

Pharmacy Programs

HealthPartners offers an array of clinical and utilization programs directed at all the stakeholders involved in drug utilization decisions. This document outlines the clinical, management and member support programs included in the base pricing of our pharmacy solution.

Clinical Support & Program Management

HealthPartners has significant clinical pharmacy resources and expertise which includes Clinical Pharmacy Managers (all experienced clinical pharmacists), full-time Medication Therapy Management Pharmacists who only provide MTM clinical services (no dispensing) and full-time staff clinical pharmacists who support our prior authorization program. In addition, we have dedicated clinical pharmacy consultative services from our PBM partner, MedImpact.

These pharmacists support appropriate use of medications through our comprehensive utilization management programs as well as prescriber and member education, direct clinical consults to members or providers and new drug and pipeline reviews. They work closely with our disease management, behavioral health and medical management departments to fully integrate pharmacy services into comprehensive medical management.

Pharmacists are available to meet with you and your team to explain the value of our clinical programs in managing your drug spend.

Member Decision-Making & Support

Transition of pharmacy services for our new members

Our unique pharmaceutical transition of care program improves our member on-boarding experience with seamless service for the first three months of a member's time with HealthPartners, regardless of if the group is an existing client or not. This program applies to Commercial, and is similar to our transition program for Part D members. This process also improves the overall experience with the plan.

This benefit is helpful for both new groups and for members of current groups who have just joined the plan, allowing for the transition to a HealthPartners plan by reconciling differences between HealthPartners Preferred Drug List and the previous carrier's formulary. For groups with a non-preferred benefit tier, this convenient, patient-centered process transitions members to our Preferred Drug List.

We provide coverage for new members the first time they fill a prescription for a non-preferred medication during their three-month transition period. We then send a letter advising the member of Preferred Drug List alternatives that might be available. The letter alerts the member that if the non-preferred medication is continued after the initial period, the member's cost for that drug will increase. In addition, any step-therapy medications filled within the transition period are allowed to continue without the need of member or doctor intervention.

Drug cost transparency solution

Members no longer have to wonder if they are receiving the most cost-effective medicine. Our drug cost transparency solution helps members identify the lowest cost pharmacy in their area, based on their specific benefit plan. This solution will also alert members when there is a less costly option available, and where they have missed savings opportunities such as: a generic alternative, pill-splitting

opportunities, or a lower-cost pharmacy.

Drug interaction checker

Members can use this online tool to enter prescription medications, over-the-counter medications, vitamins and herbal supplements they take. The drug interaction checker detects the following interactions:

- ◆ Drug-to-Drug
- ◆ Drug-to-Food
- ◆ Drug duplication

Generic Savings Outreach

At no additional cost, letters are sent by HealthPartners to inform members of cost-saving opportunities by switching to the generic version of a recently-filled medication. Generic drugs are considered equivalent to the brand-name drug by the FDA. Generics typically cost less than their brand-name counterpart and provide an opportunity for members to receive an equivalent drug for a lower cost/copay. Costs for multi-source brand drugs have increased significantly, and several are now \$500 or more per month, more than 100x the cost of the equivalent generic.

This program has helped us achieve a very high generic dispensing rate of over 90 percent.

Pharmacy Navigator Program, Award Winning: 2013 President's Award

Our Pharmacy Navigators provide support with complex and escalated pharmacy issues. The Pharmacy Navigators are specially trained in all aspects of our pharmacy offering. This phone support service helps members resolve complex pharmacy issues that include costs, benefits, changes, formularies and coverage questions. They provide additional member support through outreach in areas such as benefit changes, specialty drug changes, site of care opportunities and more.

Pharmacy Navigators also help with questions like:

- ◆ Am I taking the most affordable medicine option?
- ◆ What can I do to remember to take my medication?
- ◆ What medicine options are covered under my plan?

