

# The State of Delaware

Review of CY2022 CVS EGWP/Medicare Part D  
Prescription Plan Performance and  
Part D Plan Projections for CY2024

State Employee Benefits Committee

April 24, 2023

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# Review of CY2022 CVS EGWP/Medicare Part D Prescription Plan Performance

# CY2022 CVS EGWP/Medicare Part D Prescription Plan Key Metrics

	GHIP EGWP
Experience Period	Jan-Dec 2022
Eligible Members per Month	28,162
Total Gross Cost	\$176,901,969
Member Cost	\$8,829,292
Rebates, EGWP Offsets and Subsidies	\$112,896,672
Total Net Cost	\$55,176,005
Gross Cost PMPM	\$523.47
Member Cost PMPM	\$26.13
Member Cost Share	5.0%
Generic Dispensing Rate (GDR)	85.8%
Generic Substitution Rate	98.6%
% Mail Prescriptions (excl Retail 90)	8.1%
Total Specialty Gross Cost	\$67,744,828
Specialty Gross PMPM	\$200.46
Specialty % of Total Gross	38.3%
Specialty % of Total Rx	0.9%

## GHIP EGWP compared to CVS Benchmark:

- Higher gross cost per member per month (PMPM)
- Lower member cost share PMPM
- Relatively consistent GDR, and generics were dispensed for nearly 99% of all Rx that had a generic equivalent
- Lower use of mail order due to higher retail 90 prescription utilization (not shown)
- Lower specialty drug gross cost PMPM

See appendix for similar key metrics for Commercial plan performance during CY2022 (July – December 2022).

# CY2022 CVS EGWP/Medicare Part D Prescription Plan Performance

- Pharmacy benefits management under the State Employee Group Health plan has been administered by CVS Health since July 1, 2021 for Commercial (non-Medicare) plan participants and since January 1, 2022 for EGWP (Medicare) plan participants
  - Change impacted every participant enrolled in the State Employee Group Health plan
- CY2022 EGWP/Medicare Part D prescription plan performance results are now available for:
  - Financial performance guarantees
  - Member satisfaction survey
- Performance results for the Commercial FY2022 plan year (ending 6/30/2022) were reviewed with the SEBC in December 2022<sup>1</sup> and results for the FY2023 plan year (ending 6/30/2023) will not be available until late 2023

