

To: State of Ohio Government Entities

Date: March 24, 2019

From: HealthPlan Data Solutions, Inc. (HDS)

STS Contract: **800355** Index No.: **STS874**

Re: **Pricing for HDS Services and the Renewal of State Contract STS874 800355**

Amendment to the HealthPlan Data Solutions' STS Contract for the State of Ohio 2019-22

Description of HDS SaaS Services - HDS uses its proprietary data analytics engine to provide payment integrity and pharmacy cost containment services for the payer. Analysis is done on a claim-by-claim basis. HDS's model is unique to the industry. Using market intelligence pricing, industry expertise, and multiple contracts, HDS validates and verifies the adherence to PBM contract terms and plan design requirements of adjudicated claims on a claim-by-claim basis. HDS not only identifies PBM adjudication errors but also exposes PBM business practices that are unfavorable to the payer.

Description of HDS Professional Services –HDS also offers Consulting Services in the areas of Recommendations and Strategies, Retrospective PBM Claims Audits, and RFP Submission Analysis, Contract Simulations, and Score Cards. The result is a clearer understanding of the payer's drug spend and detections of savings opportunities in the drug spend that can be saved going forward or recovered retrospectively.

HDS's data analytic engines are comprised of three modules as outlined in the following table. These software-based services are offered by using a Software as a Service (SaaS) model; therefore, all HDS services are provided within its secured technical environment.

HDS Module	Related Services
Claims Insight	<ul style="list-style-type: none"> • Claim Scan • <u>On-Going Monitoring</u> • <u>Fraud, Waste & Abuse monitoring</u>
Provider Insight (Requires Claims Insight)	<ul style="list-style-type: none"> • Provider Detailing • Dangerous Prescribing Patterns
Care Insight (Requires Claims Insight)	<ul style="list-style-type: none"> • Pharmacy Care Management • Health Outcomes Measurement
HDS Consultancy	Related Services
Expert Consulting Services	<ul style="list-style-type: none"> • Report on Recommendations and Strategies for Pharmacy Savings • Retrospective PBM Claims Audit • RFP Submissions Analysis, Contract Simulation, Score Carding

Description of HDS SaaS Services

1. Claims Insight has two applications:

- **Claim Scan**: Automated pharmacy payment integrity system, which provides a post adjudication, prepayment analysis of pharmacy claims. Material errors are identified for correction prior to Rx claim payment to the PBM, holding the PBM accountable in a timely manner and improving cash flow by eliminating any potential overpayment.
- **Ongoing Monitoring**: The system monitors prescription utilization in a portal designed for pharmacy benefit consultant efficiency. The software suite includes dashboards and automated reports like Quarterly Benefit Review, Rebate Reconciliation, Therapeutic Alternatives, Pricing Contract Adherence, Lost Rebates, Generic Efficiency, and others.
- **Fraud Waste & Abuse (FWA)**: Reporting solution which identifies specific cases of FWA within the pharmacy benefit based on preset parameters. This report categorizes patients, prescribers, pharmacies and PBM into low, moderate, and high risk based on repeating patterns and financial impact.

2. Provider Insight (requires the use of Claim Insight):

- **Provider Detailing**: The system provides tools to identify and help educate providers and practices that fall short of prescribing goals set by the health plan or plan sponsor. For example, generic dispensing rate percentage, therapeutic alternatives, etc.
- **Dangerous Prescribing Patterns**: Identifies providers with dangerous prescribing patterns and provides actionable tools for payer intervention and education.

3. Care Insight (requires the use of Claim Insight):

- **Pharmacy Care Management**: Provides tools that enable the plan or clinician to consider both medical and pharmacy claims experience in patient interventions. Examples include integration of medical and pharmacy data into a care management tool or disease specific tools. These tools can help the plan or clinician improve their Star Ratings.
- **Health Outcomes Measurement**: Provides guidance on intervention strategies for providers and patients. Measures the effectiveness of provider outreach and vendor management programs, plus quantifies the impact on quality, outcomes, and costs.
- **Care Management Tools**: Provides the ability to combine medical treatment and diagnosis data with the pharmacy data to help in care management.

