



Designing Specialty Drug Benefits

Use this checklist to help you and your team to design an effective Specialty Pharmacy strategy. Use as many of the elements to help build the design. It is important to note that this design does not necessarily need to match the design for Generic and Brand pharmacy. One careful consideration to know: Some design features may need to adjust depending on the rebate design used by your PBM/PBA. Use this list to assist as you design the benefit with your vendor/partners.

DEMOGRAPHICS

- Total number of active employees
- Total number of retirees (pre- and post-65)
- Total number of active covered lives
- Locations of largest sites based on employee populations (city/state and number of employees)

FUNDING & PLAN DESIGN

Which of the following represents how you want to fund Specialty Pharmacy in your plans?

Medical plan

- Fully insured
- Self-funded

Pharmacy plan

- Fully insured
- Self-funded

How do you prefer to manage Specialty Pharmacy?

- Pharmacy carve-out (through the existing PBM partner)
- Pharmacy carve-in/integrated program (with your health plan)
- Pharmacy/medical claims are combined for out of pocket maximums
- Pharmacy/medical claims have separate out of pocket maximums

Which of the following elements do you want to consider as it relates to Specialty Pharmacy?

- Co-insurance: Percent of Drug Cost? Dollar Limits? Design Tiers?
- Flat dollar copay: Dollar amount by tier? Dollar Limits?
- Included in Deductible: Copay or Co-insurance after deductible?
- Medical parity: Will Specialty flowing through the medical plan match above

Which of the following represents your plan designs (choose all that apply) Used to consider how Specialty Pharmacy will be treated for each?

- High Deductible Health Plan with savings account (HSA, HRA or choice)
- High Deductible Health Plan with no funding
- PPO, POS or HMO
- PPO with deductibles, copays, coinsurance and HCFSA
- Other _____

Which of the following is part of your overall pharmacy plan design?

- Pharmacy carve-out (PBM)
- Pharmacy carve-in/integrated program (health plan)

Does your pharmacy benefit plan provide incentives (premium differentials, reduced or waived copays) to drive patient behavior or engagement? If so, which ones?

- Adherence to medication
- Compliance to treatment therapy
- Use of formulary
- Mail order or home delivery
- Use of a specialty pharmacy
- Other

What is your total medical spend? _____

What is your total pharmacy spend? _____

What is your total specialty spend before rebates or discounts?

What is your total pharmacy spend after rebates or discounts?

What is your rebate or discount for Specialty Pharmacy?

What is your rebate or discount for total pharmacy spend?

What percentage of your specialty spend is in the pharmacy benefit?

What percentage of your specialty spend is in the medical benefit?

EXISTING BENEFIT/VENDOR TACTICS

Which of the following elements are part of your general pharmacy management that you may consider applying to Specialty Pharmacy?

- Value-based formulary
- Fully subsidized preventive medication list in your HDHP
- Open formulary
- Closed formulary
- Mandatory mail order/home delivery for maintenance drugs
- Generics first
- Market determined reference price
- Utilization management (drug conflicts/overuse/underuse)
- Step therapy
- Prior authorization
- Multi-source brand penalty
- Multi-tier formulary determined by PBM

Which of the following elements would you like to consider as part of your specialty drug management?

- Prior authorization
- Preferred formulary
- Starter dose (i.e. up to 14 days to acclimate to new therapy)
- Utilization/case management
- Step therapy edits (to drive lower cost standard therapy first)
- Quantity limits
- Channel management (mandatory specialty pharmacy use)
- Site of care management

Which of the following elements are part of your prescription benefit design?

- Co-insurance
- Flat dollar copay
- Deductible
- Medical parity with pharmacy coverage
- Maximum member payment per Rx claim
- Minimum member payment per Rx claim
- Maximum out-of-pocket separated from medical
- Maximum OOP blended with medical
- Specialty tier
- Mandatory specialty provider for self-injectable drugs in pharmacy benefit

Which of the following elements are part of your disease management platform?

- Carved out Specialty pharmacy partner/vendor
- Disease management programs/vendor for services that target drug use in disease states like Diabetes, RA, MS, Hep C
- Special high-touch or care programs for oncology, orphan/rare diseases (e.g. Hemophilia)

Which of the following would you prefer to use for medication adherence management in Specialty Pharmacy?

- Reminders and alert programs to patients and/or providers
- Case management (outreach, medication therapy management (MTM))

Which delivery methods would you prefer as part of the adherence program for Specialty Pharmacy:

- Live
- Phone based
- Telehealth
- Mail/Email
- Other

DATA AVAILABILITY FOR FORMULARY ADHERENCE & CLINICAL PROGRAMS

Do you work with a data aggregator or aggregate data internally?

- Yes (Use the following questions to ensure Specialty Pharmacy claims follow your desired processing)
- No (if no skip to last section, Rebate Provisions)

If pharmacy data is integrated with the medical, do you have:

- Real-time transfers of data back and forth between medical carrier and PBM?
- Batch transfers of claims back and forth between medical carrier and PBM?

Indicate the frequency for batch:

- Weekly
- Monthly

For information transfer to the medical plan vendor:

- Utilization, cost (incu
- Co-pay
- Billing or paid claims data
- Adherence data

For information transfer from the medical plan vendor:

- Eligibility
- Adds/deletes/terms
- Coverage information
- Full medical claims

REBATE PROVISIONS

Reporting and reconciliation:

- Monthly
- Quarterly
- Annual
- Minimum Rebate Guarantee
- Drugs excluded from rebates

PBM CONTRACT PROVISIONS

Ensure that these provisions extend to Specialty Pharmacy or state how you would prefer Specialty Pharmacy be treated for each provision.

Audit Provisions:

- Ability to audit without restrictions
- Audit frequency

Changes to plan design mid-year:

- Ability to change design
- If yes, what is the frequency with which you can change the design per year or contract life