Medication Optimization: Identifying the Gaps in Health Care

When members don't take their medicines correctly, preventable health issues turn into chronic diseases, resulting in poor health outcomes and unnecessary health care costs. With **50 percent** of people not taking their medicines correctly, inappropriate medicine usage has:

- ◆ Wasted \$177 billion health care dollars annually.
- ◆ Contributed to 125,000 death annually.
- ◆ Increased hospital admissions by 10 percent.
- ◆ Increased nursing home admissions by 23 percent.

Medication Optimization helps patients manage their existing conditions while working toward optimal health outcomes at a reduced cost. This programs helps identify gaps in care, including making sure patients:

- ◆ Take their medicine correctly.
- ◆ Can afford the medicine they're taking.

- ◆ Are on the correct medicine.
- ◆ Are getting the right results and the medicine is working.

Pharmacy Navigators and Medication Therapy Management Pharmacists team up to provide strong support to members in this program.

HealthPartners is focused on ensuring that each member has the right medication, at the right dose, and that they can adhere to their therapy. This program provides concerted focus and support that reaches beyond medication adherence.

- ◆ We focus on **medications that are underused** by utilizing information in both our medical and pharmacy claims, we identify members that should be taking medication for their condition(s), but aren't. For example, members with diabetes who are not taking statin medications to reduce their cardiovascular risk.
- ◆ We focus on **medications that are overused**.
 - ◆ MTM program focuses on members with polypharmacy to reduce medication use when appropriate
 - ◆ Opioid management programs reduce misuse and overuse of narcotics
- ◆ We focus on ensuring **medications that members are taking are achieving the expected results**.
 - ◆ For example, 30 percent of members with hypertension who are adherent to their medication therapy still do not have their BP in control. Our MTM program has proven (in a clinical trial published in the Journal of the American Medical Association) to improve blood pressure control by 20% when compared to standard care. Our MTM program goes beyond hypertension and focuses on helping members achieve all of their health goals by optimizing their medication use.
- ◆ We focus on **supporting safe medication use**.
 - ◆ Using our access to both medical and pharmacy claims, we monitor members for unsafe medication use and engage them when necessary. For example:
 - ◆ Serious drug – disease precautions
 - ◆ Serious drug – drug interactions
 - ◆ Laboratory monitoring required for safety of certain medications
- ◆ We support **affordable medication use**.
- ◆ We **promote generic alternatives** whenever possible through generic savings programs, formulary step edits, member specific outreach and benefit incentives.
- ◆ Pharmacy Navigators are specially trained pharmacy benefit coordinators who **help members maximize the use of their benefit** and help them afford their medications.

Medication Therapy Management (MTM) Program, Award Winning: 2017 American Pharmacists Association (APhA) Pinnacle Award

HealthPartners MTM, a medication therapy disease management (MTM) program, takes our medication optimization approach down to individual members currently experiencing or who are at risk of experiencing medication related problems. It is complimentary to Disease and Case Management services and provides free, confidential one-on-one appointments with an experienced clinical pharmacist to help members get the results they need from their medicines. Services are provided through HealthPartners network of community and clinic-based pharmacists.

This service goes beyond traditional pharmacist counseling by providing members with:

- ◆ One-on-one consultations in a private setting with an experienced clinical pharmacist
- ◆ A review of all the member's medicines, including specific answers to questions about over-the-counter medicines and herbal and nutritional supplements to find the mix of medicines that:
 - ◆ Results in optimal clinical outcomes.
 - ◆ Is safe for the member with monitoring plan that ensures ongoing safety.
 - ◆ Is simple enough to be understood and taken correctly.
 - ◆ Is affordable.

HealthPartners MTM has demonstrated a reduction in total cost of care of \$1,276 PMPY for those who participate in the program. These members may end up having poor outcomes because their medicine mix is not optimal.

Members and providers continue to value the program as reflected below:

- ◆ 97 percent would strongly recommend these services to friends and family
- ◆ 98 percent rate overall quality of care as “excellent”, “very good”, or “good”
- ◆ 96 percent feel more confident in managing their medicines after their visit

Specialty Pharmacy Programs

HealthPartners' specialty drug management program provides customers a best-in-class management approach to these expensive drugs. The program manages both self-administered (i.e., reimbursed on the pharmacy benefit) and professionally administered (i.e., reimbursed on the medical benefit) specialty drugs. It also leverages many of the same management strategies as our traditional mail and retail pharmacy programs with a focus on maximizing the Triple Aim and cost management. This applies to our book of business with no need for buy-ups.

