



Pharmacy Benefit Manager 2023 Annual Report Narrative Response

A. Instructions

In response to the questions posed in **Part C**, indicate which listed entities the PBM currently has privity with due to a contract and/or arrangement. If applicable, for each entity, indicate any PBM services that the PBM is responsible for fulfilling, directly or indirectly. If applicable, for each entity, submit a separate file containing a complete list of the entities that the PBM currently has a relationship with via a contract and/or arrangement.

In response to the questions posed in **Part D**, enter whole numbers.

B. Definitions

In response to the questions posed in Parts C and D, use the following definitions to determine which PBM services the PBM is obligated to fulfill via a contract and/or arrangement.

- Benefits design – The process by which the PBM designs and implements benefits for the health plan, excluding formulary management.
- Covered members - A person who had health insurance coverage, regardless of whether the coverage is associated with an insurance policy, a group health plan, or an FEHB plan.
- Claims processing – The process by which prescription drug claims are processed by PBMs on behalf of health plan members.
- Claims reimbursement – The process by which the PBM administers funds to pharmacies in the pharmacy network, that covers the cost of obtaining and dispensing prescription drugs.
- Drug utilization review – An authorized, structured, ongoing review of prescribing, dispensing, and use of medication.
- Formulary management – The process by which the PBM and health plan develops a list of covered prescription drugs.

- Pharmacy network management – The process of actively developing and maintaining the network(s) of participating pharmacies.
- Prior authorization – An approval process for determining the medical necessity and coverage of prescription drugs, including step therapy and quantity limits.
- Rebate negotiation – The process by which the PBM negotiates with the manufacturer on behalf of the health plan for competitive formulary placement to increase market share.

C. Contracts & Arrangements

Does the PBM currently have privity (due to a contract or arrangement) with the following:

1. Health Plans/Sponsors:

- Yes
- No

a. If applicable, indicate the PBM services that the contract/arrangement covers:

- Rebate negotiation/management
- Pharmacy network management
- Claims processing
- Claims reimbursement
- Formulary management
- Benefits design
- Drug utilization review
- Prior authorization review
- Other

b. If applicable, submit a separate file containing a complete list of health plans/sponsors the PBM currently contracts with.

2. Drug Manufacturers:

- Yes
- No

a. If applicable, indicate the PBM services that the contract/arrangement covers:

- Rebate negotiation/management
- Pharmacy network management
- Claims processing
- Claims reimbursement
- Formulary management
- Benefits design
- Drug utilization review
- Prior authorization review
- Other

b. If applicable, submit a separate file containing a complete list of manufacturers the PBM currently contracts with.

3. Pharmacies:

- Yes
- No

a. If applicable, indicate the PBM services that the contract/arrangement covers:

- Rebate negotiation/management
- Pharmacy network management
- Claims processing
- Claims reimbursement
- Formulary management
- Benefits design
- Drug utilization review
- Prior authorization review
- Other

b. If applicable, submit a separate file containing a complete list of pharmacies the PBM currently contracts with.

4. PBMs:

- Yes
- No

a. If applicable, indicate the PBM services that the contract/arrangement covers:

- Rebate negotiation/management
- Pharmacy network management
- Claims processing
- Claims reimbursement
- Formulary management
- Benefits design
- Drug utilization review
- Prior authorization review
- Other

b. If applicable, submit a separate file containing a complete list of PBMs the PBM currently contracts with.

5. Rebate Aggregators:

- Yes
- No

a. If applicable, indicate the PBM services that the contract/arrangement covers:

- Rebate negotiation/management
- Pharmacy network management
- Claims processing
- Claims reimbursement
- Formulary management
- Benefits design
- Drug utilization review
- Prior authorization review
- Other

b. If applicable, submit a separate file containing a complete list of rebate aggregators the PBM currently contracts with.

D. Complaints & Staffing

1. Complaints from Pharmacies:

- a. How many complaints, other than complaints related to maximum allowable cost (MAC) appeals, did the PBM receive in the prior calendar year from pharmacies located in New York State?
 - (1) Provide a list of the top five (5) subjects of these complaints.

2. Complaints from Covered Members:

- a. How many complaints did the PBM receive in the prior calendar year from covered members located in New York State?
 - (1) How many of these complaints were resolved in favor of covered members?
- b. How many complaints from covered members did the PBM receive from New York State agencies other than the Department of Financial Services?
 - (1) How many of these complaints were resolved in favor of covered members?

3. Staffing:

- a. How many staff from the PBM are assigned to handle complaints from pharmacies located in New York State?
- b. How many staff from the PBM are assigned to handle complaints from covered members located in New York State?

4. Maximum Allowable Cost (MAC) Appeals:

- a. How many MAC appeals did the PBM receive in the prior calendar year from pharmacies located in New York State?
 - (1) How many of these appeals resulted in an adjustment to the reimbursement received by the pharmacy?
- b. How many different pharmacies located in New York State submitted at least one (1) MAC appeal in the prior calendar year?
 - (1) How many of these pharmacies received reimbursement adjustments as a result of these MAC appeals?
- c. On average, for all MAC appeals in the prior calendar year, after the PBM determined that reimbursement should be adjusted, how many calendar days elapsed before the pharmacies were able to reverse and reprocess claims?
- d. On average, for all MAC appeals in the prior calendar year that resulted in reimbursement adjustments, how much (in U.S. dollars) did the PBM adjust reimbursements?
- e. For all MAC appeals in the prior calendar year that resulted in reimbursement adjustments, what was the average percent increase of reimbursements before and after adjustment?
 - (1) To calculate, percent change = $\frac{[(\text{reimbursement after adjustment}) - (\text{reimbursement before adjustment})]}{(\text{reimbursement before adjustment})} * 100\%$