

2023 Pharmacy Analysis

- Initial Savings Projection: **\$400,000 - \$500,000** (*based on analysis from 2021*)
- Updated Savings Projection: **> \$700,000**
 - Move to CVS Caremark through the Employer's Health Pharmacy Coalition, using the PrudentRx specialty Rx management program
- Proceeding with this option will result in breaking of the multi-year contract with Cigna, which would incur financial penalties. Those penalties have been accounted for in the CBIZ projections.
 - Penalties include:
 - \$1.50 PMPM fee through the end of the Cigna contract (12/31/24) – payable up front
 - \$128,000 wellness fund clawback
 - \$12 PEPM PBM carveout fee (paid with monthly admin fee)

Pharmacy Carve Out Disruption Analysis

	# of Scripts	% of Total
Neutral (No change in Tier)	11,575	95.6%
Down Tier (lower copay)	146	1.2%
Up Tier (higher copay)	113	0.9%
Excluded	268	2.2%
Total	12,102	

Top 5 Up Tiers

Drug Name	# of Scripts
Rexulti	15
Xyrem	12
Armour Thyroid	10
Briviact	7
Kalydeco	7

Top 5 Exclusions

Drug Name	# of Scripts
Albuterol Sulfate HFA	26
Repatha SureClick	23
HumaLog	18
Aimovig	18
Prograf	14

Additional comments:

- Up tier/down tier apply to the OAP 1 members, and means the copay goes up or down within the existing plan design.
- OAP 2 and LP members are subject to their deductible before coinsurance applies, so drug prices are dependent on the chosen pharmacy, and even by the day. Consumerism and using apps like GoodRx or the CVS Caremark app help members navigate the best price for drugs while they are subject to the deductible.
- Any members impacted by a tier/formulary change or exclusion will receive a personalized letter from CVS indicating which of their drugs will have a change, what the impact is, and a solution to discuss with their provider. Letters will be mailed 30-60 days before go-live.



Pharmacy Carve Out Considerations

	Cigna Current	CVS Caremark Option
Pricing Guarantees	3 years	3 years
Contract Term	1 year	1 year
Termination Provision	60 days	180 days*
Audit Provision <i>(rebates, discounts, etc.)</i>	Annual Internal Audit	Annual Third-Party Audit <i>No Additional Cost</i>
Contract Market Check Provision	Semi-Annual Cursory Contract Review	Annual Market Check with Pricing Improvements**
Service Team Resources	Cigna	CVS Caremark + Employer's Health Coalition
Member Disruption	Limited, based on annual formulary changes	Limited, based on initial review
Flexibility <i>(adding additional programs or vendors)</i>	Low	High

*Termination notice can be rescinded

**Typically, CBIZ sees a 5-10% annual improvement in these market checks