Combined Medical and Pharmacy Perspective

We are able to impact health outcomes through insights provided using data analytics from both medical and pharmacy claims. The ability to use predictive analytics from both a medical and pharmacy claims perspective sets us apart from other health plans and PBMs who are only able to focus on pharmacy claims. Predictive analytics allow us to go beyond simply identifying if members are adherent. We are able to identify misuse, underuse and whether or not the medication is working as intended. Because we are able to identify gaps in care with our integrated approach, we are better positioned to achieve optimal health outcomes, ultimately reducing total cost of care

Pipeline Monitoring and High Impact Drug Alerts

When high impact drugs are launched that might completely skew a client's expenses, HealthPartners provides notification of the new drug launch. We also review medical claims history and notify groups if they have members with diagnoses who might use the drug.

New drug management

HealthPartners requires review and approval for all newly launched drugs. This is an integrated program that applies to drugs on the pharmacy benefit and drugs on the medical benefit. Because drugs submitted on medical claims do not receive reimbursement codes for months after launch, all medical claims are manually reviewed prior to payment for appropriate authorization and reimbursement.

Drug Formulary & Utilization Management Program

Almost all specialty drugs require a prior authorization. All drugs are reviewed by a committee of externally-practicing physicians and pharmacists. Our prior authorization criteria are among the most stringent in the market. We also employ a split fill program for oral oncology agents, a day's supply optimization program for starter packs with more than 30 days of therapy and many quantity limits, which ensures appropriate use.

Hepatitis C Medication Optimization Outreach Program

Pharmacy Navigators and MTM Pharmacists provide outreach to all members undergoing hepatitis C treatment. The goals of this program are to address and remove any barrier to compliance and provide support with coordination of care to ensure the best result possible.

Site of Care Program, Award Winning: 2017 PBMI Excellence Award

This program focuses on ensuring members who use injectable drugs requiring professional administration are receiving the drug in the most cost-effective site. We first contracted with facilities to agree to our standard contract reimbursement rates; many facilities moved to our standard rate which is among the lowest in the market. We then conducted outreach campaigns to members receiving an injectable at hospital outpatient facilities, not on our standard contracted rate. The third phase of this project requires use of low-cost facilities through our prior authorization program.

High Cost Case Management

Our Medication Optimization team reviews all new starts on targeted high cost drugs – on both the pharmacy and medical benefits – to ensure that all opportunities for Triple Aim goals are maximized. This includes referrals to HealthPartners case and disease management programs. Follow-up review of these cases will occur in an ongoing manner.

High Efficiency Specialty Pharmacy Network for Self-administered Medications

HealthPartners contracts with industry-leading specialty pharmacies for dispensing and member management programs. While one partner does the majority of dispensing, several classes are carved out to other pharmacies either due to more aggressive contract rates or clinical expertise in a particular disease or condition. All partner pharmacies are held to performance guarantees that ensure accuracy, optimal service and high adherence to drug therapy. We take our network out for bid at least every two years to ensure the most efficient network partners for ourselves and our clients.

Aggressive Provider Contract Management

Providers purchase drugs at lower costs than pharmacies. Therefore, the best approach to lowest unit cost reimbursement for professionally administered drugs is not to move them to PBM dispensing but rather to aggressively contract with providers to remove inappropriate profit margins. Our provider network contracts are negotiated using average sales price (which accounts for provider rebates) and include risk sharing agreements for the Total Cost of Care.

Specialty Generic Conversion

Generic drugs can offer sizable savings over brand-name drugs, especially for specialty drugs. HealthPartners works closely with contracted providers, members, and specialty pharmacies to ensure maximum generic utilization. HealthPartners successfully converts 92% of members to generic specialty drugs. Compared to the market average of 70%, HealthPartners' successful approach yields significant savings.

