

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
DECEMBER 16, 2010

[In these minutes: Administrative Working Group (AWG) Update, Prime Therapeutics, Fairview Specialty Pharmacy]

[These minutes reflect discussion and debate at a meeting of a committee of the University Senate; none of the comments, conclusions, or actions reported in these minutes represent the view of, nor are they binding on the Senate, the Administration, or the Board of Regents.]

PRESENT: Gavin Watt (chair), Pam Enrici, Tina Falkner, William Roberts, Dale Swanson, Sharon Binek, Jody Ebert, Jennifer Schultz, Sandi Sherman, Nancy Fulton, Michael Marotteck, Carl Anderson, George Green, Judith Garrard, Richard McGehee, Fred Morrison, Michael O'Reilly, Theodor Litman, Rodney Loper, Dann Chapman

REGRETS: Sara Parcells, Joseph Jameson, Amos Deinard

ABSENT: Karen Lovro, Carol Carrier, Frank Cerra, Keith Dunder

OTHERS ATTENDING: Bob Altman, Karen Chapin, Betty Gilchrist, Ryan Gourde, Shirley Kuehn, Kathy Pouliot, Curt Swenson

GUESTS:

Dr. Steven Schondelmeyer, College of Pharmacy

Prime Therapeutics representatives: Deb Fridberg, business integration lead; Cory Super, client engagement principal; and Sheri Vetscher, account manager

Fairview Specialty Pharmacy representatives: Kari Amundson, Amanda Fadden, Tony Zappa

I). Gavin Watt called the meeting to order and welcomed all those present.

II). Mr. Watt reported that at the last Administrative Working Group (AWG) meeting the group heard from Dr. Cerra about the budget challenges facing the University and what this might mean. Chief Financial Officer Pfutzenreuter has been scheduled to attend the February 3 BAC to talk in greater detail about the University's budget. Also, at the last AWG meeting, Towers Watson shared data from a report they prepare annually, which contains comparative health plan and trend information.

III). Karen Chapin reported that Employee Benefits has been working diligently with the two new pharmacy benefit managers (PBM), Prime Therapeutics and Fairview Specialty Pharmacy (FSP), to implement the UPlan pharmacy program that will be effective January 1, 2011. She then introduced the representatives from each of the plans.

Cory Super, PharmD, client engagement principal, Prime Therapeutics, began by thanking the University for its business, which Prime Therapeutics appreciates tremendously. A PowerPoint presentation was then distributed to members.

Dr. Super shared information about Prime Therapeutics with members. He noted that Prime Therapeutics is a Minnesota-based, privately held PBM, which is founded on the principle of transparency. The company is a full service provider of PBM services with 17 million members nationwide. Its clinical programs are not aimed at driving revenue, but are geared at lowering spend and providing members with appropriate medications in a timely fashion. Prime Therapeutics takes great pride in the service it delivers to its customers. Dr. Super then highlighted company metrics, which are a direct result of Prime Therapeutics' business model, e.g., low net cost offering, superior service.

Moving on, Deb Fridberg, business integration lead, provided an implementation update. She noted that the implementation process can be broken down into three components:

1. Pharmacy transition.
2. Clinical transition.
3. Member services.

A member asked where Prime Therapeutics' call center is located. Ms. Fridberg stated that Prime Therapeutics has two locations, Omaha, Nebraska, and Irving, Texas.

Ms. Fridberg noted that the implementation work began on May 18, 2010. She walked members through a few slides containing information about what has been accomplished so far in terms of the implementation and what remains to be done. Dann Chapman commented that the Prime Therapeutics' implementation process has been the most rigorous implementation process that the University has been through, and it has been through several.

The Prime Therapeutics' call center, noted Ms. Fridberg, went live on November 1, 2010. Members with open enrollment-related pharmacy questions were able to call and get those questions answered. In response to a question about the number of calls that were taken, Ms. Fridberg stated that in November there were about 40 calls and the numbers for December are not yet available. The Prime Therapeutic pre-login website also went live on November 1, 2010. Starting January 1, 2011 plan participants will be UPlan University plan information, e.g., Prime Therapeutics claims history, mail order ordering.

A member asked whether all the mail order information has been transferred over from CVS Caremark. Yes, for the most part, stated Ms. Fridberg, Prime Therapeutics has received most of this information, but a few more files still need to be transferred and this will happen closer to the go live date. She noted that some controlled substance prescriptions and compounds cannot be transferred. All prescriptions with an active date that are refillable will be transferred. Ms. Chapin reiterated that mail order prescription files that will not be transferred are those with no refills remaining. Ms. Fridberg added that expired prescriptions (those over a year old) would also not transfer.