Professional Consulting Services includes the following:

- **Plan Performance Summary Analysis (PSA)**: Analytics and consulting services combined to perform an initial analysis for payers. This service examines twelve months of prescription data, the PBM contract and benefit design to develop a plan outlining recommendations and strategies for cost savings and determines whether a retrospective audit of PBM performance should be pursued.
- **Retrospective PBM Claims Audit**: Contracts with PBMs allow for a retrospective audit of 2-3 years of prescription claims data to measure the PBM's performance on pricing, rebates, and charges for clinical services.
- **RFP Submissions Analysis, Contract Simulation, RFP Score Card**: HDS consulting services result in the measurement, comparison, and contract simulations of RFP submissions using the client's actual claims history, plan design, and the submitted contract terms. This analysis provides a score card that can assist in evaluating PBM proposal submissions.

State of Ohio Pricing List

The State of Ohio receives the lower of:

1. 10% off the HDS Commercial Price List for the Per Member Per Month (PMPM) charges and 5% off the Commercial pricing for professional services.
2. The approved GSA pricing (currently in process of getting approved)

Per Member per Month (PMPM) Pricing: SaaS Solutions and Professional Services

State of Ohio SaaS Price List				
Number of Covered Members	One-Time Setup and Configuration Cost	Claims Insight with FWA	Provider Insight*	Care Insight*
		PMPM*	Additional PMPM	Additional PMPM
>5,000	\$9,000	\$1.80	\$0.135	\$0.135
10,000	\$9,000	\$1.35	\$0.135	\$0.135
15,000	\$13,500	\$1.13	\$0.090	\$0.090
25,000	\$18,000	\$0.90	\$0.090	\$0.090
50,000	\$18,000	\$0.84	\$0.090	\$0.090
100,000	\$27,000	\$0.70	\$0.045	\$0.045
250,000	\$36,000	\$0.50	\$0.045	\$0.045
500,000	\$36,000	\$0.41	\$0.023	\$0.023
1,000,000	\$45,000	\$0.34	\$0.023	\$0.023

*PMPM=per member per month

Professional Services: State of Ohio Price List			
Number of Covered Members	Report on Recommendations and Strategies for Pharmacy Savings	Retrospective PBM Claims Audit	RFP Submissions Analysis, Contract Simulation, Score Card
>5,000	\$19,000	\$50,000	\$23,750
10,000	\$20,900	\$50,000	\$23,750
15,000	\$22,800	\$50,000	\$23,750
25,000	\$23,750	\$50,000	\$23,750
50,000	\$28,500	\$60,000	\$28,500
100,000	\$33,250	\$70,000	\$33,250
250,000	\$38,000	\$80,000	\$38,000
500,000	\$42,750	\$90,000	\$42,750
1,000,000	\$47,500	\$100,000	\$47,500

At Risk Pricing Model

State of Ohio At Risk Pricing				
Number of Covered Members	One-Time Setup and Configuration Cost	Claims Insight (Price per Member Per Month)	Shared Savings	Vendor Revenue Annual Cap*
>5,000	\$9,000	\$1.10	15%	\$67,500
10,000	\$9,000	\$0.77	15%	\$135,000
15,000	\$13,500	\$0.66	15%	\$202,500
25,000	\$18,000	\$0.54	15%	\$337,500
50,000	\$18,000	\$0.51	15%	\$675,000
100,000	\$27,000	\$0.44	15%	\$1,350,000
250,000	\$36,000	\$0.34	15%	\$3,375,000
500,000	\$36,000	\$0.30	15%	\$6,750,000
1,000,000	\$45,000	\$0.26	15%	\$13,500,000