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IN THIS ISSUE

2021 Market Check:
A Timeline

COVID-19:
Where We Stand Today

**Federal Drug
Purchasing Programs:**
*What They Are and
Should Plan Sponsors Care*

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BEGIN AT THE POINT OF PRESCRIPTION?



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CONTENTS

01 MESSAGE FROM CHRIS

02 CENTENNIAL PLAZA

03 2021 Market Check: *A Timeline*

07 COVID-19: *Where We Stand Today*

11 Federal Drug Purchasing Programs: *What They Are and Should Plan Sponsors Care*

15 NOTEWORTHY NEWS

17 CLIENT SPOTLIGHT: SYNALLOY

UPCOMING WEBINARS

NOVEMBER

17 Right Direction
*Notice. Talk. Act.™ at Work:
Creating a Mentally Healthy Workplace*

19 2020 Annual Meeting
*The 2020 Presidential and Congressional
Elections: What do They Mean for
the Employee Benefits Agenda*

Register now at [employershealthco.com/
events](https://employershealthco.com/events) to stay informed and learn more.

DECEMBER

08 UnitedHealthcare
*The Intersection of Health and Finances
and What They Mean for Your Employees*



MESSAGE FROM CHRIS



Christopher V. Goff
CEO & General Counsel

WELCOME TO OUR NEWEST CLIENTS

A10 Networks, Inc.

Auto-Chlor System

City of St. Charles, Missouri

Dometic Corporation

Ensono

Intuitive Surgical

Kansas City Board of Public Utilities

UofL Health

Welcome to the fall edition of EH Connect. Here in Northeast Ohio, the sun is setting earlier, the leaves are nearing peak color and election yard signs are out in full force. We've made it through three quarters of this crazy year, with a presidential election still to come!

Affordable and accessible health care remains a primary issue for many voters and their elected representatives. Like all public policy issues, while we may agree on the desired results, the policies we enact to attain those results are up for debate. Given the upcoming election, recent executive orders and two high profile Supreme Court cases, we expect that regardless of who wins this November there will be changes for our organization and clients to tackle.

As always, we'll be ready to help! More employers are recognizing the value working together delivers, particularly during times of change. 2020 has seen record growth for Employers Health as we've added more than 40 new clients and nearly \$300 million to our PBM contracts. I'm proud of our team for their success, thankful to our existing clients who served as references, appreciative of the consultants who put their trust in our solutions and excited to work collaboratively with each of our new clients!

We're honored to welcome back Jim Klein, American Benefits Council president, as our guest speaker at our virtual annual meeting on November 19th. Jim will cover what the election results could mean for employers and their health benefit plans. Along

the policy front, on page 11, Garrett Brown from our legal team covers federal drug purchasing programs, what they are and what any proposed changes may mean for plan sponsors.

This year's contractual market check yielded great pricing improvements for our clients, averaging more than 8%. Dave Uldricks outlines the process of getting to these results starting on page three. On page seven, our newest Pharmacy Resident, Hannah Whitesell, along with Vice President, Clinical Solutions, Matt Harman, cover where we stand today regarding COVID-19. Their article covers current available treatments, vaccines and returning to the workplace. We round out this issue with our client spotlight featuring the benefits team from Synalloy.

2020 has been challenging for many of our clients, our communities and our nation as a whole. The fourth quarter is sure to bring additional challenges and opportunities. We've worked diligently over the years to build a strong foundation and are appreciative of our strong relationships with each of our clients, colleagues and solutions providers. We look forward to finishing 2020 strong!

Pro Football Hall of Fame *Centennial Plaza*



Just steps away from where America's most popular sport was founded, NFL Commissioner Roger Goodell unveiled the 11 Player Pylons at downtown Canton's Centennial Plaza, a city block commemorating the original founding of the organization that is today known as the National Football League. The plaza, in Employers Health's hometown of Canton, Ohio, was featured during halftime of the NFL's Thursday Night football game on September 17. The 11 featured pylons honor each decade of the league and feature the names of all 25,000-plus players who played in the NFL's first century. Employers Health is proud to be one of many local and national organizations which contributed funds toward the development of this new landmark, which supports the hall of fame's mission to honor heroes of the game, preserve its history, promote its values and celebrate excellence everywhere.

