



# 2016 Pharmacy Benefit Manager (PBM) Implementation Status Update


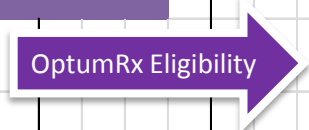

Pension and Health Benefits Committee

November 15, 2016



## PBM Implementation Update

- Overall Project Schedule
- Status of Work Stream Groups

Process	June	July	August	September	October	November	December	January	February	
Plan Design and Drug Coverage	Benefit Plan Design		Formulary Build, Test and Implementation							
										
Communications & Marketing	Comm Strategy	Draft Communications		Conduct Marketing, Outreach, and Communication Events						
	Portal Phase 1		Portal Phase 2		Support DE 9/12 - 10/17		Portal Phase 3			
					Train Call Center		Train Call Center			
							Mail ID Cards			
Systems	my CalPERS Requirements, Design, Testing, Implementation (Full ANSI)									
	Medicare (LIS, Weekly Response Files, EGWP) Requirements, Design, Testing and Implementation									
	OptumRx and SCO EFT and Warrant Processes									
	OptumRx and Milliman - HCDSS (Data Warehouse) Requirements, Design, Testing and Implementation					OptumRx Eligibility 				
	OptumRX and Health Plans - Eligibility Files, Disease Management Data Requirements, Design, Testing and Implementation						OptumRx and CVS - Historical Data Files (Claims, PA, Open Refills) Load Initial and Lag Files			
Operations							Pre-Impl Audit		Post-Impl Audit	
	Design and Implement Plan Billings & Claims Process						Invoicing/Billing  Monthly Payments			
	Operational Implementation									



## WSG – Plan Design and Drug Coverage

Responsible for the clinical program set-up including formulary management, benefit design, utilization management, and appeals process.

- Key milestones accomplished for this WSG are:

- Completed benefit design templates
- Completed clinical documentation forms
- Finalized custom utilization management criteria
- Finalized prior authorization and appeals processes
- Completed formulary disruption analysis with no major disruption issues
- Completed retail disruption analysis
- Finalized hemophiliac patient transition

- Issues:

There were several issues associated with the EGWP build e.g., fills/refills, customized communications, formulary list, specialty drug tiers, low-income subsidy, Member Out-Of-Pocket (MOOP), and Supplement Wrap.



## WSG – Communication, Reports, Tools & Training

Responsible for a full array of communication and member materials ensuring messaging is received in a timely manner with little or no member disruption.

- Key milestones accomplished for this WSG are:
  - ❑ Launched public portal phase 1 & 2 providing information regarding PBM transition, frequently asked questions, formulary listings, explanation of coverage booklets, and search features for retail locations, drug and drug cost estimates.
  - ❑ The toll free number is available and taking live calls
  - ❑ Completed OptumRx customer service staff training
  - ❑ Distributed initial PBM communications e.g., PBM Transition Self-Mailer, PBM Transition Letter and FAQs, and *Disruption Letters*
  - ❑ OptumRx tool demonstrations in-progress
  - ❑ OptumRx participating in 160 benefit fair and open enrollment events
- Issues:

There are no major issues associated with this WSG.



## WSG – SCO Interface

Responsible for the set-up of provider and subscriber payments ensuring payments are uninterrupted and paid within accordance with all state and federal laws, rules, and regulations. This is one of the more difficult WSGs due to the complexity of the State Controllers' Office's (SCO) specified file format requirements.

- Key milestones accomplished for this WSG are:
  - ❑ SCO file layouts and requirements have been established and documented
  - ❑ Completed design and build activities
  - ❑ Cycle 1 Format Test – Completed with three successful files received by SCO with minor errors
  - ❑ Cycle 2 Volume Test - Scheduled to begin November 1, 2016.
- Issues:

There has been difficulty with OptumRx understanding SCOs requirements coupled with the fact they underestimated amount of hours needed for build resulting in a four week delay in the schedule. Mitigation plan was quickly put into place and CalPERS staff is closely monitoring.



## WSG – Account Structure/Invoicing

Responsible for Carrier/Account/Group structure information for both commercial and EGWP used to identify health plan and employee information e.g., active vs retiree, regional coverage, etc.; CalPERS uses this data to run financial analytical queries and validate payments.

- Key milestones accomplished for this WSG are:
  - ❑ Finalized carrier/account/group structure
  - ❑ Completed requirements gathering for invoicing and other finance components
  - ❑ Design and build are in-progress.
- Issues:

There are no major issues associated with this WSG.



## WSG – Eligibility, Medicare, ANSI Interfaces

Responsible for setup and timely data exchanges of low income subsidies, Medicare feedback, ANSI full file, and Rx Health data feeds. The PBM will use the data to assist in more accurate validation of eligibility, to fill prescriptions accurately, and better synchronization with Health Plans regarding member information e.g., eligibility, prior authorization, etc.

- Key milestones accomplished for this WSG are:
  - ❑ Completed requirements gathering for the four interfaces
  - ❑ Completed design and build for ANSI Full File
  - ❑ Design and build are in-progress for other three interfaces.
- Issues:

There are no major issues associated with this WSG.





## WSG – HCDSS Interface

Responsible for establishing interface with PBM and the CalPERS data warehouse vendor that will exchange data related to paid claims detail, Medicare Part D reprocessing, adjustments, transaction claim detail, pricing detail, etc. CalPERS will use the data to provide financial, trend, health care, and other required reporting or analysis as appropriate.

- Key milestones accomplished for this WSG are:
  - Completed requirements gathering
  - Completed design and build
  - Testing in-progress
- Issues:

There are no major issues associated with this WSG.



## WSG – Health Plan Interfaces

Responsible for establishing interface between PBM and the health maintenance organization and preferred provider organization medical administrators data exchange related to eligibility and enrollment, PA, disease management, etc.

- Key milestones accomplished for this WSG are:
  - Completed requirements gathering for disease management file transfer
  - Completed design and build for eligibility file transfer
  - Completed requirements gather for Castlight
  - Testing in-progress
- Issues:

There are no major issues associated with this WSG.