Oncology Drug Therapy Peer-Review Program

HealthPartners contracts with third-party Oncologists to review requests for high cost oncology drugs. If the external oncologist determines that there is a safer or more cost-effective regimen available, this oncologist will contact the prescribing oncologist to discuss the case. Since the inception of the program HealthPartners has achieved approximately \$4.2 million dollars in savings over our standard prior authorization process of using NCCN-based coverage criteria. This program has also improved member experience as the prescribing oncologist peer to peer with the external oncologist often results in a therapy change instead of a denial of the therapy.

Utilization Management Programs

Prior Authorization

Prior authorization helps assure the appropriate use of medications. Prior authorization criteria are listed in the Drug Formulary. Maximum timeframes are in compliance with applicable regulations. All clinical requests not meeting criteria are reviewed by a medical director. The prior approval process helps maintain the overall value of the Preferred Drug List by ensuring that newer and more costly medications are used only when they provide additional benefits to members.

HealthPartners believes that this approach to pharmacy administration keeps costs down for everyone while maximizing the overall quality of care for our members. Although less than 1 percent of prescriptions require prior approval, the estimated program ROI is 21:1. HealthPartners manages prior authorization services in compliance with NCQA, Centers for Medicare and Medicaid Services and Minnesota Department of Health requirements.

Step Therapy

HealthPartners uses automatic step-edits as an alternative to prior authorization. These programs help promote generics as first line therapy when appropriate. Step Therapy initiatives are recommended and reviewed by the HealthPartners P&T committee. Our experience shows that 78 percent of members using the first step remain on the drug, resulting in higher overall generic rates.

Quantity Limits

Quantity limits help ensure the appropriate use of medications, and are specified in the formulary. Quantity limits are often applied for safety reasons (e.g. limiting products containing acetaminophen to maximum safe limits) and to prevent billing errors.

Drug Recalls, Withdrawals, and Safety Advisories

Members and providers affected by a Class II recall are notified within 30 days of the FDA notification. An expedited process is used for Class I recalls. Communications are also sent to members and providers for significant product withdrawals and safety advisories. Issues are identified using the FDA MedWatch e-list (e-mail alerts of clinically important safety alerts), the FDA Recall e-list (e-mail alerts of market withdrawals and safety alerts), and notifications by manufacturers, and press releases.

Retrospective and Concurrent Drug Utilization Review (DUR)

HealthPartners employs systematic DUR edits for 100 percent of adjudicated pharmacy claims. Through this effort we're able to pass on savings to the client by minimizing waste, adhering to manufacturers' dosing recommendations, avoiding therapeutic duplication and minimizing pharmacy data entry errors.

Pharmacy Management Reports provide utilization information for designated high cost, widely used drugs for which a therapeutically equivalent, lower cost drug is available. Drug interactions, proper dosage and trends by drug class also are monitored. When inappropriate drug mixes are discovered, the prescribing physician is notified. These reports are provided to all physicians in our network service area.

Age-edits

Age-edits help assure the appropriate use of medications and can simplify the request process for some medications. Age-edit medications are available without restrictions for patients within specific age groups. Age criteria are listed in the Drug Formulary. Patients outside of the specified age group need to meet specific criteria before the medication is approved, and need to use the prior authorization process to submit this information.

Opioid Management Program

Program Summary

Awareness is increasing about the potential for overutilization and abuse of opioids. This is a summary of HealthPartners programs that promote appropriate use. Management includes formulary quantity limits and retrospective review program.

Program Details

Formulary Quantity Limits

These limits are intended to limit higher doses and to ensure that patients receiving higher doses are monitored appropriately. Prescriptions are limited to a morphine equivalent dose (MED) of 90 mg per day. All long-term opioids require provider attestation that they are managing the patient per standard opioid guidelines.

