “it’s not our money, it’s the employer’s money”**
 - 100% pass-through and transparent approach
 - Lowest-net-cost philosophy (“no games or obfuscation”)
 - Navitus is a disrupter within the PBM industry with a pass-through business model unique in its alignment with the client’s interest
 - Don’t take spread or make extra money around the margins
 - Great outcomes, high-touch service
- **Tremendous consolidation among PBMs today**
 - Plan sponsors will have fewer options and less transparency
 - Combining health plans and PBMs will create opportunities for cost increases (intended to preserve the status quo and not to create a better outcome)

Shannon Skaggs, Quantum Health

Who we are

- **Applied consumer brands and retail background to health care (“no one can navigate the complexity alone”)**
 - Conducted mapping studies of how real people go through the health care system (people get stuck, not built for consumers or providers)
 - Led to idea of simplification – one-stop shop for health care consumers and providers (digitally and telephonically)
 - Independent – very important for transparency
- **Founded in 1999**
 - Every year takes full book of business results and verifies through independent auditor
 - 1.5 million members (all industries/backgrounds); 220 current clients

- 96% retention rate
- Great culture based on empathy and compassion (hire for those qualities)
- **Holistic approach to innovation**
 - Research – support ongoing consumer research
 - Systems – uses flexible architecture – “have to be elegant and simple, but don’t want to turn off critical thinking”
 - Support – create the best experience for consumers, providers and clients
 - People – support the culture, recruiting, development and retention strategies using behavioral science (empathy testing, invest in people – “if they are not taken care of, they cannot take care of others”)

David Fields, Navitus Health Solutions & Shannon Skaggs, Quantum Health

BHCG, Navitus & Quantum Partnership

- **Quantum/Navitus alignment points**
 - Both independent and transparent – “here for our clients and for our membership”
 - Customer service is aligned (no time constraints on calls – take as much time as needed to solve issues)
 - David Fields: “BHCG did a lot of due diligence to pick the right partners” – very similar views on how to help each other to get the right outcome – very effective for collaborating on behalf of employers
 - Shannon Skaggs: “Navitus systems and people are amazing – they work together. It says a lot to what David and his team have built”
- **BHCG’s Jeff Kluever:** “Member employers have the best of both worlds and benefit from leveraging both value propositions of our strategic partners exponentially”

Steve Jones, Navitus Health Solutions

Navitus Overview

- **Starts with a transparent model aligned with clients’ best interests**
 - Able to see your information and data to drive decisions that make sense for you, not just the PBM’s profits.
 - Lowest net cost while maintaining high-quality clinical care, working together to drive savings
- **Pass-through offering**
 - Other PBMs say they can offer traditional spread or a pass-through model, but Navitus offers a true pass-through model for all activities
 - Supports transparency – employer can see a claim from beginning to end; stark contrast to other PBM models (e.g. can’t see the claim end to end when it’s within the health plan or work performed by PBM subcontractors)
- **Specialty pharmacy – Lumicera Health Services, Navitus’ wholly owned subsidiary**

- Specialty drugs are a huge driver of cost and continue to grow; developed in response to client demand to help them with specialty cost (bring the Navitus model to specialty).
- Lumicera is an acquisition cost supplier – works to keep costs low and passes through 100% of wholesale and GPO purchase discounts to the client
 - First in, first out methodology – keep inventory on shelf at whatever price it was bought at; different than other PBMs that charge market rate no matter what they paid
- Copay assistance programs are leveraged whenever it makes sense to defray cost
- Mail order is outsourced because industry capacity is already there; partner with Serve You Rx for many BHCG groups
- **Navitus savings**
 - Keep costs much lower than industry average (typical per member per month costs 16% less) because of administrative fee only model
 - PBM industry consolidation leading to fewer trend reports, affecting ability to get data on savings
 - Overall trend for Navitus book of business in 2019 was 3.2% (driven largely by specialty)
 - Total net cost trend of \$78.12 PMPM is lowest in the industry
 - Specialty is almost half of the dollars being spent and trending up more than other categories (13%); can keep unit cost in check but utilization has increased – good for health but comes with a cost
- **New client savings**
 - Analyzed 2019 groups coming from other PBMs (most don't understand where they are coming from since they can't get data)
 - If they have data – average savings of 25%
 - Great results year over year – a move to Navitus almost always in the client's best interest

David Mockert, Navitus Health Solutions
BHCG & New Client Success

- **Navitus has produced exceptional results for BHCG Navitus groups in net cost PMPM and net savings for 2019 due to:**
 - Switch to lower-cost formulary medications
 - Network discounts
 - Improved rebates that are passed back 100% to plan sponsor
- **Navitus BHCG client list continues to grow**
 - Added seven groups in 2020 – total of 13 BHCG employer members that access the Navitus partnership
 - Seeing really good results for new groups (experienced average total net cost of \$76 PMPM compared with \$93 PMPM industry average and \$78 PMPM Navitus average)
 - PMPM metric = Total Cost PMPM Net of Rebates (includes the member cost)
- **Top satisfaction ratings for Navitus customer care and client services**
 - 100% of survey respondents would recommend Navitus to other organizations

