

Leveraging Healthcare Data to Drive Decisions

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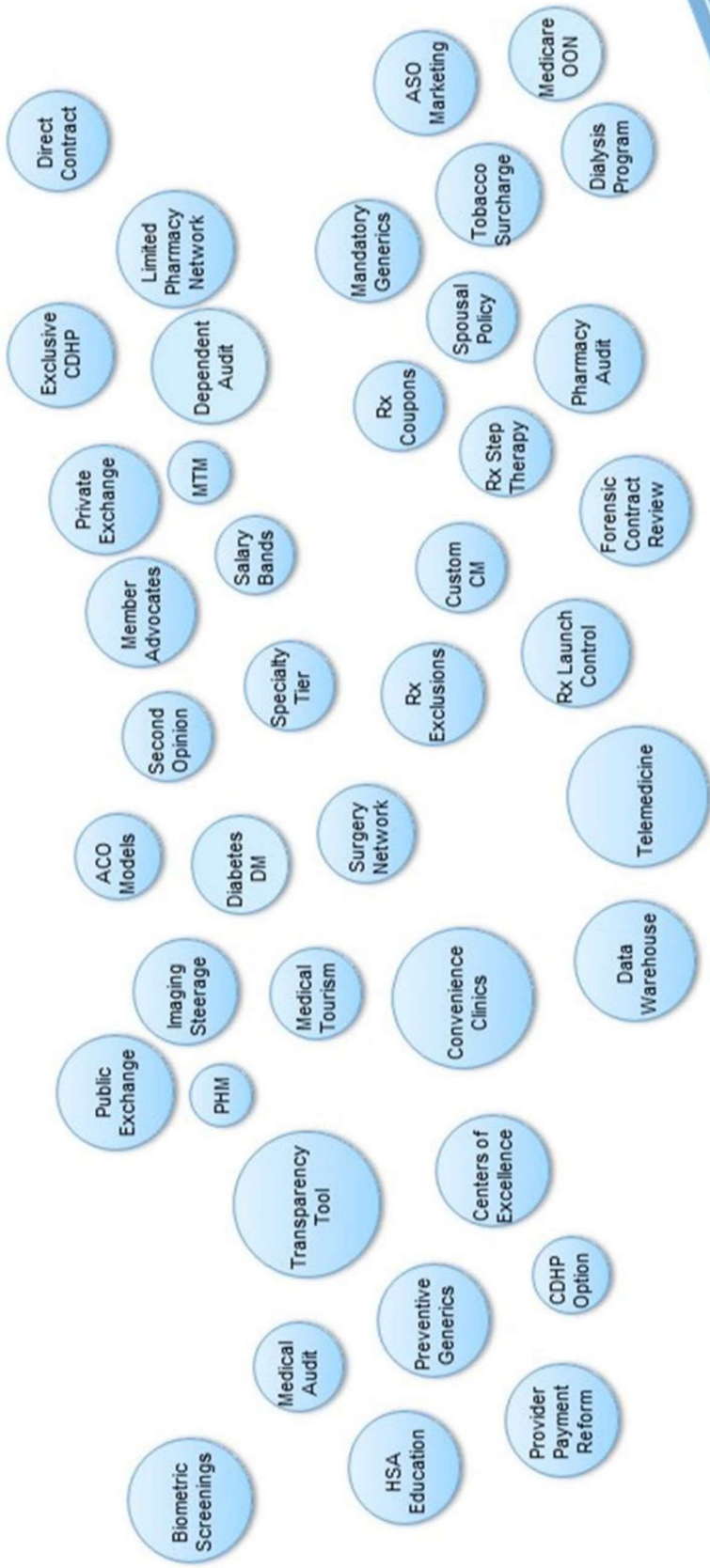


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Why data?



Complexity

Savings

Successful Strategies



FOUR STRATEGIES TO ADDRESS COST DRIVERS OF KEY HEALTH BENEFITS

- 1 Population health management programs
- 2 Opioid dependency prevention and treatment
- 3 Proactive management of specialty pharmacy
- 4 Prescription drug contracting

1 - Promoting population health mgmt. programs



Prevent chronic health issues

- Across every employee population there's a distribution of health status from top to bottom.
- With the support of health management programs, employees in need can work to prevent chronic health issues from developing or getting out of control.
- It's imperative to help at-risk employees stay healthy through programs that identify and engage them in wellbeing programs and the healthcare system.