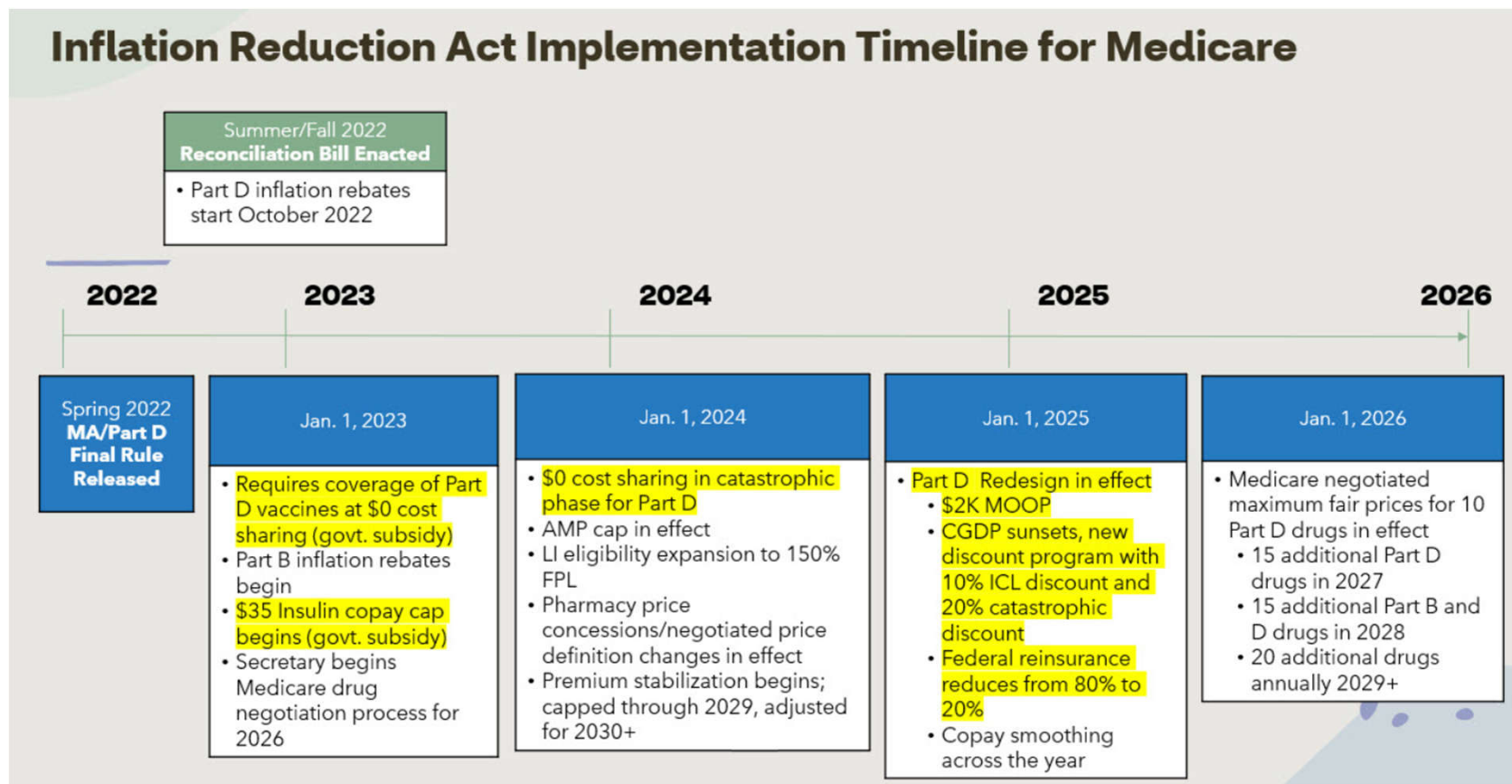
<sup>1</sup> For further details about the Commercial FY2022 plan performance, see: <https://dhr.delaware.gov/benefits/sebc/documents/2022/1219-cvs-commercial-plan-performance.pdf>

# CVS EGWP Performance Guarantee Results, CY2022

- CVS met all performance guarantees (PGs) for the 2022 plan year (1/1/2022 – 12/31/2022)
- Types of performance guarantees currently in place with CVS for the GHIP EGWP include:
  - Financial accuracy of claims paid
  - Turnaround time to fulfill mail order prescriptions
  - Turnaround time to resolve member issues
  - Response time for coverage determinations (separate PGs for standard and for expedited requests)
  - Member satisfaction survey results
- Member satisfaction survey results are generally positive; highlights include:
  - Overall satisfaction with prescription benefit services: actual result of 94% vs. target of 90%
  - Further details are noted in the appendix

# Part D Plan Projections for CY2024

# Inflation Reduction Act provisions impacting the State's EGWP



*Yellow highlights = Inflation Reduction Act provisions that will affect GHIP EGWP costs*

Source: CVS Health.

MOOP = Maximum Out-of-Pocket.

CGDP = Coverage Gap Discount Program, also known as the “donut hole”

ICL = Initial Coverage Limit



# Impact of Inflation Reduction Act on CY2024 projected EGWP cost

- CVS estimate of the impact of the Inflation Reduction Act on the State's EGWP for CY2024: Savings of \$5.3M
  - Driven by increase in CMS direct subsidy associated with \$35 cap on insulin copays
  - The State had previously implemented caps on insulin copays and other diabetes supplies and equipment, so EGWP plan costs are already reflecting similar coverage enhancements
- This has already been incorporated in the long-term projections for the GHIP as part of “Other Revenues”