Renderings provided by MKSK, www.mkskstudios.com, and Dunlop & Johnston, www.DunlopAndJohnston.com.



2021 Market Check: *A Timeline*

by Dave Uldricks, J.D., LL.M. | Senior Vice President, PBM Contracting and Strategy

Success breeds success. Last year's Market Check (the 2020 Market Check) was among the most successful in Employers Health's history in terms of pricing improvements, new business acquisition and client retention. Building off that momentum, Employers Health set out to eclipse last year's results with the 2021 Market Check, and as of the writing of this article, it is on track to do so.



Market Check is a term that exists in many PBM contracts but is usually reserved for larger PBM clients. While this article focuses specifically on the process with CVS Health, we follow a similar process with our other PBM contracts. At its core, a Market Check provision allows the PBM client to renegotiate pricing with the PBM at some level of frequency. For some clients, the frequency is after the second contract year and every other year thereafter. For other clients, the frequency is every year and a half. And still for other clients, the frequency may be annual but subject to a pre-determined cap. Like many other terms in PBM contracts, Market Check provisions can vary significantly from contract to contract.

Employers Health conducts its Market Check annually on a calendar year basis because it best coincides with the decision-making process for our clients and prospective clients. Employers Health's negotiation of the Market Check improvement is based on market dynamics rather than some pre-determined formula. In this way, the Employers Health Market Check ensures Employers Health clients and prospective clients enjoy competitive pricing throughout their participation in an Employers Health PBM program.

The Market Check process typically spans 15 to 18 months before the January 1 effective date of the newly negotiated rates. As an example, Employers Health began working on the 2022 Market Check in September of 2020. The process begins with an evaluation/strategy phase, then moves to a preparation phase, followed by a negotiation phase and finally concludes with a communication phase. During each Market Check, numerous issues are negotiated and the phase for each issue can vary and change over the course of the process. That said, the communication phase is the stage of the process where CVS Health and Employers Health have reached mutual agreement on all issues and executed a restated Pharmacy Benefit Services Agreement.

OCT - DEC

STRATEGY

Review YTD and projected sales/retention results

Determine contractual and programmatic structural changes to investigate, if any

Engage third party national pharmacy practice to review pricing

NOV - JAN

PREPARATION

Develop contract restatement incorporating structural changes, if any

Review third party pricing intelligence

Combine intelligence with analysis to determine negotiation positions

FEB - MAY

NEGOTIATION

Provide contract restatement to CVS legal for review and negotiation

Seek agreement with CVS on structural changes, if any

Provide CVS with proposals/counter-proposals on negotiation positions

JUNE - JULY

COMMUNICATION

Finalize contract restatement

Calculate contractual improvements resulting from the market check

Disburse communication material relative to the market check to each client

The evaluation/strategy phase of the 2021 Market Check began in September of 2019. As we evaluated our efforts for the 2020 Market Check, we determined that the Employers Health PBM contract was evaluated 128 times for new business opportunities, with only one-third of those opportunities coming from established business partners. This highlights the growth of Employers Health's sales efforts and the transparency of the Employers Health contract. Many competitors of Employers Health withhold their PBM contract from evaluation, but Employers Health believes that PBM contract review is an integral part of any PBM selection process. Plus, having our contract reviewed to that extent led to an unprecedented amount of market intelligence to determine our strategy for 2021.

Through our evaluation of the 2020 Market Check we determined that the value of the contract was solid. However, much of our competition presented their PBM arrangements in ways that make them difficult to evaluate on a level playing field. To combat this challenge, Employers Health doubled down on its message of transparency and worked closely with its business partners to help identify and quantify the value of differing terms.

Having determined that no structural or programmatic changes to the PBM contract were necessary, Employers Health prepared for the 2021

Market Check negotiations by developing a proposed restated Pharmacy Benefits Service Agreement that would become effective January 1, 2021. That document was delivered to CVS Health in January of 2020. From there, negotiations ensued. From late January to early April, Employers Health and CVS Health exchanged no less than 12 proposals and counter-offers. Employers Health and CVS Health reached mutual agreement on the 2021 Market Check pricing in early April of 2020, the restated Pharmacy Benefits Service Agreement was fully executed by early May of 2020 and communication of the 2021 Market Check results were disbursed to clients by the end of June.

The newly negotiated pricing for 2021 is 8.3% better for the Employers Health book of business than current pricing for 2020.