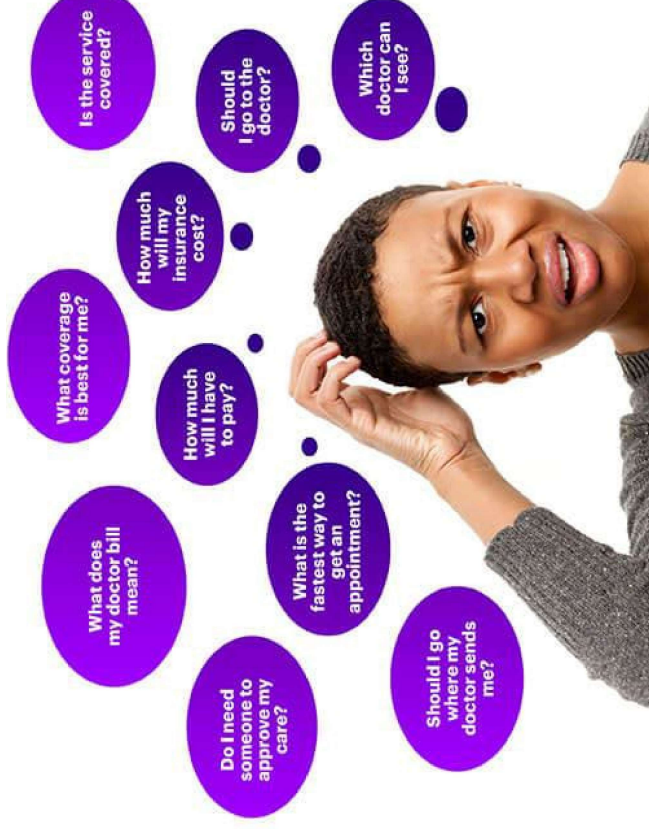


1 - Promoting population health mgmt. programs

Patient Advocacy

- Provide personalized patient advocacy support with research on cost and quality of providers
- 94% will choose a lower cost options
- **\$3,400** average **employer** savings per cost & quality service request*
- **\$400** average **employee** savings per cost & quality service request*

*Source: Direct Path Health



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Diabetes Mgmt.

- Diabetes requires a comprehensive approach to care that is confidential, personalized and appealing
- 87% have other chronic conditions
- 20% claims attributed to members with diabetes
- The results:
 - ✓ **40-60% engagement**
 - ✓ 15% reduction in A1c > 10
 - ✓ 10% reduction in medical claims
 - ✓ 9% reduction in hospital days

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Musculoskeletal Mgmt.

- Monitor outcomes to keep treatment plans on track
- **80%** of MSK issues are solved with early intervention of physical therapy
- Reduce over-utilization by eliminating unnecessary diagnostics and specialty care
- Considerations:
 - Benefit design
 - Access to care
 - Behavior change
 - Program management

*Source: ATI

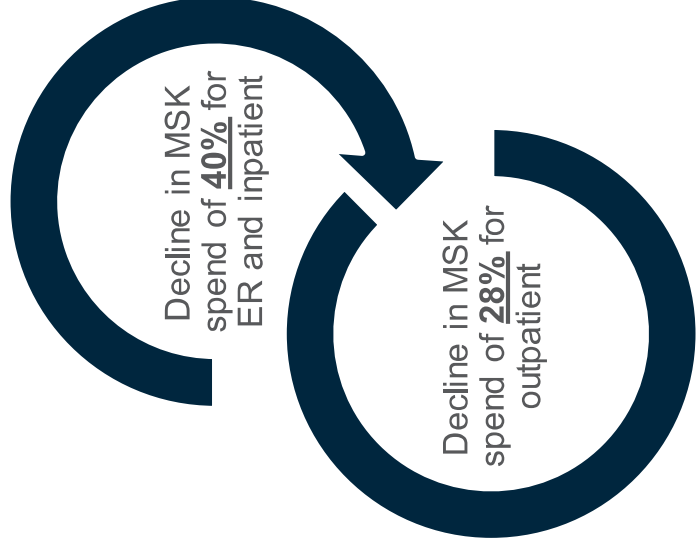


2 - Actively address opioid dependency

Focus on prevention and treatment

Prescription medications provided through **employer-sponsored health plans** contributed in large part to the crisis.

1. Manage chronic pain
2. Communicate and support employees.
3. Educate health plan members to self-advocate
4. Establishing a comprehensive drug-free workplace policy that includes testing for synthetic opioids supports these objectives.



* State of MSK Report 2021: Changing Musculoskeletal Trends Are Redefining MSK Care

3 - Proactively manage specialty pharmacy use

1-2% of your claims can drive 50% of costs

- Their redeeming quality is that many represent breakthrough, life-changing or life-saving therapies
- Predictive modeling can more sharply define the cost challenge of specialty drugs, and help employers identify appropriate plan designs and policies.
- In many cases, those policies will include **prior authorization** and **step therapy** as measures for verifying the patient is receiving the right therapy for their needs.

