

**WHERE IS
YOUR BREAD
BUTTERED?**



Schedule a lunch to feed your business

By Chris Linville

What are the sources of business you can least afford to lose? School districts, municipalities, and local employers are three of the main sources of patients choosing their pharmacy. The prescription benefit decision makers from those business sources often have a relationship with their local pharmacist. The people that make the prescription benefit plan decisions at these employers are often a patient, a pharmacist's friends, neighbors, or fellow civic organization members, so it makes sense that they should be naturally inclined to keep their business local and partner with your pharmacy for the benefit of their employees' health. Yet, some of these same entities sometimes unknowingly sign up for prescription drug benefit plans that don't save money and are detrimental to local pharmacies. Be proactive with these decision makers. Ask for a meeting. Take your customer to lunch to educate them about their prescription drug benefit.

For independent pharmacy owners, identifying key employers in their communities is essential. Whether it is a school district, local government branches, or other business entity, the pharmacist must ensure that the pharmacy's interests are aligned with the employer's. For independent pharmacy owners, taking the time to educate themselves about local employers, reaching out to them—before a PBM reaches out to them touting a



mandatory mail order program—and educating them on the value of their local pharmacy is critical to maintaining and growing a practice. However, it is not enough to merely identify these key employers; you will need to be able to offer them solutions.

NCPA Can Help

Several times a year, NCPA gets a call from a community pharmacist describing how a significant employer has moved to a mandatory mail order plan. This happens even though the pharmacy owner usually knows someone of influence at the employer. When the pharmacy owner inquires with the contact at the company, there is usually surprise. The employer had been disingenuously told that the local pharmacy would love this new plan design. The company contact didn't think to talk with his friend and local pharmacist before making the decision, and usually by that time there is no turning back.

NCPA is challenging pharmacy owners and operators to have at least three meetings this year with area school districts, municipalities, and local employers to help educate them about prescription benefit models that are beneficial for patients and their local pharmacies. NCPA is building a foundation of resources to help in those efforts. We have created a resource kit for pharmacies called "Take Charge of Rx Benefits in Your Community—Identify and Approach Employers." The kit is available free to NCPA members via download from the NCPA Members Only page or for purchase by members in the NCPA bookstore. (www.ncpanet.org). The pharmacy resource kit will in-



email address (WhoRunsMyDrugPlan@ncpanet.org), and dedicated phone number (703-600-1181). The email and phone number will be used as the places to direct employers for solutions after meeting with a pharmacist and will also be a resource for pharmacist questions and assistance. NCPA is working in collaboration with HealthPlan Data Solutions LLC (HDS), who will move the process forward for employers by providing an unbiased review of the employers' current prescription data. HDS will work with employers to identify transparent PBMs that favor benefit designs that "align the interests" of the employer, patient, prescribers, and independent community pharmacies.

Transparent PBMs

NCPA believes that transparency in the PBM arena more effectively serves employers, patients, and pharmacies than opaque or non-transparent PBM models. Today, large PBMs promote themselves as a low-cost provider of prescription benefits, and point to their size as a guarantee of negotiating strength and low-cost medications. According to research from HDS, that isn't the case. HDS evaluated more than \$350 million in prescription claims in 2012 and found that their clients had opportunities to reduce medication costs by 37.7 percent. Primarily, these overpayments for prescription benefits were due to non-adherence to contract terms by PBMs, inflated unit pricing charged to payers for generics, and under-utilization of therapeutic alternatives when available for expensive single-source medications.

The pharmacy benefit is an essential component of health care. For NCPA, the following guiding principles, and supporting business practices, are necessary to achieve needed pharmacy benefit reforms in the health care system, leading to better overall health outcomes in the most cost effective manner:

include information to assist pharmacy owners with:

- Identifying key employers in their area
- Gaining background information on PBMs and plan-related issues
- Approaching employers to start a conversation about their prescription benefit plan
- Where to direct the employer for solutions
- Patient-centric care is the foundation of better care.
- A collaborative care model is the best pathway to achieving better care and reduced costs.
- Clarity in contracting is the underpinning for alignment of interests.
- The ethical use of patient and payer data is essential to build trust and long-term collaboration.
- Transparency is critical to true alignment and achieving needed reforms in pharmacy benefit management.

