

Independent Expertise and PBM Partnership Key to Managing Specialty



THE ALLIANCE
Employers moving health care forward



National Cooperative 

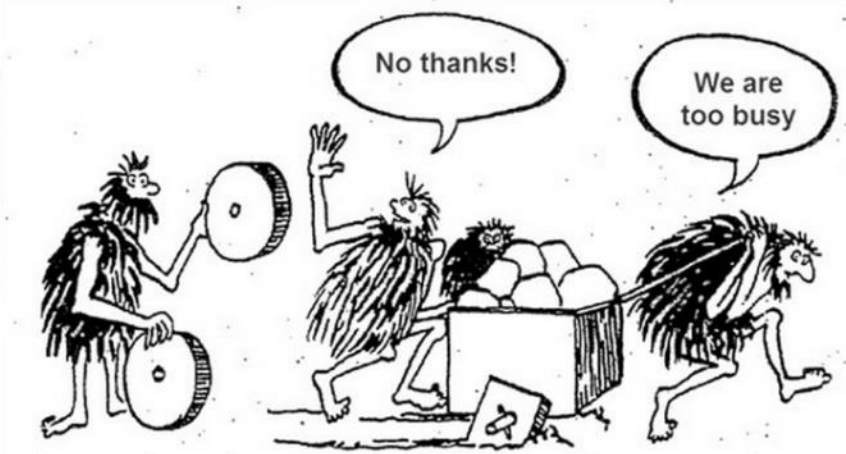
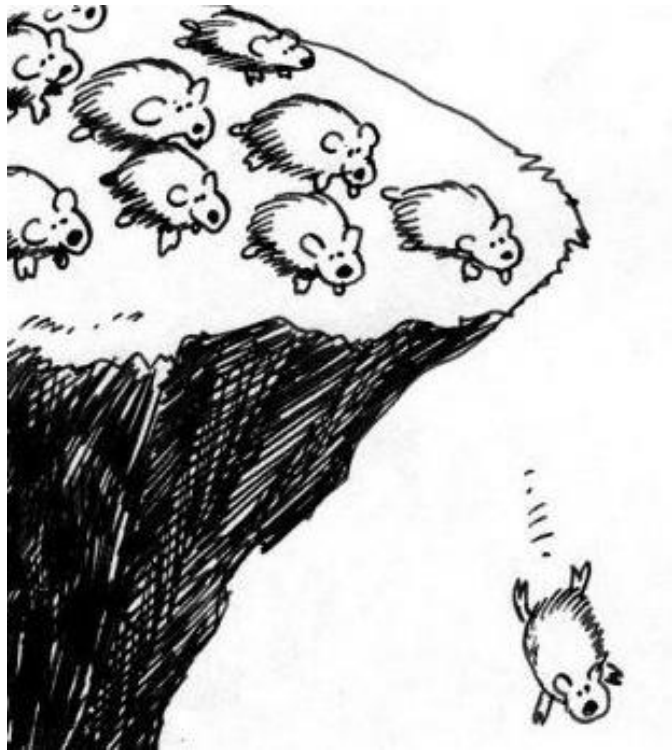
September 11, 2018
Wayne Salverda, RPh.
Senior Director of Clinical Services

National CooperativeRx

- A nationwide, private sector, not-for-profit prescription drug purchasing cooperative that has partnered with self-funded groups, coalitions and insurers
- The Cooperative is designed to:
 - I. Leverage the purchasing power of over 290,000 lives
 - II. Protect members' financial interests
 - III. Provide expertise in pharmacy benefit plan design and safe drug utilization



What's Your Approach?



We Use Our Expertise to Build Upon the Rock

- Industry leading best-in-class contract
- Identify PBM's strengths and weaknesses
- Leverage the strengths
- Develop programs or services to complement and supplement deficiencies
- Monitor developing trends and market dynamics
- Partner with PBM for process efficiencies
- Data-driven decisions
- Sound recommendations
- Deliver results



A Proactive Approach



- 2019 Specialty Enhanced Evidence-Based Guidelines
- 2018 Fraud, Waste and Abuse, Medical Devices, Specialty Copay Card Programs
- 2017 Formulary (Non-Specialty Drugs), Medical Foods, Prospective and Retrospective Billed Claim Reviews
- 2016 High-Cost Products with Lower Cost Alternatives
- 2015 Specialty Formulary (Expanded Preferred Drug Strategies)
- 2014 Compounds
- 2013 Specialty Preferred Drug Strategies
- 2012 Specialty Evidence-Based Guidelines