This represents a new record for the largest pricing improvement in Employers Health's history. Much of the improvement was derived from increased rebate guarantees to keep brand drug Average Wholesale Price (AWP) increases in check and to maximize the value of formulary choices. And, as always, Employers Health strove to set the rebate guarantees at a level that will equal or exceed CVS Health's ability to collect so that maximum rebate value is passed through to our clients through the guarantees.

2021 IMPROVEMENT 8.3%

- Improved rebate guarantees
- Improved generic guarantees
- Improved out-year price points except Mail/Maintenance Choice Brand

2020 IMPROVEMENT 6.7%

- Improved rebate guarantees
- Improved generic guarantees
- Improvements in all out-year price points except Mail/Maintenance Choice Brand

2019 IMPROVEMENT 5.4%

- Improved rebate guarantees
- Improved generic guarantees
- Improved out-year price points

2018 IMPROVEMENT 6.0%

- Improved rebate guarantees
- Improved generic guarantees
- Improved specialty discounts
- Improved out-year price points

2017 IMPROVEMENT 5.9%

- Improved rebate guarantees
- Improved generic guarantees
- Improved out-year price points

The strength of the 2021 Market Check is attributable to the efforts of many, not the least of which is CVS Health. Beginning in October of 2019 CVS Health leadership was involved in monthly meetings with Employers Health discussing the 2021 Market Check. With backing from CVS Health leadership the Market Check process involved no less work, but issues were resolved much more quickly and decisively, and synergies were created in the vetting of competitive intelligence. Ultimately, the 2021 Market Check process was concluded earlier in the year than any Market Check since 2011, and it derived more value for our clients than any Market Check in Employers Health's history.

Another key to the success of the 2021 Market Check was the efforts of the Employers Health business development team. Over the course of 2019 and 2020, the team worked tirelessly to build its network of business partners and to gather competitive market intelligence. This

expanding network delivered a record number of new business opportunities and information concerning other PBM programs. When this year comes to an end, the number of times the Employers Health PBM contract was evaluated far-exceeds the 128 times it was evaluated in 2019. These evaluations and the data derived from them helped Employers Health negotiate Market Check rates that have led to successive new business acquisition records for Employers Health as well as a record setting client retention rate of 98%.

As mentioned, Employers Health is already planning for the 2022 Market Check and is developing strategies to maintain momentum and its status as one of the fastest growing pharmacy collectives in the country. This growth not only increases our leverage to provide best in class pricing for our clients, but ultimately puts money back in their pockets, enabling them to invest in their organizations, their employees, their communities and core priorities.



COVID-19: *Where We Stand Today*

by Hannah Whitesel, PharmD | Pharmacy Resident &
Matthew Harman, PharmD, MPH | Vice President, Clinical Solutions

Coronavirus. Social distancing. Contact tracing. Terms that we never knew heading into this year and are looking forward to never hearing again. When that day will come depends on quite a few variables and players, including employers, so it is important to understand where we sit today to understand how we can better navigate the future with this virus.

As of October 20th, there have been 8 million confirmed cases of Coronavirus 2019 (COVID-19) in the U.S. alone, according to the World Health Organization¹. The media coverage of this pandemic and changes in what we think we know about the virus can easily become overwhelming. The good news is that science evolves towards the truth and we have learned a substantial amount about the virus since the beginning of 2020. This article will cover what employers should know during these uncertain times and how to prepare for what is to come.

What is COVID-19?

Novel Coronavirus 2019 (COVID-19) is primarily a respiratory illness that can spread from person-to-person through close contact with infected individuals. Evidence suggests that transmission is most likely to occur via respiratory droplets, which is why mask mandates and social distancing are still the most effective prevention strategy, and not via surface contamination². However, hand hygiene and cleaning of surfaces are still wise steps to reduce the chances of transmission.

Symptoms can vary and may appear 2-14 days after exposure to the virus. The more common symptoms reported include fever, cough, difficulty breathing, fatigue, muscle aches and a new loss of taste or smell. Loss of taste and smell highlight the uniqueness of the virus. Loss of those senses indicate brain damage, making this much more than just a respiratory virus. Other organs that have been shown to be impacted include the heart, intestines, kidney, pancreas and gallbladder. The long-term implications of these impacts are of great concern to public health officials and will likely reveal themselves in the decades to come.