As additional support, NCPA has also set up a website (www.WhoRunsMyDrugPlan.com), a dedicated

NCPA has identified a number of transparent PBMs and similar entities who share NCPA's vision of aligned interests and who have pledged to conduct business under these guiding principles. The following provides an overview of these organizations. More detailed information on each is available at the website addresses listed next to the company name, and a current list of companies who have made the guiding principles pledge is also available at www.whorunsmymdrugplan.com.

Appro-Rx (www.apporrx.com)

Appro-Rx, Waynesville, Ohio, is a health information technology company founded in 2000 and dedicated to payer medical cost reduction and improvement in patient health outcomes via its provider network. Through the use of PBM technologies, Appro-Rx provides customers with prescription drug claims processing, PBM tools and other IT needs.

"The principals of Appro-Rx believe strongly that the PBM model is broken," says CEO Ken Fields, PharmD. "Our mission is to bring pricing fairness and transparency to the PBM industry that will enable employers to realize significant cost savings and improved health outcomes for their employees."

Appro-Rx has clients in Alabama, California, Kentucky, Ohio, Oregon, South Carolina, and West Virginia. Its specific offerings include self-funded options, 340B services, and discount cards. It represents clients between 50,000 and 100,000 lives, and Appro-Rx also seeks out third-party administrators for their PBM representation.

Fields says that Appro-Rx's goal is "changing the PBM industry one client at a time. With our anticipated growth, we will be a formidable industry leader to make sure clarity is brought to our industry, [along with] decreasing cost to employers and putting patients back in to the community pharmacies."

CPRxN (www.cprxn.com)

CPRxN (Community Pharmacy Prescription Network), Braidwood, Ill., is a network of independent community based pharmacies formed in 2010 and contracted to serve the needs of employees and retirees of major corporations and small businesses throughout the United States.

CPRxN's management team consists of president Michael Minesinger, RPh, JD, (also president of Alwan Pharmacy in Peoria, Ill.); chief operating officer Anthony Sartoris, MBA, (also president of Braidwood-based Doc's

Drugs; and chief financial officer Jeff Haran, CPA (also with Doc's Drugs).

CPRxN recruits pharmacies into the network based on the geography of its client base, which includes both regional and national footprints. Its client size ranges from 5,000 to 125,000 lives.

CPRxN says it allows independent pharmacy participation in commercial limited preferred networks, which historically excluded independent pharmacy.

"This is the most critical offering," Sartoris says. "Without the patient coming through your front door, you can't help them or offer them any services. CPRxN allows you to keep your patient and keep your pharmacy in the game."

Sartoris says that CPRxN has relationships with many independent pharmacy owned PBMs and can unite an independent pharmacy with an independent PBM to help the pharmacy assist a small local community payer.

MaxCare Prescription Benefit Services

(www.maxcarerx.com)

MaxCare, Oklahoma City, Okla., is a product of Pharmacy Providers of Oklahoma, Inc. PPOk is owned by approximately 470 independent pharmacies in Oklahoma and is governed by a board of directors with day-to-day operations directed by CEO Lonny Wilson, DPh.

The MaxCare leadership team consists of Greg Greenlee, DPh, vice president of business development; executive vice president John Crumly, DPh; and director of operations John Jeffries, CPhT.

MaxCare was created in 1985 to provide efficient, effective, cost controlled administration of managed care prescription drug programs primarily to administer the pharmacy benefit program for the Oklahoma State Employees Group Insurance Benefits.

"Our core mission is to keep business in the local economy by favoring retail 90-day supplies instead of out-of-state mail service, maintaining the last line of connectivity between the patient and the pharmacist by one-on-one, face-to-face engagement and aligning the goals of the client and the pharmacy to make sure plan members receive the best possible care at an affordable price," Greenlee says.





Ownership is limited to the requirements established by Pharmacy Providers of Oklahoma, but through its grass-roots program, pharmacy owners that are able to assist in gaining new clients and can act as a “Local Liaison” can be compensated for their efforts.

MaxCare, which covers more than 100,000 lives, has grown into a multi-regional PBM company with clients located in the Northeast, Mid-Atlantic, Southeast, Midwest, Central Plains and South Central parts of the United States.