# Appendix

CVS EGWP Plan Member Satisfaction Survey  
Results, CY2022

# State of Delaware SSI

## PERFORMANCE GUARANTEE (PG) REPORT CARD









<b>Completes</b>  145	<b>Sample dates</b>  06/17/22 – 09/14/22	<b>Survey method</b>  Phone	<b>Survey type</b>  CVS Standard	<b>Fielding dates</b>  10/24/22 – 10/25/22
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### OVERALL EVALUATION

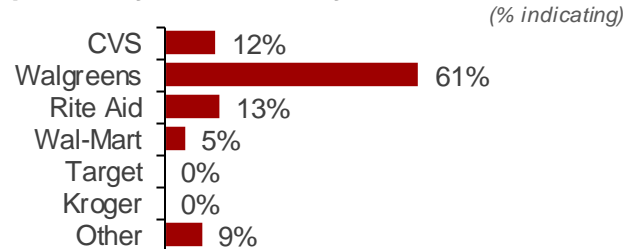
#### Overall Satisfaction With Prescription Benefit Services

<b>RESULT</b>	<b>TARGET</b>	<b>RESULT VS. TARGET</b>
94%	90%	+4%

### SATISFACTION WITH CVS CAREMARK SERVICES

RESULT		RESULT		RESULT	
	<b>Mail Service Pharmacy</b> Usage: 23%		<b>SilverScript.com</b> Usage: 13%		<b>Automated Phone System (APS)</b> Usage: 11%
<b>Overall satisfaction</b>	<b>100%</b>	<b>Overall satisfaction</b>	<b>95% ^</b>	<b>Overall satisfaction</b>	<b>100% ^</b>
Ease of ordering medication	91%	Right amount of information	95% ^	Resolution of request/question	100% ^
Receiving by scheduled date	97%	Locating prescription information	95% ^		
	<b>Retail Pharmacy</b> Usage: 77%		<b>Customer Care Representatives</b> Usage: 21%		<b>Member Communication</b>
<b>Overall satisfaction</b>	<b>94%</b>	<b>Overall satisfaction</b>	<b>97%</b>	<b>Overall satisfaction</b>	<b>98%</b>
Courtesy and professionalism	94%	Effectively responding in one call	93%	Quality of communications	97%
Ability to use preferred pharmacy	96%	Understanding your concern/inquiry	93%	Status updates and reminders	96%
Convenience of location	100%	Options and alternatives provided	79%		
			<b>Mobile App</b> Usage: 4%		<b>Non-CVS Caremark Service: Drug Benefit Plan</b>
		<b>Overall satisfaction</b>	<b>100% ^</b>	<b>Overall satisfaction</b>	<b>96%</b>
		Right amount of information	83% ^	Medications covered	94%
		Checking status of order	83% ^	Out-of-pocket costs	92%
				Ability to get prescribed medications	93%

#### Retail pharmacy most recently used



# Commercial Plan Key Metrics: FY2023, YTD through December 2022

	Commercial Plan (non-Medicare)
Experience Period	July – Dec 2022
Eligible Members per Month	101,532
Total Gross Cost	\$169,170,325
Member Cost	\$10,781,024
Total Net Cost	\$158,389,301
Gross Cost PMPM	\$277.70
Net Cost PMPM	\$260.00
Member Cost Share	5.3%
Generic Dispensing Rate (GDR)	79.0%
Generic Substitution Rate	97.3%
% Mail Prescriptions (excl Retail 90)	4.6%
Total Specialty Gross Cost	\$91,025,679
Specialty Gross PMPM	\$149.42
Specialty % of Total Gross	44.6%
Specialty % of Total Rx	1.4%

## GHIP compared to CVS Gov't Benchmark:

- Lower member cost share (as % of total)
- Lower GDR but nearly the same generic substitution rate
- Comparable level of mail order utilization
- Higher specialty gross cost PMPM
- Comparable specialty utilization as % of total Rx