LAC MHLA PSA Overview

A Joint Effort with Ventegra + MHLA & DHS + Clinics

October 26, 2015

- Introductions
- Expectations/Purpose of Today's Meeting
- Ventegra Overview
- Pharmacy Phase II Overview and Next Steps
- Questions and Answers

* Questions asked during this presentation will be compiled and turned into an FAQ.

- Meet Ventegra and Clinics
- Opportunity to get an overview of Phase II
- Discuss how to include dispensaries
- Discuss Communication Structures ongoing between DHS, clinics and Ventegra
- Discuss Pilot before Feb. 1 launch

- Not all detailed operational questions can be answered today – that will occur over next 90 days of implementation

Background on Ventegra

Ventegra Overview

Formed in 2004
"Veritas" (Truth) + *"Integritas"* (Integrity)

- Company of Healthcare Professionals!
- A family-owned California Corporation
    - Based in Glendale, CA
- Certified Small Business
- Certified B-Corp. (by B-Lab)
- Certified Member of MSDC

Ventegra, Inc., a California Benefit Corporation

- Servicing 106 Clients; 9,605,193 lives (3Q 2015)
- Being recognized as a "new Class of Trade"

We are committed to seeking innovative ways to channel our resources to improve the lives of others. The principles guide us as we strive for excellence - to our team, our clients, and our partners.

- We will value our *relationships* and show *respect*, always

- We will actively *participate*; your thoughts and actions *can* make a difference

- We will be *proactive*, not reactive

- We will do what is *right* and be always mindful of the *whole*

- We will be *accountable*. Be *responsive*. Be *engaged*.

Our Work Begins and Ends with Truth and Integrity.
It is our name. It is our core. It is how we do business.

WHY VENTEGRA?

- Pharmacy Services Administrator ("PSA") that is focused on facilitating integrated solutions.

- Ventegra Proprietary Systems:
  - 340B Administration
  - Acquisition Cost-based Pharmacy Network
  - Flexible Claims Processing Capabilities
  - Data Management Expertise

- Local Company who understands "West Coast Managed Care".
  - Longstanding position as preferred provider of PSA services for CAPG members

- Certified Small Business Enterprise

PSA = PBA + CMM + 340B

Ensuring Appropriate Medication Use

- All functions of a traditional Pharmacy Benefits Manager (**PBA**) to manage medication utilization
  - At a LOWER total healthcare cost
  - More Transparency & Integrity

PLUS

- Comprehensive Medication Management (**CMM**) services to improve clinical outcomes and lower total medical costs

- *PSA = Pharmacy Services Administration*
- *PBA = Pharmacy Benefits Administration*
- *CMM = Comprehensive Medication Management*

Pharmacy Phase II
Overview and Next Steps

## GOAL OF PHARMACY PHASE II

- To provide pharmacy program that expands access to high quality pharmaceutical services for MHLA participants.

OBJECTIVES OF PHARMACY PHASE II

- Increase patient access to pharmaceutical services
- Provide for lowest cost prescription products while ensuring appropriate levels of quality of care
- Establish a foundation for prescription drug distribution in compliance with state and federal regulations

