



PHARMACY MANAGEMENT

Plan Audit & RFP Services

“CobaltRx is a specialist in pharmacy benefit consulting offering a full array of pharmacy consulting services at an affordable price. Plan sponsors and advisors can better manage a health plan’s pharmacy benefit program using CobaltRx for an RFP, contracting, and for auditing a Pharmacy Benefit Manager (PBM).”



cobaltrx.com



Introduction

CobaltRx provides pharmacy benefit intelligence to plan sponsors, third party administrators, pharmacy consultants, and health care organizations so they can more efficiently and effectively manage pharmacy benefit plans for the benefit of their organization and members, or their clients. To make decisions, our clients draw on multiple resources which includes extensive pharmacy consulting experience and impressive technology. We have in-depth audit experience with the industry's pharmacy benefit managers (PBM) and can guide our clients through an evaluation of actual plan performance contrasted against what's in their contract with a PBM.

Prospective clients often have escalating pharmacy benefit costs they are unable to control, a need for insight and clarity with more targeted reporting of plan cost drivers, or a need for a pharmacy benefit audit. A performance report and plan overview is our typical first step in assessing the possible shortcomings of the current Rx plan. Starting off with an overall summary of the plan, this is our spring board to a deep understanding of the true needs and what sets us on the right path.

If your PBM isn't performing, we want to help. Our in-depth, comprehensive audits can help uncover missteps in plan performance, and keep your benefits plan running smoothly. With the ability and expertise to analyze and uncover your plan's cost drivers, our experienced team leaves no stone unturned.

Our years of experience working with both good and bad PBM relationships have helped us develop a Request for Proposal (RFP) process that looks beyond the black and white of the current situation, and helps us find you the optimal PBM partnership. The PBM relationship is extremely important in achieving your benefit plan goals. Through the RFP process, we'll tailor a comprehensive document detailing wants and needs for each client. Working in tandem, we prepare a document specifying all needs and establish the evaluation criteria for received proposals.

PBM RFP Services

A formalized RFP process is a critical step towards improving outcomes and maximizing pharmacy benefit costs. Used properly, an RFP can result in the client selecting a PBM that offers the best financial and service package to match client goals.

However, a poorly done RFP can provide suboptimal outcomes. Our goal is for each client to have a strong PBM contract that offers the best opportunity for a long-term partnership between the client and PBM with sustainable terms for transparency and fiduciary responsibility.

The main reason that clients are resistant to do RFP's is due to the time it takes to sift through all the email chains and spreadsheets searching for responses or the cost of outsourcing the process. We offer affordable and streamlined RFP processes that lay out the necessary steps, timelines, bid analysis, and scoring that allows the client to make an apples-to-apples comparison and make the

decision based on company goals.

Our RFP services include contract negotiations and smooth implementation with the selected PBM, if a new PBM is selected. The RFP discovery process with a client includes a:

- Scheduled meeting with the client's internal team to discuss broad and specific business goals,
- Review of PBMs to include in the bid,
- Managed process to decide on the categories included in how the PBM bidders will be scored (transparency, pricing, service, clinical management),
- Discussion on any crucial "deal breakers",

Our RFP bid and questionnaire process includes the:

- Development of a list of specific and targeted open-ended questions based on each client's goals,



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- Standardization of responses and to make sure PBMs understand their responses will be measured against other PBMs responses,
- Designing bid to easily identify any gamesmanship in any PBM responses,
- Setting of clear timelines for PBMs to respond to the RFP.

Our scoring of the bids includes the:

- Elimination of PBMs who do not meet the “deal breaker” criteria
- Identification of the differentiators and strengths between PBMs, shortlisting PBMs who have the highest scores.

Our winner selection includes:

- Reviewing all contract references,
- Coordinating finalist presentations if requested by the client.
- Negotiating with leading contenders and locking in contract terms favorable to the client,
- Notifying the non-winners to let them know they were not selected.

PBM Audit Services

How do you know if your PBM is delivering what was promised? How are the claims being adjudicated compared to what’s in your PBM contract? Do you have someone who has the skills, training, and experience to accomplish this?

PBM auditing and oversight are critical to the financial

Audits may be done ...

- Around 90 days after a new PBM implementation,
- 90 days after a renewal PBM agreement,
- After a PBM processing platform transition,
- When an audit has not been done in 3 years,
- When there are clinical program ROI commitments,
- When there are performance guarantees,
- When rebates are not adding up,
- When there are service complaints.

and operational effectiveness of your plan. Historically PBMs have not been transparent in their operations. By periodically reviewing a PBM’s functionality and by performing contract compliance audits, the power is transferred to the plan sponsor rather than to the PBM, safeguarding financial and membership interests. Audits keep pricing and plan design parameters under control and ensure that claim adjudication does not stray from the agreed upon contract terms.

At CobaltRx we deliver accurate, top quality audits that are affordable. The following audits should be done annually: financial contract audit, plan design and clinical programs audit, eligibility audits, rebates audits, and performance guarantee audits. Our fees are based on the work involved in a specific audit versus fees based on a percentage of recovery.

We recommend that if the plan has never audited the PBM, to focus on the audits that offer the greatest return. Financial contract audits plus plan design and clinical program audits typically offer the greatest return and are where we see the most PBM errors.



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Financial Audit:

The financial contract audit involves a thorough review and analysis of the brand and generic discounts applied from the Average Wholesale Price (AWP) for retail, mail order, and specialty clams, plus ensure correct dispensing fees were charged. We also review claims contractually excluded from pricing guarantees.

Doing a financial contract audit will provide you with a better understanding of your PBM contract which is extremely helpful in future contract negotiations.

Plan Design and Clinical Programs Audit:

The plan design audit and clinical programs audit involves a thorough review of how all plan details have been applied and in what order. We see the PBMs challenged with the complexity and amount of plan management rules and applying them correctly at point-of-sale. Imagine the cost of a single missed prior authorization (PA) on a specialty drug that should have been denied. The cost to the plan would be thousands per month, for a drug that according to the plan document did not medically qualify for coverage.

The world of pharmacy benefits is dynamic, so why should your plan be stagnant? With an impactful, proactive approach to plan management, we support your plan and help it evolve along with the industry. We serve as your personal pharmacy benefit specialist, helping to evaluate, modify, design and execute solutions to meet your specific plan goals. For more information on our services and how we can help your organization, please contact us to learn more.

Lead Consultant

Ginger Campbell has more than 28 years of experience in the pharmacy benefits industry. She has a vast level of expertise in PBM audits and recovery and has helped many large plans to identify and recover overpayments, returning lost dollars back to the plan. Ginger has created an analytics-centric culture to better integrate medical and pharmacy data, helping clients make informed decisions about their health benefits plan.

As President and Lead Consultant, Ginger's experience in working with both large and small clients, unions, coalitions, PBMs, third-party Administrators, carriers, and technology companies helps our firm in several ways. It starts with her approach which is a breath of fresh air in an industry full of "me too" approaches that often don't fully focus on the core root cause. Built on a working relationship with clients, Ginger's approach uses client data to manage plan costs, measure performance, predict future costs and implement wellness and care management strategies to identify opportunities for benefits redesign. Prior to founding Cobalt, Ginger served as a pharmacy benefits consultant for BancorpSouth Insurance Services. She also previously worked as sales director for Express Scripts during which she sold and managed a book of business consisting of well over 3 million lives.

