**M E M O R A N D U M**

**TO:** Health Care Commission

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**FROM:** Mike Michael

**DATE:** April 17, 2020

**Subject: Approval of Transparency Decision Making Tools**

TheTransparency Tool is a service provided for State Employee Health Plan (SEHP) benefits-eligible employees and their dependents. Transparency Tools are designed to assist members with information to help make high-quality cost-effective health care decisions.

The current transparency tool with Rx Savings Solutions is an optional benefit for the members. The services are available to all plan members enrolled in Plans A, C, J, N and Q. There is no cost to the member.

The services include member outreach and assistance from pharmacists and pharmacytechnicians. Rx Savings offers a comprehensive program to assist members in reducing their pharmacy spend by providing members information on cost-effective high-quality prescription drug options. The tool includes online and telephonic support with member outreach about prescription options. Members are then able to discuss their prescription needs with their health care provider, who makes the final determination on the proper prescription.

Rx Savings Solutions is the current vendor and the HCC has contracted with Rx Savings since 2015. More than 36% (23,713) of the employees have registered an account. More than 44% (10,546) of those individuals on a maintenance medication have registered to utilize the benefit offering.

The program savings in 2019 was $6.7 million for the health plan and $2.9 million for the members. The program savings since the 2015 launch has been $29 million for the health plan and $11 million for the members. The savings are derived from members utilizing the online tool, price shopping, copay cards, therapeutic alternatives, generic alternatives, tablet splitting and unit cost.

Rx Savings Solutions projects a potential savings of more than $22.6 for the health plan and members over the next plan year if those individuals with a savings opportunity engaged with the program.

The savings are achieved through:

* Unit Cost Savings – occurs when, through negotiations, there is a reduction in the dosage cost for a medication
* New & Recurring Behavior Changes Examples:
  + Therapeutic Alternative (TA): Contains different active ingredients than the original medication but has the same effect when taken in equivalent doses. This savings suggestion will require the member to get a new prescription from the prescriber.
  + Generic Substitution (GS): Contains the same active ingredients as the brand-name drug and has the same effect when taken at the same dose. This savings suggestion will require the member to ask the pharmacist for the generic and typically does not require a new prescription.
  + Generic Clone (GC): Contains the same active and inactive ingredients as the brand-name drug. This savings suggestion will require the member to show the pharmacist the generic clone-specific NDC and typically does not require a new prescription.
  + Combination Split (CS): Taking the individual ingredients (separate “pills”) when a drug is a combination of two or more active ingredients. This savings suggestion will require the member to get a new prescription for each ingredient from the prescriber.
  + Combination Split – Therapeutic Alternative (CA): Taking different individual active ingredient(s) when a drug is the combination of two or more active ingredients. This savings suggestion will require the member to get a new prescription for each ingredient from the prescriber.
  + Dose Optimization (DO):
  + Tablet Splitting (TS): Taking the same active ingredient in twice the dose that has been prescribed and splitting the tablets in half to achieve the correct dosage. This savings suggestion will require the member to get a new prescription from the prescriber for the higher-dose tablets.
  + Dose Multiplying (DM): Taking the same active ingredient in half (or third of) the dose that has been prescribed and doubling (or tripling) the amount of units to achieve the correct dosage. This savings suggestion will require the member to get a new prescription from the prescriber for the lower-dose tablets.
  + Dosage Form Change (DF): Contains the same active ingredients, taken at the same dose but using a different form. i.e.: changing from Fluoxetine tablets to Fluoxetine capsules. This savings suggestion will require the member to get a new prescription from the prescriber.
  + Price Shopping/Fulfillment (PS): Comparing prices at different pharmacies. This savings suggestion may require the member to transfer prescription from one pharmacy to another.

RFP EVT0007178 to provide Transparency Tools was posted on January 3, 2020 and closed on February 20, 2020. One bid was received from Rx Savings, LLC d/b/a Rx Savings Solutions and they were invited to further negotiation meetings.

In addition to the transparency tool offerings and pricing, some other areas reviewed were the services offered to employees and their families, the functionality of the transparency tool, ability to measure outcomes and the vendor’s ability to provide quality customer service to the members and health plan staff. The RFP allows for a contract award for three years with the option for the HCC to renew by mutual written agreement between the parties. The health plan does incur a per employee per month (PEPM) cost of $2.75 this remains flat for all three years of the contract. The current PEPM is $3.52.

**Options:**

* Award a three (3) year contract for Transparency Tools to Rx Savings Solutions
* Do not award a contract for the Transparency Tools