

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
APRIL 5, 2012

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

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

PRESENT: Gavin Watt (chair), Pam Enrici, William Roberts, Tatyana Shamliyan, Dale Swanson, Jody Ebert, Patricia Miller, Jennifer Schultz, Sandi Sherman, Nancy Fulton, Joseph Jameson, Karen Lovro, Michael Marotteck, Amos Deinard, Roger Feldman, Judith Garrard, Richard McGehee, Theodor Litman, Rodney Loper

REGRETS: Carl Anderson, Fred Morrison, Dann Chapman

ABSENT: Sara Parcels, Kathryn Brown, Aaron Friedman, Keith Dunder

OTHERS ATTENDING: Megan Jones Arko, Linda Blake, Karen Chapin, Betty Gilchrist, Shirley Kuehn, Kathy Pouliot, Sheri Stone, Curt Swenson, Laurie Warner

GUESTS: Prime Therapeutics representatives: Becky Balk, John Hogue, Kamie Kueneman, Cory Super, Sheri Vetscher

Fairview Specialty Pharmacy: Mary Claire Wollis, Amanda ?, Kyle Skymant, Ann McNamara

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

II). Mr. Watt began by providing an Administrative Working Group (AWG) update. He noted that the AWG continues to work on revising the Benefits Advisory Committee (BAC) charge. In addition, the AWG has been discussing health care reform in the United States, and anxiously awaits the Supreme Court decision that is anticipated sometime this summer.

As another point of information, Mr. Watt reported that RFPs have been issued for health plan consulting and data warehousing services. The current consulting and data warehousing vendors are Towers Watson and OptumInsight (formerly Ingenix), respectively.

III). Next, Mr. Watt welcomed today's guests from Prime Therapeutics who began by introducing themselves. Then, Cory Super walked members through an overview of the agenda.

Ms. Balk began by highlighting member concerns and what Prime Therapeutics has done to resolve issues brought to their attention by UPlan members. Negative comments primarily pertained to identification cards, co-pays, UPlan formulary, mail order, customer service reps knowledge of the UPlan, prior authorizations, and the need for some website enhancements. Positive comments primarily dealt with service and Prime Therapeutics' user-friendly website.

Karen Chapin stated that while UPlan members who are leaving comments about their experiences with the various vendors are encouraged to provide their contact information if they have a problem they want resolved, unfortunately, many do not. She suggested making this portion of the announcement in the future more pronounced so more people leave their information and Employee Benefits can follow up on individual situations.

Moving on, Ms. Balk shared 2011 UPlan financial information and highlighted the following:

- Total paid per member per month (PMPM) for all drugs was \$77.14. However, when specialty drugs are excluded, the total PMPM cost dropped to \$57.13. In comparison to Prime Therapeutics' book of business, the University's costs are higher, and can largely be attributed to utilization and specialty drug costs. The University's overall member paid share has remained relatively stable over the past couple years.
- The University's generic utilization is higher than Prime Therapeutics' book of business. Generic launches at the end of 2011 and throughout 2012 will help to increase the University's generic usage rate even further.
- The UPlan's top ten therapeutic class of drugs by spend are: depression, autoimmune, asthma/COPD, diabetes, antihyperlipidemic, ADHD, multiple sclerosis, estrogens & osteoporosis, pain, other – antipsychotic.
- The UPlan's top five drugs by total cost (excluding specialty) include: Lipitor, Advair Diskus, Abilify, Cymbalta and Singulair.
- The UPlan's top five specialty drugs by total cost include: Humira, Copaxone, Enbrel, Norditropin Flexpro, and Advate.

Members' questions and comments included:

- Please explain the difference between a prior authorization and a quantity limit. Ms. Kueneman explained that if a member goes to a pharmacy with a prescription requiring a prior authorization, the prescription will be rejected and the member will not be able to get the drug until the physician completes a prior authorization form and it is approved. In a quantity limit situation, the member will be able to get the medication, however, the physician would need to complete an exception request in order for the patient to get a higher quantity. Information about prior authorizations, step therapy and formulary exceptions are on the Prime Therapeutics' website.
- Do prior authorizations expire? Yes, stated Ms. Chapin. Ms. Kueneman added that Prime Therapeutics is working on a web enhancement so members will know when their prior authorization(s) expire.

Next, Mr. Super shared information about a cost saving opportunity that the University may want to consider. Currently, noted Mr. Super, the University fills about 35% of its pharmacy claims at Walgreens. Through Prime Therapeutics' networking agreement with Walgreens, it charges a premium for generic drugs, which is less favorable than Prime Therapeutics' other contracts. This upcharge for generic claims costs the UPlan and its members approximately \$386,000/year.

Options to consider, stated Mr. Super, include:

- Remove Walgreens from the UPlan pharmacy network.
- Increase the member copay when filling at Walgreens to offset the upcharge on generic drug fills.