**Early Identification of trends
and market dynamics.**

**Build upon the
infrastructure.**



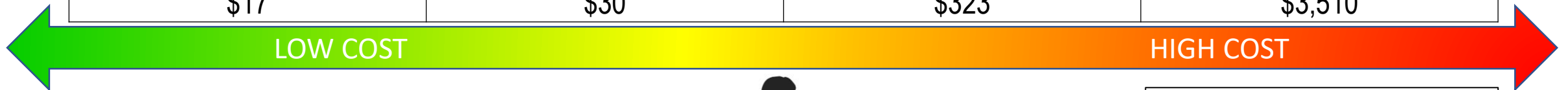
Additional Considerations

- ICER (Institute for Clinical and Economic Review)
- Essential specialty coverage
- Value-Based Contracts
 1. Outcomes-based: Designed to tie costs or discounts to patient outcomes based on a specified clinical marker, for example, cholesterol or A1C levels.
 2. Indication-specific: Pricing and/or rebates vary based on efficacy of different indications, as defined by the contracting entities.
 3. Expenditure or cost cap: Limit drug costs to a certain negotiated threshold. For example, may insulate payors from costs if dose titrations above a specified range occur for cancer drugs.



How Much Does it Cost?

Bupropion Extended Release			
Generic Wellbutrin XL	Forfivo XL	Wellbutrin XL	Aplenzin
\$36	\$450	\$4,000	\$4,100
Epinephrine Auto Injector			
Generic Adrenaclick	Generic EpiPen	EpiPen	Auvi-Q
\$110	\$330	\$656	\$4,800
Metformin Extended Release			
Generic Glucophage XR	Generic Fortamet	Generic Glumetza	Glumetza
\$8	\$600	\$3,600	\$6,900
Omeprazole-Sodium Bicarbonate			
Generic Zegerid OTC	Zegerid OTC	Generic Zegerid	Zegerid
\$17	\$30	\$323	\$3,510



Average Specialty Drug Cost \$5,087

Source: www.goodrx.com 04292018



Duexis

A Combination of Generic Ingredients Found in Motrin and Pepcid AC



90 pill bottle = \$2,600

Combined price
less than \$50

Fraud, Waste and Abuse

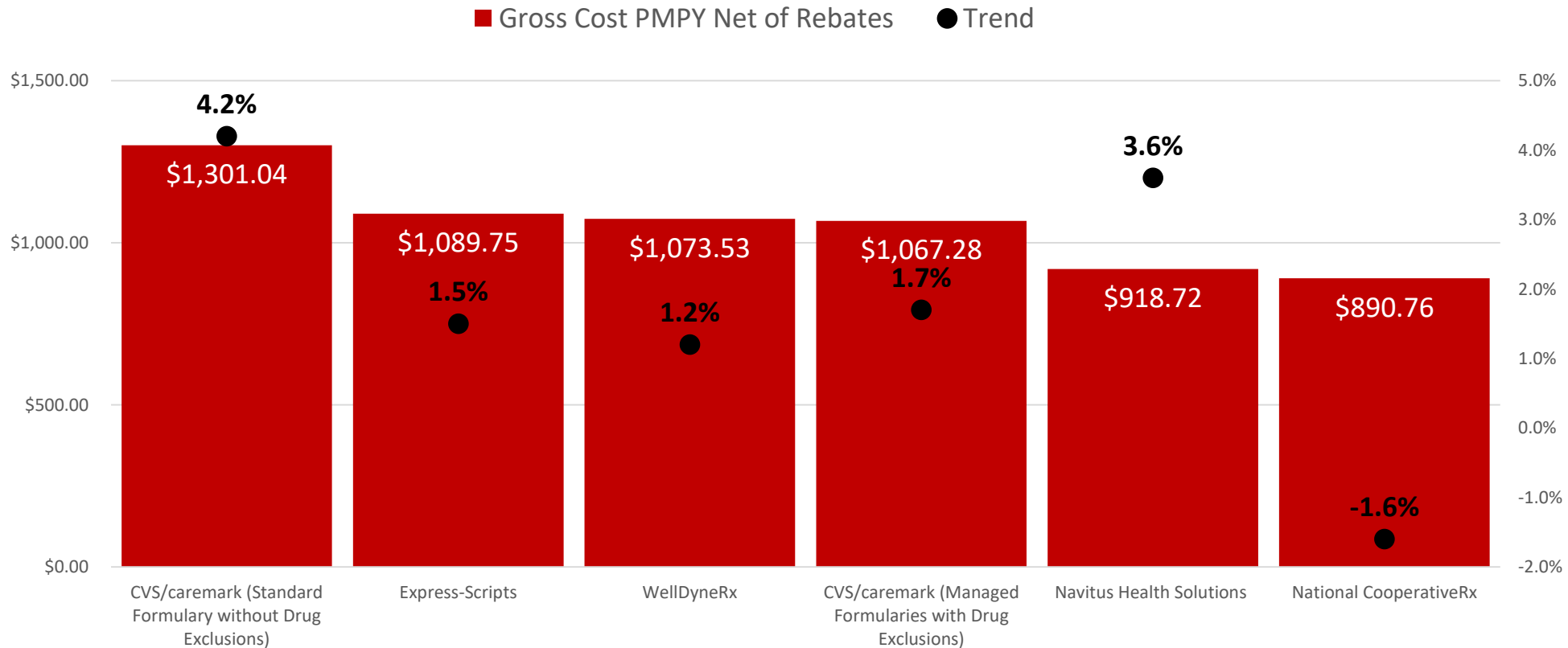


Region	% of USA Population	% of Pharmacy Fraud	Hot Spots*
Midwest	21%	6%	MI, IL
West	24%	20%	CA, AZ
Northeast	17%	26%	NY, NJ
South	38%	48%	TX, FL

*Pharmacies in these states represent 74% of the questionable activity but only 17% of lives for National CooperativeRx members.