- **Proven implementation methodology**
 - Exceptional, dedicated implementation team consists of clinical and subject matter experts
 - Client sign-off required on implementation plan to get agreement and alignment
 - BHCG helped improve implementation process; streamlined intake form; provides more efficient and effective transition process
 - Benefit design transition
 - Thorough review of existing benefit designs
 - Develop matrix to assist in setup and tracking of benefits
 - Manage eligibility and enrollment data feeds and member formulary transition
 - Smooth transition to Navitus formulary
 - 100% of post-implementation survey participants have rated overall satisfaction with the process as very or extremely satisfied
- **Strategic partnerships with clients**
 - Responsive to any issues
 - Provide actionable data and decision support
 - Seek opportunities to reduce costs and improve processes
 - Regular review meetings to intercept any problems
 - Road map 12-18 months out
- **Account team communication**
 - Client Services and Clinical Account Executives both handle pharmacy management oversight with client to stay on top of day to day needs (e.g., changes due to COVID-19)
- **Benefits for BHCG members**
 - Pre-negotiated agreement with enhanced terms and conditions
 - Collective volume pricing (graduated pricing improvement – PMPM goes down)
 - Custom implementation form
 - Develop strategic objectives, plan improvements
 - Engage analytics experts to determine cost saving areas and improvement opportunities
- **Pandemic response – remain fully functional**
 - Refill edits modified and mail order ramped up to accommodate the need for securing larger quantities because of quarantine recommendations
 - Provide regular communications (treatments, drug availability, supply chain disruptions, even metro area disturbances)
 - Lumicera took extra precautions and offered patient support to ease fears
- **Why Navitus?**
 - Lowest-net-cost
 - Clinically appropriate medications with lowest-net-cost strategies
 - High-touch customer care and innovative member services
 - New developments and initiatives coming this year – mobile app, etc.
 - Contractual alignment; fully auditable

- BHCG partnership benefits
- Alignment to client's best interests allowing easy integrations with client's other health care partners (e.g. Quantum, best docs, etc.).

Sarah Simmons Schreiber & Steven Knight, Quantum Health
The Healthcare Experience is Complex – Quantum's Simple Solution

- **Health care environment is ever-changing**
 - Emotional, critical changes – members need guidance and their needs anticipated
 - Navigation delivers a better experience and results – everyone deserves a guide
- **Quantum provides a simplified but individualized experience**
 - Engages 61% of all members and more than 84% of all households
 - Health care is the great equalizer – have to span entire continuum of different consumer modes – from episodic to complex
 - Must have sound digital solution and human touch
- **Uses a single health care and benefits navigation platform to organize the process in a natural flow of where someone is in their health care journey**
 - One point of contact for members, treating providers (one number, app and website) to intercept at the earliest possible time before seeking care (e.g., calls for eligibility, asking questions, etc.)
 - People and technology make for individualized journey
 - Can work with any administrator or even multiple administrators
- **Real-Time Intercept™ (RTI) – transactional interactions as data for engagement levers**
 - Provider engagement is key to lower costs (60% of first contacts are through provider intercepts resulting in 12% lower costs)
 - 88% of high-cost claimants engage through RTI – the earlier engaged, the more significant the savings
 - Quantum has access to all point solutions for an employer to help solve problems
 - RTI results sent out for analysis to a third party – pattern of activity is predictable and repeatable – consistent across entire book of business; changes the trajectory of someone's experience
 - Integrated, actionable insights; Quantum gets traditional data elements, point solutions and predictive data to layer onto its own data; RTI data is 100% predictive
- **Results of earlier intercept (18 years of validated results/savings of entire client book of business)**
 - Impacts health care trend and improves network utilization
 - Able to connect people to the appropriate benefit at the right time, provide education, facilitate the process and anticipate barriers
 - Improves experience and satisfaction – world class net promoter scores (NPS) that consistently beat industry norms

- Boosts engagement to make sure people are aware, maximizing employer investment in point solutions and improving outcomes
- **Quantum is helping BHCG and its member employers with their mission**
 - Alignment with strategic partners for a dramatically better employee experience

**Chris Robbins, Principal & CEO, Arxcels Consulting &
Dave Osterndorf, BHCG Strategic Consultant, Partner & Chief
Actuary, Health Exchange Resources
*BHCG/Navitus & Quantum Partnerships Value Proposition***

- **BHCG went to market to find the best pass-through PBM model**
 - Was an uphill battle to find a PBM that was aligned with employers' interests
 - Traditional spreadsheeting doesn't work – have to be able to change drug mix – not just best rebates, discounts
 - Have been challenges to get pharmacy data from PBMs for comparison (can't see margins and where money is being spent)
 - Navitus model has nothing to hide, fully transparent
- **BHCG/Navitus relationship has been “spectacular” – excellent results**
 - Lowest possible cost for plan and members
- **Quantum helps BHCG employers with medically homeless campaign**
 - Needed to strengthen PCP relationships and get early commitment of PCPs
 - Quantum works with PCPs to guide patients, resolve claims issues and facilitates access
- **Opportunity to utilize GNS Physician Value Study deliverables with Quantum to guide consumers to highest value providers**
 - What do these providers do differently and what are their treatment paths?
 - Data will be passed through to Quantum to help reinforce referral patterns at the individual physician level
- **Quantum contract contains desirable financial performance provision**
 - Financial performance targets usually only available to jumbo clients (another advantage of BHCG membership)
 - A win-win – bottom line is if employers don't receive value, Quantum won't get paid – more than a 1:1 ROI
- **BHCG will support all stakeholders to evaluate the opportunities through Navitus and Quantum**
 - Will provide consulting resources at no cost
 - Will work collaboratively with existing consultants and brokers to provide proposals

[Slides](#) or a [recording with slides](#) from the webinar are available for review.