Where is Prime Therapeutics' mail order facility, asked a member? Ms. Fridberg stated that this facility is in Irving, Texas. She added that there is also another mail order facility in Albuquerque, New Mexico. Therefore, if for any reason a prescription cannot be filled out the Texas facility, e.g., weather problems, then it can be filled out of the Albuquerque facility.

Dr. Super went on to share information about how the clinical programs will be transitioned. A dedicated clinical team has been meeting regularly with Employee Benefits to ensure a smooth transition.

Mr. Watt asked about the prior authorization (PA) process. Ms. Fridberg stated that Prime Therapeutics has 20 different PA forms. The reason for the high number of forms is that they are specific to the clinical programs.

Is the prior authorization criteria available for members to see, asked a member. Sheri Vetscher, account manager, stated that if a members requests the criteria it would be released to the member. In response, the same member asked how a plan participant would know to request this information. After a brief discussion, Ms. Chapin stated that if BAC members felt that providing this information was important that Employee Benefits could reference it on its website. Ms. Vetscher added that Prime Therapeutics has a tip sheet available on its website for all step therapy programs, and it could add a column with the University's prerequisite drugs. This format would be more member-friendly for plan participants to use than actually looking at the clinical criteria.

Lastly, Ms. Fridberg walked members through the go live plan for what will happen on January 1, 2011. Effective January 1, 2011 there will be a team who will be monitoring claims transactions as they go through with an eye toward looking for any inappropriate rejections. There will be rejections and appropriate rejections are good. For example, there should be rejections for duplicate coverage, refill too soon reasons, member not covered, etc. The team will also be monitoring the call center volume to see how many calls are coming in and what types of calls. Then, starting January 2nd, Prime Therapeutics will send a daily report to Employee Benefits, which includes information about the number of claims that have paid, the rejection rate, etc. Contingency plans are in place for any problems that arise. There is a team of people who are ready on January 1 to deal with any issues that need to be worked through. In response to a problematic scenario envisioned by Mr. Chapman, Ms. Fridberg suggested having the University request CVS Caremark to send a message to pharmacies if a UPlan member tries to fill a prescription with their old pharmacy id card asking the pharmacy to submit the claim to the new RxBIN and RxPCN. Ms. Chapin added that the University has been very reliant on CVS Caremark through this transition, and so far they have performed well. Ms. Vetscher reminded Ms. Fridberg that Prime Therapeutics built into the system a crosswalk link to the claims history file it received from CVS Caremark. Therefore, claims should not be rejected for this reason. The only downside to the crosswalk solution, however, is that if a member did not have a pharmacy claim in 2010 their information would not be included in the crosswalk. Lastly, Ms. Fridberg informed the

committee that a Prime Therapeutics call center staff person will be working on-site at the University with Kathy Pouliot and her staff the first week in January.

Who owns Prime Therapeutics, asked a member? Dr. Super stated that Blue Cross Blue Shield owns Prime Therapeutics. In response, the same member asked about the likelihood of Prime Therapeutics being acquired by CVS Caremark. Dr. Super stated that he estimates this to be a very unlikely scenario. Dr. Schondelmeyer stated that there is actually a group of 10 – 11 Blue Cross Blue Shield plans across the U.S. that own Prime Therapeutics.

In closing, Dr. Super reiterated his earlier comment that Prime Therapeutics is excited about the opportunity to partner with the University and that Prime Therapeutics is committed to achieving the outcomes that the University expects.

IV). Ms. Chapin again introduced representatives from FSP, Tony Zappa, PharmD, operations director; Amanda Fadden, operations manager; and Kari Amundson, account manager.

Like Prime Therapeutics, noted Dr. Zappa, FSP is also very appreciative of the University's business and having the University of Minnesota as a client. Dr. Zappa explained that FSP is part of Fairview Health Services, which owns the University of Minnesota Medical Center. FSP is located only a few miles from the Minneapolis campus. He extended an invitation to any members who might be interested in visiting the facility.

A handout to supplement the FSP presentation was distributed to members. Dr. Zappa explained the difference between specialty medications and other medications. Specialty pharmacy attributes include:

- High cost or highly complex medications (often both), e.g., average prescription cost is \$2,000/month.
- Highly complex medical conditions requiring multiple medications are treated, e.g., average patient receives 3 – 5 medications for one disease, plus supportive therapies.
- Require a high degree of clinical intervention and customer service support, e.g., an FSP representative talks to each of its customers every month before sending out their medication(s) to ensure they are still taking the drug, they are taking it correctly, and that it is working correctly without any side effects or adverse events.