The largest study evaluating the severity of COVID illness, including over 44,000 individuals, found that around 80% of infections were mild to moderate in nature. Even though the remaining 20% of severe infections represent a small portion of those who contract the virus, the burden to our health care system is great due to the intensive supportive resources required to manage these patients.

There are currently two types of tests available for COVID-19. The viral test requires a nasal swab that can indicate whether an individual has an active infection. The antibody test takes a blood sample that can indicate if the individual has had a past infection with the virus. There is yet to be a consensus on how long the antibodies remain in the system and if reinfection of the virus is possible.



Current Treatments

As of October 22nd Gilead's generic remdesivir is the only FDA approved medication for the treatment of COVID-19. The use of this intravenous, antiviral drug, brand name Veklury, has been the mainstay of treatment for many clinical trials and is approved for use in hospitalized patients 12-years-old and above. Remdesivir is dosed for 5-10 days, and has solidified its role within COVID-19 treatment regimens with the FDA's stamp of approval. The widespread use of this medication originally designed to treat hepatitis C, is limited due to supply shortages with an exponential increase in demand. Multiple clinical trials are underway, evaluating the use of different agents to treat COVID-19 patients, many of which are being used concurrently with remdesivir. Other medications being studied include steroids (dexamethasone), blood thinners, immunomodulators, monoclonal antibodies and plasma that contains antibodies to COVID-19.³

At this time, the majority of treatments being evaluated would be covered by medical benefit plans. As more studies are conducted on outpatient populations, new treatments might come to light that could become approved and fall under the pharmacy benefit plan.

A Vaccine Within Sight

Collaboration of pharmaceutical industry leaders, research teams and government funded programs has significantly expedited the development of a vaccine this year. This fast track approach has allowed many vaccines to likely complete their last clinical trials before the end of this year. Under normal circumstances, vaccines would take around 10 years to be developed and gain FDA approval. Around the world, numerous types of vaccines are currently being studied. Vaccines can vary by the mechanism in which they elicit an immune response by their host. So far, the types of vaccines that are closest to completion include inactivated, protein subunit and DNA or RNA-based vaccines.

Most of the leading COVID vaccine candidates require a 2-shot series, spaced apart by 2-4 weeks. There are currently six vaccine candidates in Phase III trials; which is the last trial required before the results are submitted to the FDA for approval. The approval of a vaccine will mark the biggest advancement in decelerating the spread of COVID-19 since accurate testing methods were developed.

Once a vaccine is approved, it is inevitable that the initial supply will only be enough to vaccinate a small portion of the U.S. population. Distribution of the vaccine in these early stages will require judicious decision making from political and health care entities alike. Ultimately, vaccinating the entire population will be the most effective intervention to halt the progression of the pandemic. It is important to remember that the true benefit of vaccinating one person, is the prevention of that person passing on the infection to their friends, family and even strangers.

Recent polls have shown public trepidation towards the COVID-19 vaccine. Even though the timeline has been escalated to try and meet the demand of increasing infection rates, the standards and criteria required to gain FDA approval remain the same. It is very likely that health plans will cover a vaccine, once approved, with a little to no copay to reduce barriers of administration. Uplifting news supporting this likelihood cited from U.S. Health Official, Paul Mango, deputy chief of staff for policy at the U.S. Department of Health and Human Services, report that the government is actively working with commercial health insurers to offer a COVID-19 vaccine without a charge or copay.



Returning to the Workplace

Since COVID-19 is a respiratory virus, we expect that a single vaccine will not provide lifetime immunity and that routine vaccination will be needed. However, we do not know if that interval will be annually like the flu or every few years at this time.

Due to the similarities between COVID-19 and flu symptoms, it is absolutely crucial that influenza vaccinations are given more so than ever. Health care systems are struggling to manage COVID related hospitalizations, additional influenza infections would only add fuel to the fire. It is well documented that increased vaccination rates reduce the burden on our health care system. Flu vaccination reduces death rates, intensive care unit (ICU) admissions and duration of hospitalizations among those who are hospitalized. A 2018 study showed vaccinated adults are 59% less likely to be admitted to the ICU than someone who was not vaccinated. Reducing ICU admission rates this flu season will be imperative in our return to normalcy, as many intensive care units around the U.S. are already at maximum capacity.