MaxCare’s client base includes service organizations, manufacturers, religious organizations, city governments, county governments, state and federal high risk pools, food industry business, health plans, health systems, grocery store chains, non-profit organizations, other generalized self-funded clients, and managed Medicaid programs. Those client sizes range from 100 to 45,000 lives.

MedOne Healthcare Systems (www.medonehs.com)

MedOne Healthcare Systems, Dubuque, Iowa, was formed by one of America’s oldest family drug chains, Iowa-based Hartig Drug Company. Hartig Drug has more than 100 years of service to its communities. MedOne Healthcare Systems began with the mission of providing customized PBM services for employers, non-profit organizations, and trade associations, as well as the

uninsured and underinsured. The company, under the leadership of Richard Hartig, RPh, MBA, is committed to meeting the unique needs of its clients and helping them navigate through the complexities of the ever-changing health care system.

MedOne Healthcare Systems is a full service PBM company, providing the latest in pharmacy benefit management technology while also providing excellent local client and customer service. MedOne provides a comprehensive real-time, on-line claim processing, adjudication and reporting system.

MedOne says that its goal is to provide prescription plan members with the education and assistance needed to understand their prescription benefit plan and to make informed decisions about their medication options.

RxPreferred Benefits (www.rxpreferred.com)

RxPreferred Benefits is a privately held corporation formed in February 2011 and based in Nashville, Tenn., with another office in McKinney, Texas. The company co-approaches employers with independent pharmacies to increase traffic to the local independent with fully transparent solutions to help companies and employees lower their prescription costs.

“RxPreferred Benefits strongly supports the protection of independent pharmacies through a comprehensive and efficient pharmacy benefit manager,” President and CEO Jeff Malone says. “We believe in the value of a local pharmacy owner working with a transparent PBM to deliver total integrated pharmacy services to their respective communities.”

The company is solely owned and operated by independent pharmacy. All of its shareholders are independent pharmacy owners, independent pharmacists, or tied to the best interests of independent pharmacy (which is subject to board approval).

RxPreferred Benefits says it offers fully transparent PBM, 340B, and hospice management solutions. Its target customers are employers (minimum of 100 employees), municipalities, schools, hospital/health systems, insurance brokers, third-party administrators, private equity firms, groups, and associations.

Malone says that RxPreferred Benefits “offers 100 percent transparent pricing and full rebates back to the employer. We align ourselves with our customer’s goals and create a customized plan to obtain these goals.”

In the next few years Malone says that RxPreferred Benefits hopes to increase regulatory attention to PBMs, expand transparency through the industry, grow its portfolio of products to enhance the services of independent pharmacies, and provide greater efficiency and better health care via the prescription benefit.

True Rx Management Services (www.true-rx.com)

True Rx Management Services, Washington, Ind., was founded in 2006 by two pharmacists — Mark Williams, RPh, and Nathan Gabhart, RPh — who set out to change the traditional PBM model. While serving as retail pharmacists they saw first hand some of the issues PBMs were causing for employers, employees, and pharmacies. They wanted to change this model and say they succeeded by eliminating prescription markups and hidden fees, putting forth truthful, transparent business practices, and delivering superior customer service.

“Our team works with clients, members, and pharmacies to ensure optimum value at the lowest possible cost,” says Gabhart. The True Rx executive team, along with co-founders Gabhart and Williams, consists of Kevin Messmer, JD, executive vice president, and John Bell, head of strategic planning. The organization also has a team of account service managers, customer service representatives, and IT staff.

The majority of True Rx clients are in the Midwest and Tennessee, though they are actively seeking opportunities in new markets. It serves between 50,000–100,000 lives. It provides full prescription benefit plans to self-funded and partially self-funded companies.

“True Rx serves clients of all types and sizes,” Gabhart says. “Our clients consist of banks, municipalities, manufacturers, casinos, schools—you name it.”

Looking ahead, Gabhart says True Rx will continue to grow its specialty drug programs to monitor usage and costs, as well as manage the use of generic drugs to reduce the overall cost impact for clients and members.

“Our services offered will continue to grow and evolve as the market conditions change. In terms of growth, we anticipate a very robust growth as clients are referring us to their peers and brokers realize we are a differentiator for them in the market place.” **ap**

Chris Linville is managing editor of *America's Pharmacist*.