In response to a members' concern about pharmacy availability if Walgreens is removed the network, particularly in Outstate Minnesota, Mr. Super reassured the committee that as Prime Therapeutics looks at the different options available to the University, it is taking into account the number of members who would be affected and opportunities to mitigate any problems.

A member suggested simply educating the UPlan community about the fact that Walgreens charges more for generic drugs and that this alone would likely reduce the number of generic prescription fills at Walgreens. Mr. Super stated that based on Prime Therapeutics' experience with removing pharmacy chains from other employer's networks, it has gone quite well with little disruption for members. If any change is made to the UPlan, it would be accompanied by an extensive communication plan to members. Ms. Kueneman suggested members go to the Prime Therapeutics' website (<https://www.myprime.com/MyRx/MyPrime/umn#ViewHomeEvent/null/>) and do cost estimates for different pharmacies.

Mr. Super went on to say that for 2012 a 3.2% increase is anticipated for the UPlan's generic fill rate. A number of drugs will be or have recently gone generic, e.g., Lipitor, Lexapro, Plavix, Singulair, Diovan/HCT. Prime Therapeutics predicts that the UPlan's generic use rate will reach 80%.

Mr. Watt thanked the Prime Therapeutics representatives for their presentation. He urged Benefits Advisory Committee (BAC) members to talk with their constituents about the Walgreens issue and solicit their feedback.

A member asked whether Walgreens is more expensive overall. Mr. Super stated that Prime Therapeutics looks at this information in aggregate and based on their data it is clear that Walgreens is more costly to the University.

IV). Ms. Pouliot recognized the work of Megan Jones Arko, a benefits specialist in Employee Benefits, who did an outstanding job sifting through the numerous employee comments that were received, and following up with the plans as necessary.

V). Next, Mr. Watt welcomed the representatives from Fairview Specialty Pharmacy (FSP). Mary Claire, ?, turned members' attention to a PowerPoint handout to supplement the presentation. As background information, Ms. ? pointed out that Fairview Specialty Pharmacy started as a transplant pharmacy for transplant patients coming out the University of Minnesota. She then highlighted the spectrum of conditions that FSP dispenses medication for and noted that FSP uses a patient-centric service model, which is set up to meet the specialty needs of patients using specialty medications.

FSP, stated Ms. ?, is exceeding all the performance guarantees outlined in its contract with the University of Minnesota. Performance guarantees include:

- Call abandonment rate of 5% or less.
- Average speed of call answer in 45 seconds or less.
- Turnaround time for clean orders at 98% or higher.
- Prescription fill accuracy of 99.95% or better.

Ms. ? then highlighted the specialty drug classes for the UPlan, which includes HIV/AIDs and transplant medications. For 2011, the number of members served, prescriptions filled, total spend, and average prescription costs were stable. For comparison purposes, Ms. ? also included non-specialty medication figures, which clearly illustrate the high-cost nature of specialty medications. She mentioned that for convenience purposes, specialty drug patients are also able to get their non-specialty medications filled through FSP if they so choose.

Moving on, Ms. ? shared the five drug classes by spend for fourth quarter 2011:

1. Inflammatory conditions (e.g., rheumatoid arthritis, psoriasis, Crohn's Disease) – 33.2%.
2. Multiple Sclerosis – 25.7%.
3. Growth deficiency – 14.4%.
4. Oral Oncology – 5.8%.
5. Hematology (e.g., Low Molecular Weight Heparins [LMWH]) – 5.3%.
6. All others – 15.6%.

She went on to note that the top five drug classes by member use and spend in fourth quarter 2011 both totaled 81%. Comparative data with a plan having a similar number of members was then contrasted with the UPlan.

Next, Amanda ? summarized the UPlan member feedback that FSP received. Overall, the FSP feedback was positive with members being satisfied with the FSP customer service, refill reminder calls, shipments arriving in a timely manner, etc. A handful of less than positive comments were also received, which FSP will take under advisement for the purpose of improving upon the service they deliver.

Mr. Skymant added that regarding prior authorizations, given FSP has a smaller patient population, it is able to proactively secure prior authorizations for its members. FSP has staff who track when prior authorizations are scheduled to expire.

Ms. ? went on to provide information about FSP's Therapy Management Program, which is a case management advanced clinical programming tool used with some specialty patients. FSP's Therapy Management Program is a true "continuity of care" model.

Salient highlights about the program included:

- Specialty therapies improve patient outcomes.
- Most specialty drugs are self-administered, therefore, there is a greater opportunity for error as patients do not always take medications the way they should or in a way that has been studied to produce optimal outcomes.
- Diseases included in FSP's Therapy Management Program include:
 - Hepatitis C.
 - Oral oncology.
 - Multiple sclerosis.
 - Rheumatoid arthritis.
 - Psoriasis/psoriatic arthritis, and Crohn's disease.
 - Transplant.
 - Cystic fibrosis (to be added soon).
- Components of FSP's Therapy Management Program include good clinical programming and having a registered nurse regularly contact each patient to offer education, counseling, and ask questions to determine side effects, adherence, or other barriers to care.

