

PBM Involvement in HIE



Payor Community of Practice (CoP)

Office of the National Coordinator of HIT



POINT-OF-CARE PARTNERS
Health IT Management Consultants

What We'll Discuss



- ⊙ What is a PBM?
- ⊙ Who are the Players?
- ⊙ How are they participating in HIEs?
- ⊙ What could PBMs do?
- ⊙ How would you approach them?

What is a PBM?

- Pharmacy Benefit Managers (PBMs) help their clients extend prescription drug benefits to the vast majority of American workers, family members and retirees
- Aggregate clout of millions of enrollees to obtain lower prices from retail pharmacies, rebates from manufacturers and the efficiencies of mail service
- PBMs also use clinical tools to reduce inappropriate prescribing, decrease medication errors and improve consumer compliance & outcomes

Source: Pharmacy Benefit Management Institute



PBM Clients, Strategies & Tools



○ Clients

- Health Plans
- Self-Insured Employers
- Unions
- Public Purchasers
 - Medicare Part D
 - Medicaid
 - Federal Employees
- Third-Party Administrators
- Discount Cash/Card Programs

○ Strategies & Tools

- Develop, Contract & Administer Pharmacy Networks
 - Claims Processing
- Administer Benefit Plan Design
- Manufacturer Discounts/Rebates
- Patient Services
 - Call Center Support
 - Web Tools
 - Mail & Specialty Pharmacies
 - Member Communications
- Clinical & Consultative Services
 - Benefit Analysis & Recommendations
 - Services Designed to ensure appropriateness, quality & safety (e.g. formulary, DUR, etc.)

The Players



EXPRESS SCRIPTS®

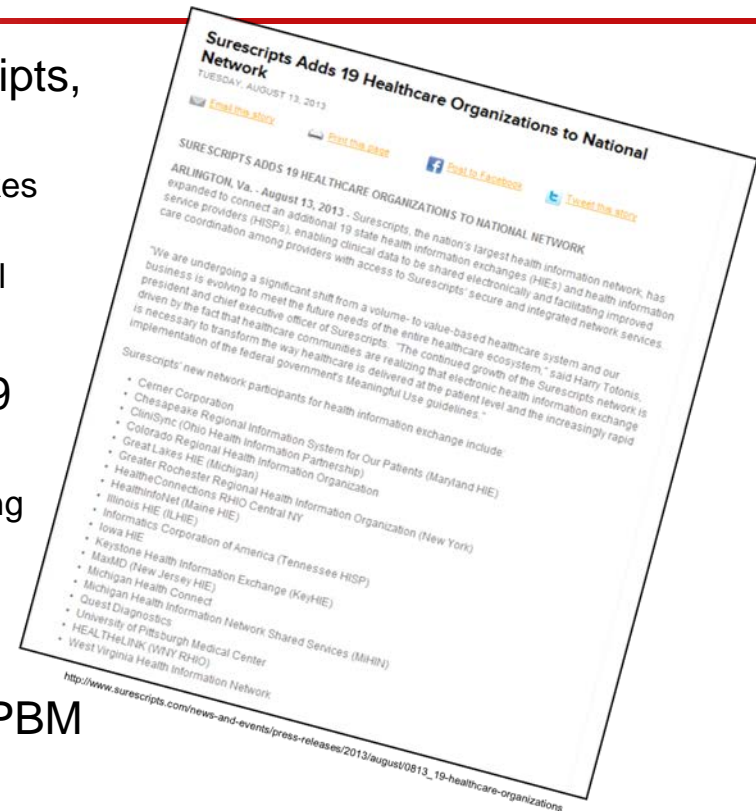


	PBM	Rx Covered Lives	Marketshare
1	Express Scripts	134,300,000	35%
2	CVS Caremark	96,100,000	25%
3	Catamaran	43,282,981	11%
4	MedImpact	32,000,000	8%
5	Argus	28,600,000	7%
6	OptumRx	22,204,703	6%
7	Prime Therapeutics	17,700,000	5%
8	RESTAT	12,000,000	3%
	Total	386,187,684	100%

Note: According to the Pharmacy Benefit Management Institute (<http://www.pbmi.com/pbmdir.asp>), there are 50-60 PBMs operating in the US.

PBM Involvement in HIE

- Most of the large PBMs are involved in Surescripts, a commercial “HIE”
 - Express Scripts and CVS Caremark have ownership stakes along with NACDS & NCPA
 - But PBM transactions – NewRx, Change, MedHX, clinical messaging -- aren’t going through any other HIEs
- Surescripts has announced agreements with 19 organizations, at least 14 of which are HIEs
 - But this is a push from the HIE thru Surescripts, leveraging their provider directory
 - There is no query-response capability
 - HIEs can’t push to PBMs
- To our knowledge, this is the extent of current PBM involvement in HIE



The “Art of the Possible”



What Could HIEs & PBMs do?

- ⦿ PBMs could use HIEs as a channel to reach their providers
 - Medication History/Reconciliation
 - ePrior Authorization
 - Clinical Messaging
- ⦿ PBMs and HIEs could share de-identified data to link medical/prescription costs with quality measures
 - Identify patterns in clinical outcomes associated with medication therapy

How Do You Reach Them?

- ⦿ PBMs will work with a HIE if ...
 - directed to by their clients
 - you can demonstrate that you can show value

Objection	Response
How <u>real</u> are you?	Demonstrate sustainability and show growth plan.
Can you provide value to us?	Show how you can help them reach their providers.
Is there really an opportunity?	Clearly articulate – in pictures, words – the value proposition.
If you have a community data repository, how would you not be a competitor?	Share the reason for and value of integrating pharmacy and clinical data, and aggregating it on a community basis for population health. Include provisions in data use agreements that you won't compete with PBMs.

Tony Schueth | CEO & Managing Partner
954-346-1999 | tonys@pocp.com
Bill Hein | Payer/Provider/ACO Executive Lead
303-829-9660 | bill.hein@pocp.com



POINT-OF-CARE PARTNERS

Health IT Management Consultants

www.pocp.com