



# PillarRx

Consulting

CUSTOMIZED PHARMACY SOLUTIONS

---

**Subcontractor to**



**CLAIM TECHNOLOGIES  
INCORPORATED**

**Presented to**

**The State of Montana, Department of Administration,  
Health Care and Benefits Division**

---

JUNE 29, 2022

---



# Audit Scope

- Navitus Pharmacy Audit
- Employee Plan
  - January 1, 2020 – December 2020
  - January 1, 2021 – December 2021
  - 516,975 prescriptions
  - \$88,147,908.33 Net Plan Paid
- Medicare Plan
  - January 1, 2020 – December 2020
  - January 1, 2021 – December 2021
  - 115,925 prescriptions
  - \$19,729,984.42 Net Plan Paid



# Reconciliation of Pricing Guarantees

When aggregating the dispensing fee calculations with the discounts achieved, PillarRx confirmed the overall overperformance self-reported by Navitus for Employee and Medicare plans for both audit periods. Furthermore, PillarRx was able to confirm with the State that Navitus is allowed to offset underperformance in dispensing fees with an overperformance in discounts.

PillarRx Combined Discounts and Dispensing Fee Guarantee Reconciliation		
<b>Employee Plan</b>	<b>2020</b>	<b>2021</b>
Discounts	\$1,224,429.86	\$1,418,605.00
Dispensing Fees	(\$6,451.00)	\$10,149.00
<b>Total Achieved</b>	<b>\$1,217,979.00</b>	<b>\$1,428,754.00</b>
<b>Total Missed</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Amount Due to the State</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Medicare Plan</b>	<b>2020</b>	<b>2021</b>
Discounts	\$268,040.60	\$578,131.50
Dispensing Fees	(\$20,866.00)	(\$19,888.00)
<b>Total Achieved</b>	<b>\$247,174.00</b>	<b>\$558,243.50</b>
<b>Total Missed</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Amount Due to the State</b>	<b>\$0.00</b>	<b>\$0.00</b>

# Benefit Payment Accuracy Review

- PillarRx created an exact model of the benefit plan parameters for the State’s pharmacy plan in our proprietary software to review the following parameters: copayments, age and gender edits, day supply maximums, excluded drugs, prior authorizations, quantity limits, refill limits and zero balance claims.
- After review of Navitus’ responses, PillarRx agrees that the benefit plan parameters were followed, and claims adjudicated according to plan design specifications.

Employee Plan Copays 01/01/2020 – 12/31/2021				
Total Claims	Copays per Plan	Copays Collected	Variance	Variance%
516,975	\$19,669,403.08	\$19,669,403.08	\$0.00	0%

Medicare Plan Copays 01/01/2020 – 12/31/2021				
Total Claims	Copays per Plan	Copays Collected	Variance	Variance%
115,925	\$2,112,132.39	\$2,112,132.39	\$0.00	0%



# AUDIT OVERVIEW

After review of 100% of all claims for the state for the period of January 1, 2020 through December 31, 2021, PillarRx considers this to be a clean audit.

- Discount and Dispensing fees overperformed based on the contract rates (an additional savings for the state).
- Benefit Payment Accuracy had no issues found.



# J-Code Analysis

The J-Code Analysis reviews specialty medications paid under both the pharmacy and medical benefits to determine potential savings opportunities based on site of care optimization, additional rebate savings and identify possible duplicate payments.

## Specialty Claim Summary

Benefit Channel	Total Gross Claim Cost	Total Plan Cost *	Claim Count
<b>Pharmacy</b>	<b>\$ 129,659,428.82</b>	<b>\$ 107,877,892.75</b>	<b>632,900</b>
<b>Medical</b>			
Ambulance - Land	\$ 13.60	\$ 5.97	8
Ambulatory Surgical Center	\$ 9,240.25	\$ 8,186.96	20
Emergency Room – Hospital	\$ 138,499.02	\$ 100,659.44	2,174
Federally Qualified Health Center	\$ 1,372.90	\$ 1,353.58	10
Home	\$ 3,581,283.83	\$ 3,347,088.17	647
Inpatient Hospital	\$ 59,659.46	\$ 54,698.06	67
Office	\$ 10,845,077.58	\$ 9,309,671.28	6,616
On Campus-Outpatient Hospital	\$ 19,716,085.52	\$ 16,320,757.11	13,066
Rural Health Clinic	\$ 8,882.19	\$ 8,779.92	40
Telehealth	\$ -	\$ -	2
Urgent Care Facility	\$ 287.32	\$ 49.86	184
Hospital	\$ 31,999.47	\$ 15,966.90	57
Managed Care Pharmacy	\$ 508.20	\$ 181.50	7
<b>Total Medical</b>	<b>\$ 34,392,909.34</b>	<b>\$ 29,167,398.75</b>	<b>22,898</b>
<b>Grand Total</b>	<b>\$ 164,052,338.16</b>	<b>\$ 137,045,291.50</b>	<b>655,798</b>



# J-Code Analysis

**Site of Care Optimization:** if 100% of members transitioned to the most favored channel, there is a potential for approximately \$11.5 million in savings.

**Potential Medical Rebates:** If rebates were earned under the medical benefit or transitioned to the pharmacy benefit, there is a potential of \$2.6 million in additional rebates.

(approximately 6,000 eligible medical specialty claims)

Two or More Channels or Sites of Care			
Optimal Site of Care	Sum of Claim Count	Total Allowed Amount	Potential Movement Savings
Home	654	\$6,445,657.30	\$1,567,806.98
Pharmacy	1,461	\$1,708,580.14	\$1,134,521.68
Medical Office	1,246	\$7,125,509.66	\$2,560,449.98
On-Campus Outpatient Hospital	2,381	\$7,931,848.59	\$2,861,805.80
Federally Qualified Health Center	672	\$704,149.11	\$301,653.81
Inpatient Hospital	271	\$2,482,234.06	\$1,951,991.36
Emergency Room	414	\$1,044,203.07	\$984,254.91
Ambulatory Surgical Center	483	\$582,349.71	\$191,464.71
<b>TOTAL</b>	<b>7,582</b>	<b>\$28,024,531.64</b>	<b>\$11,553,949.23</b>

**Duplicative Reimbursement:** No claims identified with duplicate payments.



---

# Thank You

---

PHARMACY BENEFIT CONSULTING



**PillarRx**  
Consulting

CUSTOMIZED  
PHARMACY  
SOLUTIONS