

# The State of Delaware

FY24 Planning: PrudentRx

SEBC Meeting

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# PrudentRx

- PrudentRx is an independent third-party organization that CVS Health has partnered with to offer this program, which is integrated with CVS Caremark's pharmacy operations
- The PrudentRx solution is designed to help clients incrementally manage specialty pharmacy spend
  - Plan design includes all specialty medications on a client's specialty drug list, with some exclusions possible (for example, HIV and fertility for the GHIP)
  - Leverages non-needs based manufacturer copay card assistance, where available, to reduce plan and member costs
  - Members who do not opt out of the PrudentRx program would enjoy \$0 member cost share for specialty drugs, regardless of whether drug manufacturer copay assistance is available
  - Would be applicable for Commercial (non-Medicare) plan participants only; not applicable to EGWP
  - Approximately Commercial plan 1,600 members (1.6% of total) utilizing specialty drugs (excluding HIV and fertility medications)
  - Further details on the changes to member cost sharing, including an example, are provided on the next slide
- Through a high-touch, proactive multi-channel member engagement process, PrudentRx optimizes program enrollment and helps the member obtain non-needs based manufacturer copay card assistance where applicable
  - All eligible members' enrollment will begin automatically in the PrudentRx program, but members can choose to opt out (less than 1% of members opt out)
  - The cost of drugs with no copay assistance programs will be subsidized by the plan's net savings from drugs with copay assistance
  - According to PrudentRx, about 94% of specialty brand drug scripts have copay assistance

# PrudentRx (continued)

Plan design changes – for non-Medicare medical plan options only

In-Network Pharmacies (Out-of-Network Pharmacies not covered except in travel emergency situations)	Current State (PPO, HMO, CDH Gold, First State Basic plans)	Under PrudentRx (PPO, HMO, CDH Gold, First State Basic plans)
Annual Rx Deductible	None	None
Member Cost-sharing (Retail / Mail Order)		
Tier 1 – Generics	\$8 / \$16	\$8 / \$16
Tier 2 – Preferred	\$28 / \$56	\$28 / \$56
Tier 3 – Non-Preferred	\$50 / \$100	\$50 / \$100
		Drugs on Exclusive Specialty List (excluding HIV and fertility drugs): <ul style="list-style-type: none"> <li>• <i>If opted into PrudentRx (and regardless of whether a drug manufacturer copay card program is available for a member's specialty drug): \$0</i></li> <li>• <i>If opted out of PrudentRx: 30% coinsurance (*see box to right)</i></li> </ul>
Annual Rx Out-of-Pocket Maximum	\$2,100 per employee \$4,200 per family	\$2,100 per employee \$4,200 per family <i>Excludes member payments toward 30% coinsurance for specialty drugs listed as non-EHB (*see box to right), unless otherwise required by applicable law.</i>
Infertility Rx Maximum	\$15,000 lifetime	\$15,000 lifetime

\*PrudentRx uses Affordable Care Act standards for essential health benefits (EHB) and maximum out-of-pocket limits; drug classifications and the required number of drugs considered EHB are characterized (determined) by state benchmarks, and PrudentRx uses the Utah state benchmark to determine the number of specialty drugs that are limited by ACA cost-sharing standards (which is not customizable by plan sponsors).

# PrudentRx (continued)

## Illustrative example – member claim

A GHIP member takes a specialty medication for treatment of an autoimmune condition. The total cost (CVS-negotiated rate) of this specialty medication is \$10,000 per dose.

	Current State	Under PrudentRx	
Total cost of the specialty medication (CVS-negotiated rate) per dose	\$10,000	\$10,000	
		Member works with PrudentRx to enroll in copay assistance	Member opts out of PrudentRx or fails to take action when prompted
Member cost share (assumes specialty medication is a Tier 3 non-preferred drug)	\$50	\$0 member out-of-pocket \$3,000 paid by drug manufacturer copay assistance program	\$3,000 member out-of-pocket \$0 paid by drug manufacturer copay assistance program
GHIP cost share (before PrudentRx shared savings fee*)	\$9,950	\$7,000	\$7,000

\*While there are no up-front administrative fees associated with the PrudentRx program, the administrative cost of the program is charged as a percentage of the gross savings to the plan. In the above example, the gross savings to the plan is \$2,950.

# PrudentRx (continued)

- Program would require engagement from members who are contacted by PrudentRx and would increase member out-of-pocket costs for individuals who actively opt out of the program (including taking no action once contacted by PrudentRx)
  - Any member who opts out or does not take action to enroll in the program when prompted would be subject to a 30% coinsurance on specialty medications dispensed by the CVS specialty pharmacy
    - HIV medications can be excluded from this program; the GHIP's current copay-based plan design, not the 30% coinsurance, would apply to this class of drugs, which would also continue to be able to be filled at any pharmacy via CVS's Open Network
    - Fertility medications can be excluded from this program; this therapeutic class would continue to be subject to a 25% coinsurance with a \$15,000 lifetime maximum under the GHIP Rx benefit
  - Currently, members with new specialty medications are allowed one “grace fill” of their specialty medication outside of the CVS Specialty pharmacy; this would be removed if PrudentRx is implemented, requiring members to utilize the CVS Specialty pharmacy exclusively for these Rx, even for new prescriptions of fertility medications
    - HIV medications would not be subject to this given that they can continue to be filled at any pharmacy via CVS's Open Network
- All specialty medications on the CVS exclusive specialty list would be included; examples of the most common conditions for GHIP members who use specialty drugs that would be affected by PrudentRx are autoimmune conditions, multiple sclerosis and oncology

# Subcommittee recommendation

Implement PrudentRx effective 7/1/2023 for non-Medicare medical plans (PPO, HMO, CDH Gold, First State Basic)

- Reduces member out of pocket cost when members opt into the program
- Program facilitates member enrollment in copay assistance programs and completes enrollment on member's behalf unless drug manufacturer requires direct involvement by the member
- According to CVS, very few members opt out of the program and default to 30% coinsurance on specialty drugs
- CVS estimated the net annual savings to plan participants is \$358K and to the GHIP is \$6.6M\*; less than 2% of Commercial plan participants (about 1,600 members) utilize drugs that would be included in this program
- Programs that utilize manufacturer copay assistance programs including PrudentRx are subject to continued availability of those funds available through drug manufacturers

\*Excluding HIV and fertility medications; requires member engagement to enroll in the program, and savings estimate assumes 100% enrollment.