

Maximizing Plan Performance with Navitus (A Pass-Through PBM)



As a plan sponsor, you need to understand the drivers of your pharmacy spend, find ways to optimize savings and provide a valuable drug benefit for your members. Working with Navitus, a pass-through PBM, can help give you the visibility you need into all aspects of your drug benefit. Unlike a traditional PBM, a pass-through PBM's only source of revenue is its

admin fee. As a result, Navitus offers unbiased formulary recommendations when comparing clinically equivalent, lower-cost drugs such as generics or less expensive brands. Pass-through PBMs do not benefit financially from increased utilization of certain drugs with rebates.

PMPM IS THE BEST MEASURE OF NET COSTS

Getting a complete picture of all your costs upfront at the start of the contract will help you achieve the lowest pharmacy benefit costs. Most PBM evaluations focus on rebate and savings guarantees, low admin fees or drug discounts. But these pricing models can conceal hidden costs until you get your first invoice, earning the PBM revenue at your expense. The best way to compare PBMs in an evaluation is to use **per member per month (PMPM)** pricing. This pricing model measures your total pharmacy costs by factoring in everything that contributes to your bottom-line expenses. And as you can see in the chart, Navitus offers BHCG clients a game changing PBM solution.

BHCG NEW CLIENT PMPM SAVINGS SNAPSHOT (FIRST YEAR)





Client	# Members	Former PBM PMPM Cost	Navitus PMPM Cost	Change	Net Estimated Savings (annual)
PARAGON DEVELOPMENT SYSTEMS, INC.	290	\$ 101.11	\$ 48.64	↓ 52%	\$ 182,596
CLIENT A	551	\$ 74.03	\$ 44.60	↓ 40%	\$ 194,591
MASTERS GALLERY FOODS, INC.	1,283	\$ 83.98	\$ 56.02	↓ 33%	\$ 430,472
CIELO	1,325	\$ 76.27	\$ 52.99	↓ 31%	\$ 370,152
CITY OF KENOSHA	2,376	\$ 79.58	\$ 56.16	↓ 29%	\$ 667,751
NORDCO, INC.	767	\$ 93.69	\$ 66.13	↓ 29%	\$ 253,662
CLIENT B	337	\$ 118.26	\$ 103.25	↓ 13%	\$ 60,700
BAIRD	7,449	\$ 80.39	\$ 76.20	↓ 5%	\$ 374,536

LEVERS THAT CAN HELP CONTROL RX PLAN SPEND



DEMONSTRATED SAVINGS OF THE LEVER APPROACH




Below are examples of how BHCG clients have achieved significant plan savings with Navitus.

	Problem	Solution	Outcomes
	Client's total plan cost was \$276K after spending \$184K in rebates.	Switched to a clinically equivalent, lowest-net-cost drug totaling \$9K.	Eliminated \$267k of overspending.
	Client was looking for a way to optimize their formulary, lowering costs while improving member health.	Pulled multiple levers to achieve: Optimized drug mix, appropriate utilization and full pass-through of network discounts.	Achieved 31% savings in plan costs and a focus on lowest net cost with an increasing generic dispensing rate.
	Client's previous PBM was using a traditional business model where spread and a portion of rebates/pharma dollars were being retained.	Switched to a pass-through PBM model to receive 100% of all rebates and pharma dollars.	Reduced plan costs by 16% and achieved almost doubled improvement in rebates (95%).
	Client's total PMPM spend was higher than the national average, leading it to seek a better PBM option.	Implement multiple levers to optimize plan design.	Reduced days supply of medication by 5.2%, achieved an -8.6% reduction in script count and a 5% increase in rebates, and lowered plan costs by 14.9%.

DRUG SPECIFIC EXAMPLES

BHCG clients receive near-real-time price adjustments resulting in additional savings benefits. How is this achieved? Navitus and its full-service specialty pharmacy, Lumicera Health Services

(where applicable) constantly evaluate the market for lower-cost options and immediately pass the savings onto the client.

