



To: State of Ohio Government Entities

From: HealthPlan Data Solutions, LLC (HDS)

Re: HDS Pricing for Request for Proposals (RFP) Services

Minimum Price: \$25,000

Additional Charges may apply depending on the following variables. Charges will be based on a project basis rather than being determined by a hourly rate. Variables potentially affecting HDS pricing are:

- Internal purchasing protocols
- The degree of freedom and flexibility for HDS in performing the search and qualifying measures
- Inclusion/exclusion of contract negotiations
- Employer Group Waiver Plans (EGWP)
- Bidders conference
- Requirement of a claim by claim evaluation
- Ongoing post RFP oversight of implementation
- Post RFP auditing of the PBM's adherence to contract terms

RFP's performed by HDS are unique in the market:

- We use your data to construct a contracting plan that is in your fiduciary interest only
- HDS has no secondary revenue streams; no hidden arrangements with other industry members
- Once a contract agreement is reached, we begin monitoring compliance to the contract terms immediately
- Everything concerning price is defined in the RFP process and PBMs must agree to ongoing auditing

Major goals of the HDS RFP's are to identify and quantify any shortfalls; arrange for both suitable recoveries and future correction of the underlying problems; enhance the delivery of pharmacy benefits and further educate our clients' staff to better understand the intricacies of pharmacy benefit management.

HDS has extensive experience in RFPs. Our expertise in setting the terms for qualifying PBM's, handling the many details of RFP submissions, and analyzing contract terms is unsurpassed in the industry. HDS combines extensive clinical expertise to the RFP process which insures our clients get the best terms and the best service in the industry.



B. Always-On Monitoring

Option 2: Combination of PMPM and Shared Savings:

Pricing can also be done with a combination of a PMPM charge plus a 10% share of the realized savings to the plan sponsor. For this type of pricing, all Ohio State Agencies will be priced starting at the 100,000 member level. Payment of the shared savings would be quarterly.

PMPM plus Percentage of Savings						
No. of Members	Projected Savings at 15%	PMPM	Percentage Share	HDS Fees	Percent of Rx Spend	
≤100,000	\$13,500,000	\$ 0.50	10%	\$ 1,950,000	2.17%	
250,000	\$33,750,000	\$ 0.40	10%	\$ 4,575,000	2.03%	
500,000	\$67,500,000	\$ 0.30	10%	\$ 8,550,000	1.90%	
750,000	\$101,250,000	\$ 0.15	10%	\$ 11,475,000	1.70%	
1,000,000	\$135,000,000	\$ 0.10	10%	\$ 14,700,000	1.63%	



Pricing for HDS Services

A. Exploratory Analysis of Data: An initial analysis to identify potential problems in pricing is run on 6-12 months of data for **\$2500**

- This amount is **credited back** to the entity with a contract for continued services from HDS
- HDS will provide a summary report and present the detail of the findings to the customer. HDS will also offer strategies on how to maximize the potential savings.

B. Always-On Monitoring

Option 1: Per Member Per Month

Pricing is based on the number of covered lives in the drug benefit. For government entities in the State of Ohio, the pricing rate starts at the 75,000 covered life level *even* if the group is smaller in size. Further discounts can be negotiated based on the length of the contract and the size of the group being served.

Per Member Per Month (PMPM) Based on Number of Benefit Recipients						
No. of Members	PMPM charge	Estimated Rx Spend	Projected Savings of 15%	HDS Fees	Percent of Rx Spend	
≤ 75,000	\$ 1.00	\$ 67,500,000	\$ 10,125,000	\$ 900,000	1.33%	
100,000	\$ 0.75	\$ 90,000,000	\$ 13,500,000	\$ 900,000	1.00%	
250,000	\$ 0.50	\$ 225,000,000	\$ 33,750,000	\$ 1,500,000	0.67%	
500,000	\$ 0.35	\$ 450,000,000	\$ 67,500,000	\$ 2,100,000	0.47%	
750,000	\$ 0.25	\$ 675,000,000	\$ 101,250,000	\$ 2,250,000	0.33%	
1,000,000	\$ 0.15	\$ 900,000,000	\$ 135,000,000	\$ 1,800,000	0.20%	