Workplace impact from the pandemic is widespread and significant. This impact could include employee absenteeism, changes in consumer demand and interruptions within the supply chain. Managing these obstacles can be challenging and determining what interventions are appropriate to maintain productivity can be complex.

Education will be a key factor in limiting COVID-19 spread throughout organizations. If working from home is unavailable, then cautionary procedures should be put in place to minimize potential for transmission. View the recordings of our recent Employers' Health and Wealth Live series to learn more information on strategies for returning to the workplace including PTO, privacy, testing and other issues. Until a vaccine is widely available, it is strongly recommended businesses that have the ability for employees to work at home work continue to provide this option for employees.

As our understanding of the virus grows, so will the reliability of the prevention and treatment strategies to maintain a healthy workforce. It is important to not get discouraged when recommendations change since that means they are backed with more evidence.

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TO LEARN MORE CONTACT:

Hannah Whitesel

hwhitesel@employershealthco.com

Matt Harman

mharman@employershealthco.com



Federal Drug Purchasing Programs: *What They Are and Should Plan Sponsors Care*

by Garrett Brown, J.D., CEBS | Assistant General Counsel

Heading into the November 2020 election, one cannot help but notice various news articles on efforts to control drug prices. Past articles in EH Connect have discussed state regulatory efforts to control drug prices or the pharmaceutical supply chain. This article will provide context to plan sponsors as they encounter federal proposals that primarily impact drug pricing in the context of Medicaid, the 340B Drug Pricing Program and Medicare. This context will be provided by a brief explanation of these federal programs, identify regulatory efforts and note what impact, if any, these programs have on self-funded plan sponsors.

Medicaid – Medicaid is a joint federal and state program that, together with the Children’s Health Insurance Program, provides health coverage to over 72.5 million Americans, including children, pregnant women, parents, seniors and individuals with disabilities. Under the Medicaid Drug Rebate Program (MDRP), a manufacturer who wants its drug covered under Medicaid must agree it will rebate a specified portion of the Medicaid payment for the drug to the states. The states then share these rebates with the federal government. Pricing is based on average manufacturer price (AMP) with a

statutorily established rebate that creates a “best price.” Rebates under this construct are 23.1% of AMP for brand drugs and 13% of AMP for generic drugs. In addition to agreeing to a “best price,” manufacturers must also enter into agreements with other federal programs that serve vulnerable populations (i.e. 340B). Manufacturers who agree to these terms receive coverage for their FDA-approved drugs under the program.

340B Drug Pricing Program – As discussed above, the Medicaid rebate statute sets specific pricing requirements under the MDRP. As originally drafted, Medicaid legislation failed to account for some manufacturers that were discounting their products to certain facilities serving disadvantaged populations. As such, the legislation was amended to exempt such discounts to these facilities from “best price” regulations and created the 340B drug discount program. Eligible entities, generally hospitals or entities receiving certain federal grants, are known as 340B “covered entities.” The 340B “ceiling price” is equivalent to the Medicaid net price (list price less any rebates). This favorable pricing is extended to the covered entity and it may or may not be shared with the patient.

Medicare - Medicare's drug benefits, covered by Parts B and D, pay for physician-administered outpatient medications and outpatient prescription drugs, respectively. The federal government pays for most Part B covered drugs using a payment methodology based on average sales price (ASP). ASP is the quotient of the total manufacturer's sales of a drug to all purchasers in the United States in a calendar quarter divided by the total number of units of the drug sold by the manufacturer in that same quarter. Under Medicare Part B, providers are paid ASP plus 6%. Thus, the higher the ASP the higher the provider reimbursement. Reimbursement under a Part D plan is similar to commercial plans relative to discounts, rebates and participant cost sharing, and Part D includes a PBM that manages the drug benefit on the Part D plan's behalf.

This article is in no way intended to be a political statement. Rather, as stated above, the purpose of this article is to provide context to a plan sponsor. Such context is gained from understanding how these programs may currently impact your plan and the likelihood of any changes to these programs impacting your plan in the future. In both cases, the scale of the programs is important to understand.