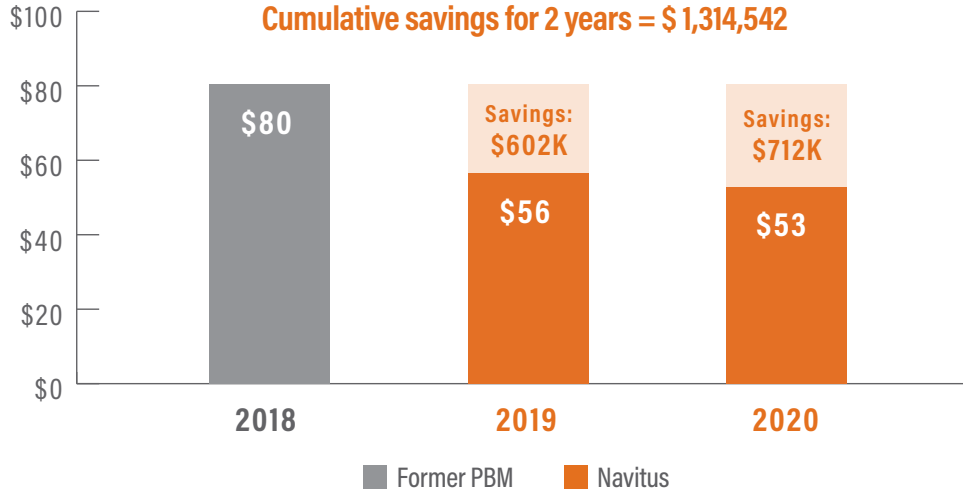
	Use Case/Scenario	Navitus Pass-through Solution	Outcomes
	Specialty Pharmacy: Clients had Tecfidera (brand) on formulary for treatment of Multiple Sclerosis (MS).	Transitioned clients to a generic equivalent drug for a savings of 96.2%.	Plan sponsors achieved annual savings of \$92,978 per patient previously using the brand drug.
	PBM chose the lowest net cost over rebates for Dupixent, a specialty biologic used to treat moderate to severe eczema and asthma. The manufacturer would only pay rebates if PBM relaxed utilization management criteria.	Recommended leaving utilization management restrictions in place.	Plan sponsors achieved 34% in savings compared to taking the rebates for a total of \$6.5 million in annualized savings for every 1000 utilizing members.
	Wasteful Spend: Some drugs not covered on formulary, such as Candesartan/hctz, a blood pressure medication which costs around \$320 for a 90-day supply.	Various alternatives in the same family of medications that are less expensive are available. Clients (with utilization) were transitioned to Valsartan/hctz, which is around \$15 for a 30-day supply.	Clients saved \$1,000 annually for each member that was transitioned.

SAVINGS CONTINUE YEAR AFTER YEAR

Net Plan Paid PMPM (with savings per year)

The savings continue after the first year. One BHCG client achieved savings of \$602,412 in its first year and \$712,129 in its second year, for a two-year cumulative savings of \$1,314,542. Overall, clients

experience sustained, long-term savings, including PMPM costs lower than the industry average, year after year.



NAVITUS 5-YEAR NET COST PMPM



CONSISTENTLY SAVED CLIENTS 12-15% YOY COMPARED TO THE INDUSTRY AVERAGE FOR THE LAST FIVE YEARS, RESULTING IN CUMULATIVE SAVINGS OF \$61.44 PMPM



BHCG clients achieved a PMPM of \$76 in Q1 2020, significantly lower than the 2019 industry average of \$93.

YOU CAN ACHIEVE THESE SAVINGS TOO

By choosing Navitus as your pass-through PBM, you too can achieve these results. For a single PMPM admin fee, Navitus will work with you to implement each of these levers, if applicable, for maximum plan performance and to help you save more.