A case example for hepatitis C was shared to illustrate the effectiveness of this program.

Members' questions/comments:

- Does FSP only work with patients who receive care from the University of Minnesota? No, FSP services patients from across the United States, noted Ms. ?
- Does FSP dispense injectable oncology drugs or only oral oncology drugs? Generally speaking, noted Ms. ?, the infused oncology medications are billed through the medical plan. While there have been discussions about billing these drugs through the pharmacy plan, the question remains how to do it. A barrier to doing this is the billing systems in oncology offices, which uses a different billing model than pharmacy. Pharmacy uses a point-of-service dispensing model. Ms. Chapin stated that the University ideally wanted to get all of its specialty medications dispensed through its specialty pharmacy vendor, but there is a provider contracting issue on the medical side that has prevented this from happening thus far. Discussions continue on how the University may be able to accomplish this at some point in the future.
- How is the service working for patients in Outstate Minnesota in terms of being able to physically go to a pharmacy and pick up their specialty medications? Ms. ? stated that FSP sends medications via FedEx or UPS to outstate patients or, alternatively, they can pick them up at either St. Luke's or St. Mary's in Duluth. While the number of physical pharmacies where members can walk in and pick up their medications may be small, it serves to help control costs and allows FSP to maintain a close relationship with its members. Mr. Skyman added that FSP also employs, on occasion, a courier service for urgent/special situations that require immediate delivery of a medication.

- Does the FSP's Therapy Management Program conflict in any way with other UPlan disease management programming? No, stated Ms. Chapin, the conditions treated by the FSP Therapy Management Program are different than the conditions covered by other UPlan disease management programming.
- Do most organizations have a medical plan with a specialty pharmacy in addition to a regular pharmacy benefit manager? According to Ms. ?, most payers are developing specialty networks. Specialty pharmacies are able to give a little bit deeper discount on the purchase price of the drugs, and provide specialty services. Mr. Skyvant concurred and stated that in the industry it is said that the most expensive specialty drug that is taken is the one that the patient takes incorrectly, which is a driver for the use of specialty pharmacies.
- What are the projections for demand of specialty pharmacy services five years from now? Ms. ? stated that all the projections are that specialty pharmacy will continue to grow. Currently, 1% - 2% of specialty pharmacy patients use about 17% of financial resources.
- Does FSP use a whole-person approach? Yes, stated Ms. ?, FSP sees each patient as a whole person even if they are using non-specialty medications, e.g., insulin.
- To what extent do specialty drugs have an adverse effect on the oral health of patients? Does FSP have a cadre of dentists that it can turn to and consult with in these situations? According to Ms. ?, this example illustrates the risk of developing an adverse event, and is one of the reasons that therapy management and using a specialty pharmacy is important. Specialty pharmacies are specifically looking for these adverse events when patients are counseled about their medication use.

Hearing no further questions, Mr. Watt thanked the representatives from Prime Therapeutics and FSP for their presentations today.

Mr. Watt then turned to Ms. Ebert to summarize the UPlan member comments that were collected. Regarding FSP, stated Ms. Ebert, overall the comments were positive with a minimal number of complaints. With regard to comments about Prime Therapeutics, there were a fair number of negative comments. The majority of concerns had to do with co-pays, UPlan formulary, and identification cards.

Ms. Ebert's suggestions based on the comments that were received included:

- Increase the time between when the last comments are sent to the reviewer to be summarized and when the final summary needs to be completed; four days is not enough.
- When UPlan members' comments are solicited, make the portion of the announcement that instructs people to leave their contact information if they have an issue that needs to be resolved more pronounced.
- Put the UPlan formulary link on UPlan members' pharmacy identification cards.

Ms. Chapin noted that Prime Therapeutics has agreed to follow-up on two matters related to their website and that is having the duration of the prior authorization on their website

as well as updating their site on a daily basis versus a weekly basis. Employee Benefits will continue to follow-up with Prime Therapeutics on these enhancements.

VI). Ms. Kuehn reported that SHPS, the company the University decided to outsource its Flexible Spending Account administration to, recently notified the University that it was being bought out by another company. As a result of this acquisition, the University has a number of questions that cannot be answered until the sale is finalized. As a result, this project has been temporarily put on hold. Before proceeding, the University wants to make sure that the new vendor will be able to meet its needs and provide the same high level of service that SHPS was going to provide. Ms. Kuehn stated that she will keep the committee abreast of any developments related to this project at future meetings.

VII). Mr. Watt noted that the Delta Dental plan review will take place at the next meeting on April 19th. Hearing no other business, the meeting was adjourned.

Renee Dempsey
University Senate