Intent is to maximize pre-existing relationships and familiarity where available to enhance uptake & speed to implementation.
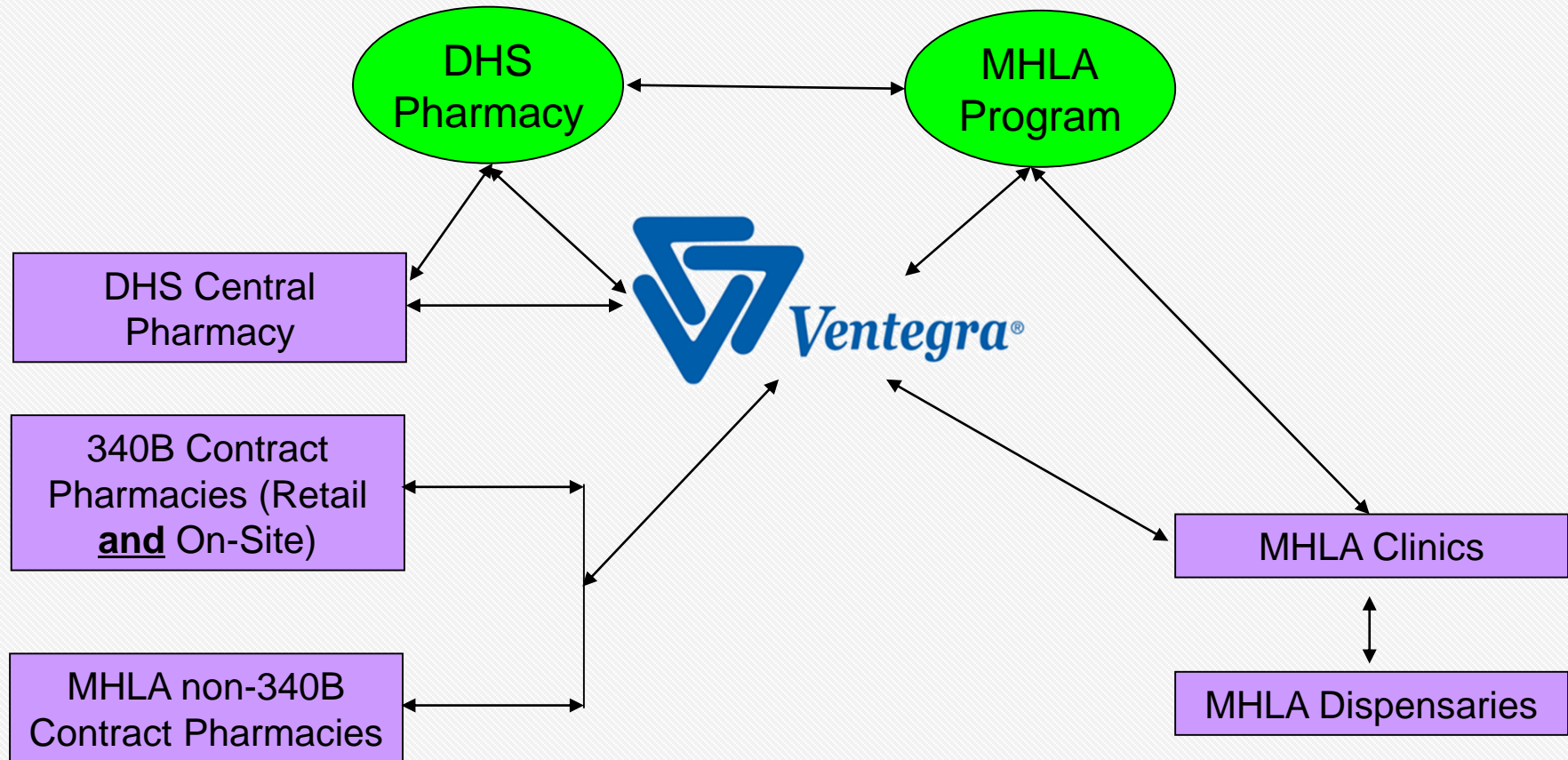
- DHS Central Fill Pharmacy (340B drugs)
- Dispensaries so long as following criteria met:
  1. State Board of Pharmacy permit
  2. Dispensary meets all State regulations for drug dispensing
  3. Dispensary submits daily (within 24 hours) dispensing data to Ventegra
  4. Consistent with Business and Professions Code 4170 (a) (7), CPs must provide written disclosure that the MHLA Participant has a choice between obtaining the prescription from the dispensing prescriber or from a network pharmacy of the patient's choice.

- Clinic On-Site Pharmacies and Ventegra Contract Pharmacies (340B qualified)
- Retail Contract Pharmacies (non-340B)

- The current standard of practice for all licensed pharmacies is to provide the stipulated data requirements for the MHLA program in <u>real-time.</u>

- Clinic Dispensaries are being exempted from the requirement to submit pharmacy data in real time, however they are being required to provide data <u>within 24 hours.</u>

❑ Ventegra will extract, transform and load the drug data from dispensaries into a format compatible with NCPDP (National Council for Prescription Drug Programs)

❑ However, DHS needs this data provided to Ventegra from dispensaries within 24 hours to ensure:
- Accurate drug interaction and duplicate therapy alerts
- Prescription history for medication reconciliation during transitions in care (e.g., emergency room, hospitalization, other clinic or physician visits, etc.)
- Timely processing of payments to clinics for dispensed drugs
- Appropriate drug utilization review
- No duplicate therapies
- Assess alternative therapies and/or effectiveness with existing treatments.
- Implementation of medication action "triggers" that would identify potential medication related problems and allow for pre-emptive intervention.