To: State of Ohio Government Entities

From: HealthPlan Data Solutions, LLC (HDS)

Re: Pricing for "Always on" monitoring services to identify opportunities for Prescription Drug Savings for Agencies and Employee Plans

1. HDS uses its proprietary software to analyze prescription data, provide transparency and identify savings by analyzing pricing adherence, providing market price comparisons and analyzing medication utilization. HDS has identified millions of dollars of savings for Medicaid managed care organizations and State organizations on their prescription expenditures.
 - a. HDS finds that most organizations that buy large quantities of prescription drugs are being **overcharged** by the system costing **millions of dollars per year**.
 - b. The pricing structure in benefit contracts are complicated and should have constant monitoring for accuracy.
 - c. **HealthPlan Data Solutions** has developed proprietary analytical software, called Spotlight™ that provides transparency and accountability to prescription benefit expenditures and clinical insight that improves health outcomes and identifies savings.
2. HDS services are unique in the market
 - a. Utilize ALL the data and not just samples to make our analysis accurate.
 - b. Our monitoring of your claims data is "**Always On**". Our monitoring begins immediately and is ongoing. **Savings begin immediately**.
3. Typical Savings Opportunities average over 25%. They are identified in the following areas:
 - Auditing for PBM contract adherence
 - Clinical services / Medication equivalency
 - Always On Monitoring of pricing changes and claims data
 - Request for Proposal (RFP) process management for Pharmacy Benefit Managers (PBMs)
 - Prescriber and pharmacy network performance



Company: HealthPlan Data Solutions, LLC

RE: Pricelist

Effective Date: 4/08/2014

Contract No.: New application

Function	Description	Pricing
Exploratory Report & Presentation	An exploratory report on 6-12 months of prescription data, that is presented in a summary report and by the HDS team in an in-person presentation of findings and potential strategies to address savings opportunities.	\$2500- but credited to ongoing monitoring services
Prescription Expenditure Analysis, Review and "Always On" claim monitoring	Subcategories and Descriptions below:	1. Per Member per Month (PMPM) a. 1 Year: \$1.00 PMPM b. 2-3 Year: \$0.85 PMPM c. 4-5 Year: \$0.70 PMPM 2. Or a PMPM + % of Savings Participation Combination a. 1 Year: \$0.50 PMPM / 10% savings participation b. 2-3 Year: \$0.45 PMPM / 10% savings participation c. 4-5 Year: \$0.40 PMPM / 10% savings participation Discounts provided based on contract term.
1. Contract Adherence	PBM Review: <ul style="list-style-type: none"> Analyze the PBM's adherence by claim, and its' adherence to the contract both in aggregate and in detail Contract Terms review RFP recommendations based on claims data analysis Insure price guarantees and financial performance goals are achieved 	Included
2. Price Benchmarking	<ul style="list-style-type: none"> Compare pricing to the HDS market average unit prices for each medication (NDC) . Monitor generic pricing (MAC). Monitored on a monthly ongoing basis Monitor the timeliness of price reductions due to generics going multisource. 	Included
3. Formulary Analysis	Monitor adherence to the Published Drug List (PDL) and the effectiveness in curtailing prices	Included
4. Invoice analysis	Comparison of invoices to actual claims data	Included
5. Monitoring of Therapeutic Alternatives	Analyze utilization, prior authorizations, step therapy requirements to insure the most cost effective medication is utilized first.	Included
6. Monitor Rebate payments	Insure the rebates received by the State of Ohio match its' drug utilization	Included
7. Fraud ,Abuse and Waste (FAW) Identification	HDS identifies potential incidences of Fraud, Abuse and Waste by monitoring the prescribing patterns, trends and patient utilization	Included
8. Analysis of provider performance	Comparative analysis of prescribers, pharmacies and health plans (MCO) to identify potential savings and performance	Included
9. Manage all pricing and contract adherence questions	If desired to limit resource requirements of the department the following can be provided: <ul style="list-style-type: none"> Initial contact with the PBM for claims data Documentation to support HDS findings. Keeping the agency management apprised of all findings & data trending on a monthly or quarterly basis 	Included