3 - Proactively manage specialty pharmacy use

Example: Saveon SP

- Utilizes ACA state benchmark to change client plan design
- Select drugs designated as Non-Essential Health Benefits
- Copays set to maximize manufacturer assistance dollars
- Targets 150+ specialty drugs in 19 therapy classes
- Reduces patient's responsibility to zero

Case Study:

- 1,500 lives
- 163 impacted claims
- 22 members benefiting
- \$144,000 annual plan savings
- \$9 average member copay per Rx
- \$8.16 PMPM client savings
- \$0 remaining member cost

Average savings range from \$2.50 - \$4.50 PMPM*

*(net of program shared savings fee)

4 - Prescription Drug Contracting

How do you protect yourself against these bad contracting practices?

- Review the contract **first**, not last
- Value financial terms against their contract language
- Track unit costs and independently validate plan performance
- Secure full audit rights

Case Study

Rank	PBM/Health Plan	Projected Gross Cost (Allowed + Admin)	Cost Avoidance Gross Cost (Allowed + Admin)	Projected Rebates	Rebates Cost Avoidance	Total Cost Avoidance
1	Vendor A (Non-Fully Disclosed Pass-Through)	\$73,792,000	\$5,999,000	\$8,186,000	\$5,749,000	\$11,748,000
2	Vendor B (Traditional)	\$72,640,000	\$7,151,000	\$5,006,000	\$2,568,000	\$9,719,000
3	Vendor C (Traditional)	\$77,109,000	\$2,681,000	\$9,424,000	\$6,986,000	\$9,667,000
4	Vendor B (Non-Fully Disclosed Pass-Through)	\$72,942,000	\$6,848,000	\$5,006,000	\$2,568,000	\$9,416,000
5	Vendor D (Pass-Through)	\$73,726,000	\$6,064,000	\$4,995,000	\$2,557,000	\$8,621,000
6	Vendor E (Pass-Through)	\$73,206,000	\$6,584,000	\$4,103,000	\$1,665,000	\$8,249,000
7	Vendor F (100% Pass-Through)	\$73,905,000	\$5,885,000	\$3,325,000	\$887,000	\$6,772,000
8	Vendor G (100% Pass-Through)	\$75,990,000	\$3,801,000	\$3,080,000	\$643,000	\$4,444,000

4 - Prescription Drug Contracting - Case Study

Joliet Junior College

Solution

- Through Gallagher Healthcare Analytics, we conducted a RFP soliciting several national PBMs
- Introduced telemedicine
- Carved-out stop loss

Overall Results

- Estimated 1st year savings (\$617,000)
- Savings through contractual changes identified by Gallagher with no plan design changes including changes to copays, pharmacy access, plan protocols
- HCA RFP fees and ongoing audit fees paid by PBM

Three years later...

- We are still running below the 2016 budget!
- Implemented Gallagher Pharmacy Alliance with another (\$302,899) in savings 1st year

Renewal History

	2018	2019	2020	2021
Impact to budget/ premium funding:	<ul style="list-style-type: none"> • 0% PPO, • -2.2% HMO • 0% dental, • 0% vision 	<ul style="list-style-type: none"> • +0.9% PPO, • +5.5% HMO, • 0.5% dental, • 0% vision, • -18% basic life 	<ul style="list-style-type: none"> • 0% PPO, • -3.7% HMO, • +4.8% dental, • -4.6% vision 	<ul style="list-style-type: none"> • 0% PPO, • +1.7% HMO, • 0% dental, • 0% vision
Employee Rates	No change	No change	No change	No change
Budget	Continue current	Continue current	Continue current	Continue current
Benefit Actions	<ul style="list-style-type: none"> • Benchmarked benefit plans • Realized savings from Rx contract • (\$77,424) in Rx rebates 	<ul style="list-style-type: none"> • Benchmarked benefit plans • (\$280,624) Rx rebates • Added MDLive (telemed) • Added Inside RxPets • Conducted employee benefit survey • Added EAP for part-timers and PERKS EAP program 	<ul style="list-style-type: none"> • Benchmarked benefit plans • Medical renewal with Gallagher Express Scripts Alliance = (\$593,382) rebate savings • Added vision buy-up • Moved EAP to ComPsych • Managed COVID costs • Virtual Benefit Fair 	<ul style="list-style-type: none"> • Benchmarked benefit plans • Flat renewal in a COVID year! • Conducted medical network analysis • Extended COVID testing, treatment and telemedicine cost share waivers

Thank You!

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