Volume is a key aspect of the prescription drug supply chain. The truth of this dogma is reflected by the size and consolidation of manufacturers, wholesalers, retail networks and PBMs. Thus, when thinking about regulatory changes, it is important to have a realistic sense of the impact of such a change. Certainly, state regulatory efforts are likely disruptive and may expose certain plan sponsors to significant costs, but as demonstrated in **FIGURE 1**, federal regulatory efforts and policy have the potential for a much greater disruption in the market.



2018 Prescription Drugs Retail Outlet Sales (Billions)

FIGURE 1

Private Health Insurance	\$134.30
Medicare	\$107.20
Medicaid	\$33.40
Other Programs (CHIP, DoD, VA, Workers' Compensation, etc.)	\$11.30
Out-of-Pocket Costs to Patient/Participant	\$47.10
Total	\$335.0

Medicare

One can see that Medicare is a major purchaser and, with the addition of Part B spending (not included in **FIGURE 1**), it represents a significant portion of the pharmaceutical drug market. Because Part D mirrors the general contracting and pricing construct of a commercial plan and Part B compensates providers based on a percentage of the list price, this market is driven by large list prices and rebates. As any successful proposal could likely create unintended consequences for government and commercial plans, various stakeholder interests are likely triggered regardless of the proposed change.

Proposals include direct federal negotiation, benchmarking pricing (foreign countries or other metrics) and eliminating and replacing rebate safe harbor to the anti-kickback statute.

Medicaid

While Medicaid is typically not discussed relative to commercial plans (other than related to managed Medicaid plans), public policy and political considerations surrounding any impact to Medicaid may warrant consideration. Interestingly, sources suggest that many proposals directed at Medicare may indirectly negatively impact Medicaid. As noted by The Kaiser Family Foundation, “[b]ecause a large share of Medicaid rebates for some drugs can be attributed to inflationary increases, proposals that lower the baseline price of a drug may actually increase the net cost of the drug to the Medicaid program by significantly reducing the inflationary rebate.” Thus, this is a great example

of how complex this market is and how quickly various stakeholders can be impacted.

Proposals specific to Medicaid include state legislation targeting managed Medicaid pricing models and transparency.

340B

The 340B program has likely become more visible to plan sponsors in recent years. In the face of increased 340B activity and prevalence of contracted pharmacies, plan sponsors should be aware of how these claims, or claims from pharmacies that support the 340B program, are priced and reconciled under their contracts. There has been a dramatic increase in spending and the number of contract pharmacies under this program. According to an IQVIA whitepaper, “[i]n 2019, 340B sales represented about 11% of the entire pharmaceutical market, totaling \$67.4B.” 340B covered entities contract with pharmacies to expand distribution to patients, and pharmacies are compensated via a dispensing fee and/or sharing in the difference between the 340B ceiling price and reimbursement from a payor. To be fair, the treatment of these claims under a commercial contract is challenging because the 340B status is not definitively known at the time the script is filed or when the payor submits a rebate claim to the manufacturer. Many large retail pharmacy chains participate heavily in this space.

Proposals and regulatory efforts include tying Medicare reimbursement to the 340B ceiling price, limiting 340B covered entities from retaining spread between the

340B price and Medicare Part B reimbursement and heightened oversight over the 340B program and covered entity reporting.

Hopefully, the article up to this point has created a baseline understanding or a refresher so that the reader has improved context as these topics come across his or her desk; but **what do changes to these programs really mean to a plan sponsor?** It depends on what rules they attempt to break and their success in breaking them.

- 1. Everyone Except the Consumer (and Maybe the Manufacturer) Benefits From a High List Price** – While most in the non-government space have a relatively myopic view of rebates from a commercial perspective, it is important to recognize that a high drug list price is preferred by most members of the supply chain. As addressed above, a high list price increases reimbursement to providers, much of the supply chain is paid as a percentage of the list price, manufacturers use rebate dollars to drive behavior and increase market share, and even many payors, especially those that have recognized this market dynamic and contracted effectively, have come to rely and expect large rebate payments. Thus, while proposals targeted at the American public may seem logical, such proposals face significant headwinds due to the immediate impact this reduction in list price would have on various stakeholders. Moreover, any attempt to target rebates likely would result in these payments taking a different form, such as an administrative fee, and becoming less visible rather than more so.