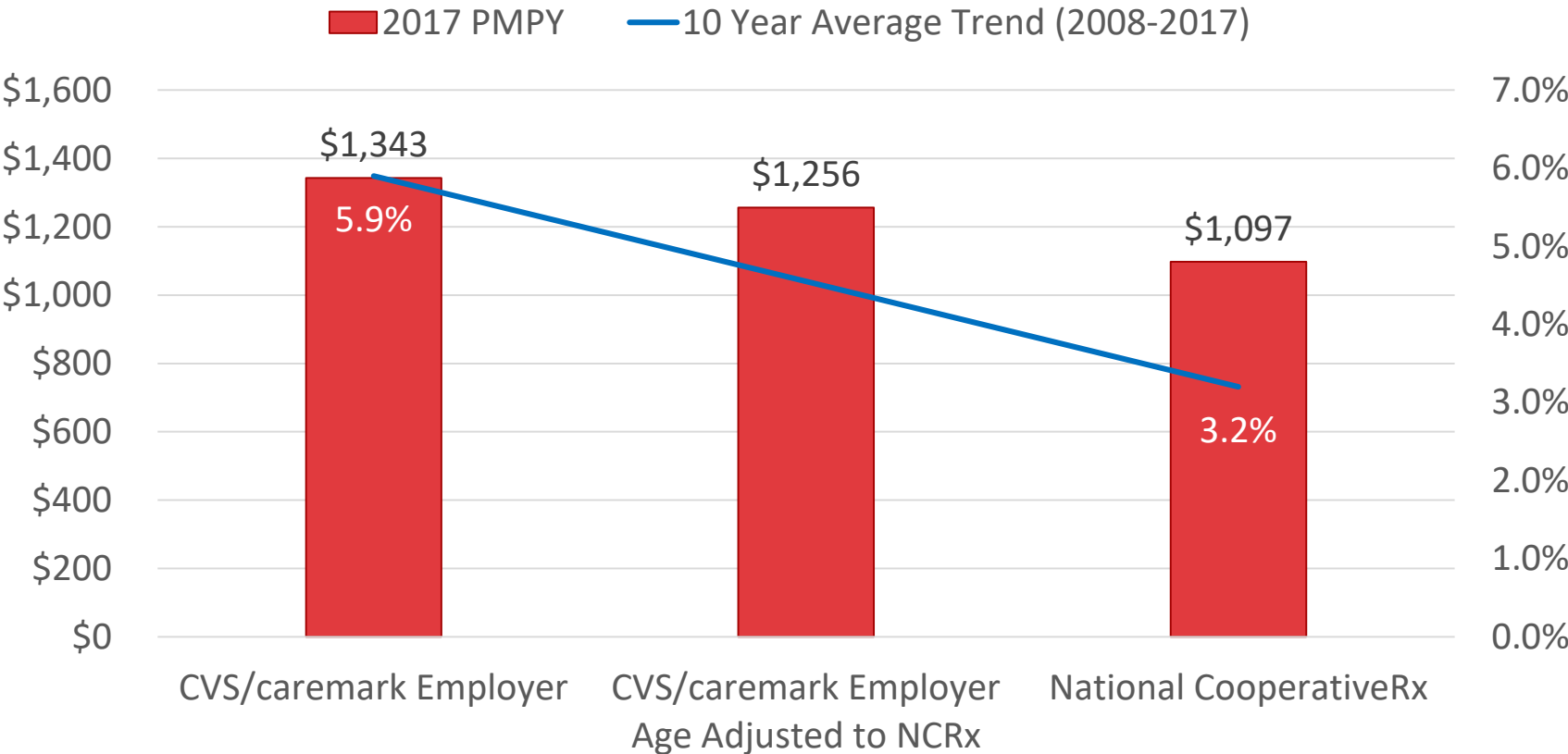


2016-2017 Commercial Trend and 2017 Spend Net of Rebates



Lower Trend Lower Spend

A Proven Track Record



A benchmark difference of \$159 PMPY to \$246 PMPY BEFORE rebates.

National CooperativeRx Has Your Back!



Questions?



Thank You!

Wayne Salverda

Senior Director of Clinical Services

wsalverda@nationalcooperativerx.com

608-204-7733

