

BHCG Member Company Summary:  
**Renewal Outcome Results with  
Navitus**

April 2025



# Who is Ethica & what is the BHCG engagement?

- Ethica Pharmacy Advisors is a pharmacy consultancy specializing in supporting employers in review of their pharmacy programs, including their selection and oversight of PBM vendors
  - Led by Connie Perry, PharmD
  - Not affiliated with any PBM solution/collaborative
- Ethica was engaged by the BHCG to review the existing PBM relationship with Navitus
  - Includes contract terms regarding length of contract, pricing guarantees and terms and conditions
  - Intended to provide an assessment relative to current and emerging PBM marketplace practices and competitive positioning
- Ethica provided the BHCG Executive Steering Committee (ESC) with an initial assessment of findings and suggested approach for moving the contract to a more competitive positioning
  - Included significant requests on financial guarantees and contract structure
  - Reflects experience with other coalition models and employer arrangements

**The results of the review and resulting Navitus agreement to improved terms, effective 1/1/25, are the subject of today's discussion**





# Navitus Renewal Request and Outcome Results

## Overview

- Executive Summary of Renewal Request and Process
- Renewal Response from Navitus including Financial Value
- Next Steps



# Executive Summary of Renewal Request

## One Year Renewal vs Three Year

- Allows for full assessment via RFP of the PBM market in 2025
- Consider supplemental vendor relationships in the Rx space (requires non-exclusive contracting)

## Simplify Membership and Pricing Model

- Original proposal bifurcated Navitus versus Epiphany membership by size and pricing

## Enhance Multiple Price Points

- Original renewal was lackluster and non-competitive compared to current direct offers in the space

Navitus responded with a new renewal offer, improving multiple components to the benefit of the BHCG and its member companies

# Final Rx Renewal Results

Presented by Navitus on 11.27.24

- The following table represents the major concessions provided to the BHCG through the renewal negotiation project with Navitus
- The subsequent renewal concessions provided by Navitus after the initial proposal is substantially stronger and more valuable to the BHCG and its member companies

Renewal Request	Navitus Response	Value to BHCG (Current Navitus Membership)
Simplify pricing and eliminate the bifurcation of pricing based on membership size (< 5,000 or > 5,000 lives)	Agreed	Ease for communication and value for smaller member companies to receive enhanced pricing offered more traditionally in the large case market
Provide improvements in Retail Network pricing guarantees	Agreed. Navitus agrees to concessions specific to broad and limited networks	Broad Network Year 1 Improvement = 7.36% or \$1,109,000 Limited Network Excluding CVS = 4.89% or \$158,150 Limited Network Excluding Walgreens = 5.21% or \$138,300
Provide improvements under Specialty Drug Pricing specifically the inclusion of Limited Distribution Drugs (LDDs)	Agreed. Navitus improved the specialty discount guarantee and expanded the guarantee to include pharmacies outside of Lumicera	Including previously excluded specialty claims outside of Lumicera brings a value of \$4,000,000
Provide improvements in Rebate guarantees	Agreed	Based on the current BHCG BOB, Year 1 value is estimated at \$12,444,738
Provide reporting to member companies regarding contract performance	Agreed	Reporting will be provided quarterly

Financial Value of Rx Renewal for 2025 Exceeds \$16.5 Million based on current BHCG/Navitus Member Companies





# Next Steps

## ■ Contract amendment

- Navitus produced a new Amendment which was reviewed and further negotiated by BHCG and Ethica
- Post execution, Navitus will generate amendments for member companies impacted
- Navitus will generate savings analyses for member companies impacted by the Renewal updates for 2025

## ■ Build-out of an Rx Taskforce for PBM RFP Planning

## ■ PBM RFP in project planning and launch stage