2. Squeezing the Health Care Balloon

– As with any policy or regulatory proposal, there is a balancing of tradeoffs. Just as tradeoffs exist within the plan sponsor/PBM contracting process, such tradeoffs exist within the market. If providers, manufacturers and PBMs are squeezed by governmental regulations, it would seem likely that the commercial market and individual consumer may prove fertile ground to recoup any lost revenue. Many are already aware of the cost-shifting that occurs on the medical side and a similar dynamic may occur in the pharmacy space should certain regulatory efforts be taken. Thus, as with any proposal, there must be a very careful balancing of these interests and any wide-sweeping reform is unlikely.

3. Payors Get What They Negotiate

– It is important to remember that Medicare sets reimbursement, but it does not negotiate drug

prices. Thus, any proposal that effectively does so would impact other government programs and be disruptive if it were to be enacted in any meaningful way. For commercial plans and any managed government plan, payors receive what was negotiated in a services agreement. If a poor contract was negotiated and excessive margin realized at some point in the supply chain, it likely occurred within the confines of the contract. As such, any policy or proposal regarding contracting will not impact programs in the same manner or may not have the intended effect. Finally, it is important to remember that transparency may lead to more information but it does not necessarily lead to lower prices because price is driven by volume. The ability to use this information to drive access, formulary and market share to affect volume in any meaningful way is very limited-even for very large payors.

In closing, this is an incredibly complex space. Any seemingly simple policy has multiple dimensions and considerations that ultimately fall at the feet of a patient that desperately needs his or her medication. As any meaningful change cannot be addressed without a systemic change that likely flies in the face of a multibillion-dollar market, it is important to keep apprised of updates but to view each through the lenses of perspective and context.

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Noteworthy News



Employers Health Volunteers at United Way of Greater Stark County's Day of Caring Drive & Drop Event.

Kudos to **Madison Simmons, client solutions specialist**, who recently obtained a Master of Business of Administration in human resource management from Mount Vernon Nazarene University.

Employers Health Chief Financial Officer, Steve Burger, was recently selected to serve on United Way of Greater Stark County's 2020 Campaign Cabinet as chair of the nonprofit division.

Director of Client Solutions, Travis Johns chaired the National Alliance on Mental Illness's (NAMI) Charity Golf Outing. In its second year, the outing raises funds to assist in providing mental health advocacy and support to persons impacted by mental illness.

Christian Thomas, actuarial and data analytics specialist, passed his Short-Term Actuarial Mathematics exam by scoring a 10, the highest score possible.

The EH Team volunteered along-side other local employers at United Way of Greater Stark County's Day of Caring Drive & Drop Event. The event brought in over 101,000 face masks, 100,730 cleaning supplies and approximately 2,300 pounds of food to be distributed through numerous community partners.

In a time when its services were in more demand than ever, **Employers Health and the CVS Foundation**, along with other leaders in the community, provided a donation to the Stark County Hunger Task force enabling the organization to provide over 210,000 pounds of food to those in need.

Steve Burger was selected to serve on the Walsh University President's Advisory Board. The Advisory Board provides meaningful and useful feedback to Walsh's president and cabinet.



Employers Health was recently recognized by ERC as one of 99 great Northeast Ohio workplaces, marking its first year being recognized as a NorthCoast 99 recipient. NorthCoast 99 winners participate in a rigorous application process that asks for detailed information on how their organization addresses top-performer attraction, development and retention in the following areas: organizational strategy, policies and benefits; talent attraction, acquisition and onboarding; employee well-being; employee engagement and talent development; total rewards; and diversity and inclusion.



Takeda Pharmaceuticals, U.S.A. and Lundbeck are committed to helping the mental health community, including employees, patients, and caregivers.



To learn more, visit www.takeda.com or www.lundbeck.com

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USD/TAK/16/0017(1)c 03/2018




Client Spotlight

Synalloy

A publicly traded company, Synalloy is a chemicals and metals manufacturer headquartered in Richmond, Virginia. The organization has over 500 employees with operations in North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee and Texas. It provides customers with quality products and services ranging from stainless steel pipe and tube, heavy wall seamless pipe and tubing, galvanized and ornamental and high-end ornamental welded stainless steel tube. The Synalloy Chemicals Division produces specialty chemicals for carpet, paper, metals, mining, agricultural, fiber, paint, textile, automotive and other industries. Today, the organization is focused on a clear business strategy for growth, both organically and through acquisitions.