Mr. Watt asked about the number of UPlan members who use specialty medications. Dr. Zappa stated that based on the data from CVS Caremark from the July through September timeframe, there were 305 unique users of specialty drugs. On average, between 1% - 1½% of people in any given population are candidates for specialty drugs.

A member asked about how FSP and Prime Therapeutics plan to coordinate their efforts. FSP will not adjudicate claims, but other than that much of what FSP and Prime

Therapeutics do is very similar. Both PBMs will work together to ensure there are no redundancies in what they are doing.

Professor Morrison commented that as a member of the PBM RFP committee, he was particularly impressed with the breadth and quality that FSP offered. In addition, their close proximity to the University was a plus.

Dr. Zappa then took a few minutes and talked about how the FSP program works. He noted that the call center is staffed Monday through Friday 8 a.m. – 7 p.m., and the phones are answered live on average within 13 seconds. There are four ways Fairview Specialty Service receives its orders:

1. Electronic fax.
2. Phone.
3. Website.
4. E-prescriptions.

A website customized for the UPlan has been set up - <http://www.fairview.org/UPlan/index.htm>. Members were encouraged to visit this site. Dr. Zappa added that this website will be enhanced in early 2011 to be more interactive.

What happens if a UPlan member needs a specialty medication over a weekend, asked a member? Dr. Zappa stated that FSP has two staff members (a customer service representative and a pharmacist) on call after hours to handle such orders.

Information about how orders are processed was shared with members. Dr. Zappa stated that while the UPlan's co-pay structure is very reasonable, most co-pays in the marketplace are between 20% - 30% of the cost of the medication. Fairview Specialty Pharmacy has a co-pay assistance program to help people who have problems paying their co-pays.

Other information shared by Dr. Zappa included, but was not limited to:

- All prescription orders are checked three times by a pharmacist before they are shipped. The orders are checked for clinical appropriateness, dose and duration, and that the correct drug has been dispensed.
- Medications are packed in plain, unmarked boxes or envelopes. If the medication needs refrigeration, it will be sent next day air in a cooler with ice packs. Orders shipped in the 13 county metro area are delivered by local couriers, and orders outside this area are shipped UPS or Fed Ex.
- A retail network has been set up for UPlan members in the Twin Cities and Duluth. Fairview has 32 sister retail pharmacies across the Twin Cities, and UPlan members can go to one of these sites and pick up their medications. (A list of these locations was distributed to members.) In addition, FSP has made arrangements with 3 pharmacy locations in Duluth (one from St. Luke's and two at St. Mary's) where UPlan members can pick up their medications.
- Transition planning highlights.

- With respect to Medication Therapy Management (MTM), FSP has its own set of specialty management programs for the conditions it typically deals with, which tend to be very specialized. FSP has MTM programs for about 8 conditions, e.g., Hepatitis C, rheumatoid arthritis, Crohn's disease. The FSP MTM programs are very specialized and intensive.

Mr. Watt asked how many patients FSP serves. Dr. Zappa stated that FSP has about 4,000 patients.

What is the status of the diabetic meters covered by the UPlan, asked Mr. Watt? Ms. Chapin stated that the UPlan will continue to cover the TRUEtest strips and TRUEresult meters at the \$8 co-pay level. Other meters and test strips will be available at higher co-pays. Mr. Watt noted that one UPlan member had contacted him about a FDA warning concerning diabetes test strips. Employee Benefits had clarified that the warning only applied in a very limited situation for members with very complex medical conditions. Mr. Watt responded to the member accordingly with this information.

Another member voiced concern about the fact the TRUEtest strips come in packages of 50 and 100. Dr. Zappa stated that all the companies that manufacture test strips package them in these quantities. Dr. Schondelmeyer stated that this is a packaging decision on the part of these manufacturers. There is currently no alternative that he is aware of.

Mr. Watt thanked representatives from Prime Therapeutics and FSP for attending today's meeting.

V). Mr. Watt stated that the discussion about possible UPlan benefit changes was brought to the University Senate in early December. Senators had a lot of the same questions/concerns as BAC members. He added that since the December Senate meeting, he has gotten subsequent questions/comments from UPlan members, which he is categorizing/tallying and will bring back to the committee.

The next BAC meeting is January 20, 2011. As always, a meeting reminder and agenda will be sent out prior to the meeting. Vice President Pfutzenreuter has been scheduled to attend the February 3rd BAC meeting to provide information about the University's budget.

Hearing no further business, Mr. Watt adjourned the meeting.

Renee Dempsey
University Senate

