

GBP Prescription Drug Plans Updates and Compliance Overview

HEALTHSELECT PRESCRIPTION DRUG PLANS

After a competitive bidding process, the Employees Retirement System of Texas (ERS) Board of Trustees awarded the Pharmacy Benefits Manager (PBM) services contract to United Healthcare Services, Inc. (United Healthcare/OptumRx). PBM services include the HealthSelectSM of Texas Prescription Drug Program (PDP) and the HealthSelectSM Medicare Rx Plan, an Employer Group Waiver Plan (EGWP).

- The initial term for the HealthSelect Prescription Drug Program contract began on January 1, 2017 and extends five years and eight months through August 31, 2022.
- The contract for the HealthSelect Medicare Rx Plan began on January 1, 2017 and extends six years through December 31, 2022.

Vendor Performance Reporting

Exhibit A provides an overview of the process used for tracking and monitoring a vendor’s performance. A vendor’s adherence to the contracted standards and performance guarantees is done through the review of a Monthly Administrative Performance Report (MAPR).

Below is a summary of United Healthcare Inc.’s adherence to FY20 performance guarantees for the HealthSelect PDP.

UnitedHealthcare/OptumRx
HealthSelect PDP
Vendor Performance Overview
Fiscal Year 2020

PG Severity	PG Category	Vendor Performance Results	PG Review Period	PG Performance Assessment Determination
1	Emergency Performance Guarantees (PG)	1 Emergency PG waived	10/2019	Maintenance Eligibility File Processing 75.00% eligibility files loaded timely vs. requirement of 100%
2	Critical PG	None missed	N/A	N/A
3	Moderate PG	1 Moderate PG assessment	Q1 FY2020	Written Correspondence Rate 99.77% of written correspondence resolved timely vs. requirement of 100%
4	Minor PG	1 Minor PG waived 1 Minor PG under review	06/2020 07/2020	Reporting Requirements 85.00% of reports received timely vs. requirement of 100% Communication Materials 90.00% of communication materials approved prior to sending vs. requirement of 100%

The decision to waive the October 2019 Maintenance Eligibility File Processing performance

guarantee was made as a result of ERS' failure to notify OptumRx of a required action needed on their end in advance to accept a new SFTP security certificate prior to being able to see and retrieve the posted eligibility file. As OptumRx was not notified of this change until after delivery of the eligibility file and their escalation to our IT team for research, ERS agreed to waive the performance guarantee.

ERS decided to waive the June 2020 Reporting Requirements performance guarantee because OptumRx sent the MAPR approximately 90 minutes after the cut-off date, which allowed the OptumRx account team to validate one outstanding metric. The OptumRx account team source-verified the outstanding metric after midnight to avoid sending incorrect MAPR reporting to ERS. These actions prevented any delay in ERS having accurate MAPR data available by the start of the business day following the MAPR due date.

Below is a summary of United Healthcare Inc.'s adherence to performance guarantees for the HealthSelect Medicare Rx Plan (EGWP + Wrap) for Calendar Year 2019.

- United Healthcare Inc. met all of their contractual performance standards for the HealthSelect Medicare Rx Plan for Calendar Year 2019.

BACKGROUND

HealthSelect Prescription Drug Program

Administration of the HealthSelect Prescription Drug Program is independent of the HealthSelect of Texas and the Consumer Directed HealthSelectSM medical plans. ERS contracts with a PBM to administer the independent prescription drug program, often referred to as a carve-out. The advantages of carving-out a prescription plan include flexible plan design and clinical programs that can help reduce costs, leverage the specific expertise that a PBM brings to pharmacy benefits administration, and the ability to include language in the PBM contract that allows for increased transparency such as (a) access to pharmacy claims data, (b) claims, compliance, operational and rebate audits, and (c) performance standards and guarantees.

Generally, the responsibilities of a PBM include, but are not limited to, the following:

- Managing a network of pharmacies, including an extended day supply retail network
- Negotiating discounts with pharmacies
- Managing a formulary
- Operating or contracting with a mail service pharmacy
- Negotiating rebates from pharmaceutical manufacturers
- Processing pharmacy claims using a point of sale adjudication process
- Managing the pharmacy costs through program administration such as:
 - Prior authorization
 - Step therapies
 - Specialty drug management
 - Fraud, waste and abuse
- Clinical management
- Grievance and appeals management
- Condition management programs
- Consulting with ERS on the most effective plan designs to provide optimal pharmacy coverage at the lowest possible cost

Plan Enrollment. Active employees, non-Medicare-primary retirees, and eligible dependents are automatically enrolled in the HealthSelect Prescription Drug Program when they enroll in either the HealthSelect of Texas or the Consumer Directed HealthSelect medical plan.

HealthSelect Medicare Rx Plan

The HealthSelect Medicare Rx prescription drug plan provides prescription drug benefits to HealthSelectSM Secondary (Medicare-primary participants), HealthSelectSM Medicare Advantage PPO, and KelseyCare Advantage Medicare Advantage HMO participants.

The HealthSelect Medicare Rx plan provides standard Part D coverage through a self-funded Employer Group Waiver Plan (EGWP) with secondary coverage through a self-funded wrap-around (Wrap) arrangement. The Wrap covers those prescription drugs not covered under Part D but available through the Wrap.