We interviewed Terry Jennings and Briley Lemon of the Synalloy benefits team, to learn how they got involved in benefits and how the organization's approach to benefits has helped them succeed.



How long have you been with Synalloy and have you been with the HR/Benefits Team the entire time?

Terry I have been with Synalloy for over two years and have been on the HR/benefits team the entire time. I joined Synalloy as the benefits manager and recently transitioned to the HR director role.

Briley I originally joined Synalloy's HR/benefits team four years ago as an intern. I was hired full-time as a HR generalist and was recently promoted to fill the benefits manager role previously held by Terry.

Why/how did you choose to get involved in employee benefits?

Terry I chose to get involved in employee benefits because it provides an array of opportunities to be creative with plan designs and offerings to assist employees with their overall wellness. It also provides challenges that keep you engaged and learning.

Briley Benefits interested me because there is always something new to learn and numerous ways employers can be innovative with benefit offerings and wellness initiatives. I enjoy helping employees navigate through making the best benefit and wellness decisions for themselves and their families.

How does your company approach health benefits and overall well-being for your employees?

Our approach is one that focuses on the entire person's mind, body and health. We have maintained a strong wellness program over the years that keeps employees abreast of their overall health. Some of those programs have included annual Health Risk Assessments and Biggest Loser Challenges. We have also enhanced our EAP offerings to ensure employees have additional access to mental health providers and have instituted weight loss and diabetes management programs for employees to take advantage of as well.

Pictured left to right, "Briley Lemon, benefits manager; Sally Cunningham, chief financial officer; Terry Jennings, director, human resources"



How has your organization been innovative in delivering health care benefits?

We have been fortunate to offer on-site clinics at two of our locations, providing on-site access to a nurse practitioner. As the access to virtual medical care expands, we have offered access to telehealth doctors for traditional medical care and mental health needs for our employees. We continue to offer two types of health plans to our employees enabling them to choose the option that best fits their needs while encompassing full access to dental, vision, pharmacy and ancillary plans.

What has surprised you about working in benefits?

The biggest surprise would be how much the pharmaceutical industry impacts benefits and ultimately the increase in specialty medications over the years. The fact that a pharmaceutical company can continuously add what diseases or medical issues a drug can treat, ultimately preventing other companies from manufacturing a generic version of the drug and making it more financially accessible to others, is surprising. These medications continue to be a significant cost to the employer and ultimately to the employee.

What are your thoughts on the future of employee benefits?

Employee benefits will continue to be a balancing act. As the medical and pharmaceutical industries continue to adjust to different models of offering services and products, we can only hope that evolving the way these are offered and constantly innovating will create healthy competition among similar providers to maintain lower cost to employers and ultimately to the employees out-of-pocket cost.

How long have you been engaged with Employers Health?

We joined Employers Health in 2010.

What value do you derive/perceive by being part of an organization like Employers Health?

We value the education and insight that we receive from Employers Health virtual learning events as well as specific insights and updates from our client solutions executive. Employers Health has enabled Synalloy to maximize the benefit opportunities we offer our employees while also allowing us as the employer to be creative in our offerings as the market changes.



Minimize spend, maximize benefits with CVS Health® Point Solutions Management

Supplemental health and well-being point solutions play a growing role in treating a wide range of health conditions. You want to offer your plan members the latest tools to keep them on their path to better health, but as these offerings increase, so does the burden of managing them.

Point Solutions Management from CVS Health offers a simple, efficient way to add carefully evaluated third-party health and well-being point solutions to the traditional benefits you offer your members. This full-service includes:

- Rigorous vendor evaluation
- Vendor guaranteed competitive pricing, simplified billing integrated with PBM invoice
- Real-time billing verification—you pay only for utilization that aligns with your criteria

So far, six vendors have passed the evaluation process:

Hello Heart

Helps members understand and improve their heart health.



Hinge Health

A coach-led digital program for members with musculo-skeletal conditions.



Livongo

Diabetes, hypertension, weight management and diabetes prevention solutions.



Sleepio

A fully automated app that uses cognitive behavioral therapy to help patients dealing with poor sleep.



Torchlight

A caregiver support solution.



Whil

A digital training platform for mindfulness, mental well-being and performance.



To learn how Point Solutions Management can help you, contact your CVS Health Account team. You can also visit <https://payorsolutions.cvshealth.com/point-solutions-management> to learn more.

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