

## CLINICAL PRIOR AUTHORIZATION REVIEW PROGRAM FAQs

ELMCRx Solutions has developed a process for eliminating cost from the pharmacy benefit delivery system by scrutinizing clinical utilization that is not effectively managed under the current PBM Clinical Prior Authorization system.

### What is ELMCRx's Tesser Clinical PA Program?

The Program is a real time clinical review of specialty and high-cost drugs Prior Authorizations (PAs) approved by a PBM. Each approval is reviewed for dosage, accuracy, completion of step therapies, quantity, formulary compliance, and FDA approval.

### How does the Program work?

The program is essentially a "real-time audit" of high-cost claims. Our pharmacists review prescriptions before they are filled using a live connection into the PBM claims system. After each review, our pharmacist either approves or edits the prescription and enters the decision into the PBM Prior Authorization system.

### What are the Plan Sponsor Responsibilities?

The Plan Sponsor's only involvement is to inform their PBM that ELMC Pharmacists have final approval authority for PAs approved by the PBM.

### How does a Plan Sponsor pay for this service?

There are several payment options available to our clients including a choice of fee options and a combination of fee and shared savings.

### What results can a plan expect?

During the past five years, the program has reduced our clients' expense for high-cost medications by an average of 10% to 15% through direct cost savings on existing medications and cost avoidance on newly prescribed medications.

### How are savings determined?

Under this program, "Savings" is the difference between the cost of the medication approved by the PBM and the cost of the medication that is dispensed after our review and intervention. This method takes into account the results of any appeals that may take place.

*See the example below*

## SAVINGS ACHIEVED THROUGH MEDICATION SWITCH

The PBM approved a prescriber request for two Cosentyx Pens for a new therapy. ELMCRx denied the request based on the PBM criteria and the member's clinical record. ELMCRx worked with the prescriber to move the therapy to Humira, which complies with PBM's the criteria and moved the medication to the formulary. In addition to complying with criteria, the new medication will generate a minimum rebate of \$1,650 per fill. The plan will benefit from savings on the new medication and the monthly rebates earned with each fill.

### EXPECTED 12 MONTH SAVINGS:

$$\text{\$17,750} + (11 \times \text{\$1,650}) = \text{\$35,900}$$

Savings from initial edit

Savings from monthly rebate



## EA PROGRAM FAQs CONT

### Is there any member disruption?

Reviews take place within the time periods specified under the PBM contract. Our pharmacists work with prescribers to minimize any potential member disruption.

The program typically impacts approximately fewer than 10 members per 1,000 lives, so the potential for any member disruption is small.

### Can the program be implemented at anytime during the plan year?

Yes. Plan Sponsors may join at any time during the PBM contract period. All that is required is a form giving the PBM permission to release these high-cost claims for review.

### Is compensation built in for ELMCRx distribution partners?

Yes, the program includes generous compensation for our distribution partners and producers.

### Are plan changes needed to put the program in place?

Put simply - no.



### THE PROGRAM REQUIRES:

No plan design changes.

No SPD changes.

No changes in the current PBM unless they won't provide access to their Clinical PA system.

No change in current medical or pharmacy benefit consultants.

PBM Consulting & Management

Cost Containment Programs for Specialty & Non-Specialty claims

Auditing & Analytics

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