Retrospective Review Programs

These are designed to identify outliers for further review:

Provider Mailings (6x3x3)

- ◆ Monthly letters to providers whose patients have unusual patterns of controlled substance prescriptions. The most recent prescriber is notified, for members filling six or more prescriptions written by three or more providers and filled at three or more pharmacies in one month. Repeat members are referred to Case Management

Pharmacy Fraud Waste and Abuse (FWA) Review

- ◆ A HealthPartners screening program of outliers, done quarterly

Medicare Overutilization Monitoring System (OMS)

- ◆ A quarterly review with Medicare

Provider Group Reports

- ◆ Includes the % of all prescriptions that are written for opioids

Follow-up Programs

When outliers are identified, follow-up can include: Verification of original prescriptions, Requests for Information (RFI) to prescribers to verify prescribing and monitoring, Provider Monitoring, Restricted Recipient Program, and Special Investigations.

Measures

HealthPartners is following several measures including:

- ◆ Members on chronic high-dose opioid therapy. This measure has decreased 58.6%, from 1.16 per 1,000 members in year 2012, to 0.48 per 1,000 in 2018.
- ◆ Members with one or more opioid prescriptions. This measure has decreased 32.4%, from 59.6 per 1,000 members in year 2012, to 40.3 per 1,000 in 2018.
- ◆ The % of prescriptions written for opioids. This measure has decreased 33.1%, from 3.17% in year 2012, to 2.12% in 2018.
- ◆ Initial prescriptions for opioids for a quantity \leq 20 pills. This measure is improving, from 50% in 4Q2015, to 66% in 2018.

Provider Programs

Electronic Prescribing

HealthPartners encourages and supports electronic prescribing (e-prescribing) and electronic prior authorization (ePA) as tools to improve safe and appropriate medication use, reduce administrative burden on providers, and ensure timely access to appropriate medications. HealthPartners follows all federal and state requirements for electronic prescribing and electronic prior authorization.

Partners in Excellence

Our Partners in Excellence program, launched in 1997, offers bonus awards to pharmacies, primary care and specialty clinics achieving exceptional results on specific quality, satisfaction, efficiency, and health information technology targets. Pharmacies and providers are rewarded for optimally managing targeted risk factors for patients, including adherence with prescribed drug therapy, generic use, and innovative programs such as reducing waste and improving health literacy.

Desktop Audits

Our PBM conducts an automated screening tool review of all adjudicated claims that exceed a cost or dose threshold as part of a retrospective DUR desktop audit. Identified claims are reviewed for appropriate dosing. Those that do not meet standard guidelines are flagged for further analysis. A clinical DUR specialist and/or clinical pharmacist review the identified claims, contact the dispensing pharmacy and reprocess claims if needed. This process helps to identify several key areas including high dollar claims, standard quantities exceeded and incorrectly submitted claims.

Onsite Pharmacy Audits

Our PBM has a comprehensive audit program for participating network pharmacies. They use claims data to perform clinical and financial analysis with a goal of identifying billing and dispensing patterns outside of standard practices. Onsite audits are used to verify selected claim information and collect additional data.

Fraud, Waste & Abuse Program

Fraud, Waste and Abuse

HealthPartners has systems, programs, policies and procedures designed to identify, monitor and manage fraud, waste and abuse either by members or providers. Appropriate action is taken when fraud, waste and abuse is identified, depending upon the situation.

This pharmacy program employs retrospective claims review across all products to identify patterns of inappropriate and/or medically unnecessary medication use, prescribing or distribution. Multifaceted member, provider and pharmacy-level clinical assessments of claims are conducted quarterly by pharmacists in conjunction with a multidisciplinary team including physicians, nurses and/or quality review professionals.

Clinical criteria are used to identify outlier members, providers and pharmacies with high or duplicative utilization, prescribing or distribution of controlled substances, costly medications and/or medications of concern over a sustained period of time.

Formal communication between Pharmacy Administration clinical staff and providers is used to ascertain medical necessity in concerning cases. Case review findings and results are documented by Pharmacy Administration. Formal communication is used to convey case review findings to providers as needed. When necessary following clinical review, outlier members, providers and/or pharmacies are referred to appropriate entities for further action.