Pharmacy Data Requirement
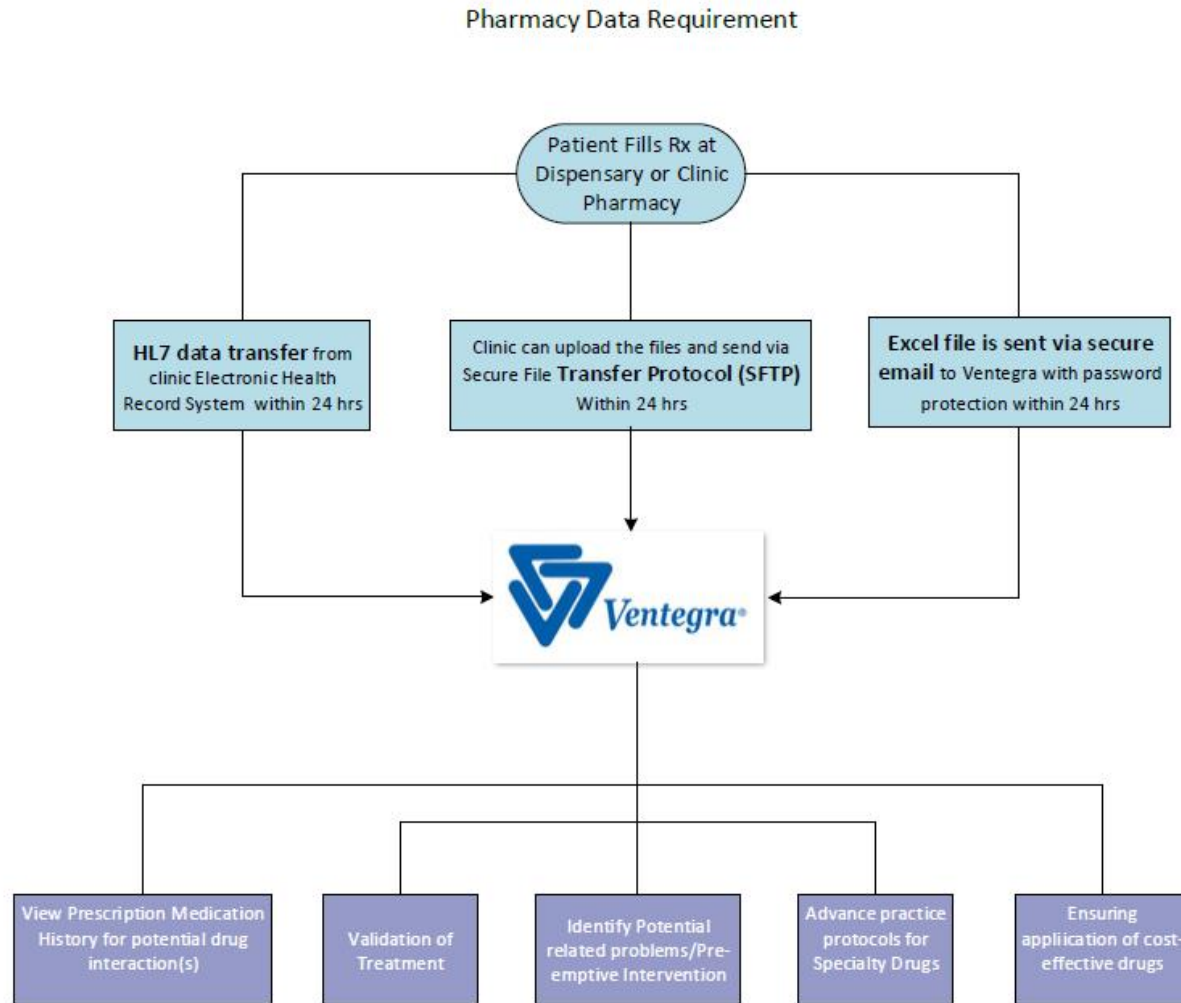
❑ **Example data fields required (not comprehensive)**
- MHLA Patient Identifier information
- Prescriber Identifier information
- National Drug Code (NDC) for dispensed drug (an 11 digit number)
- Quantity dispensed
- Date of Service
- Days supply or instructions (SIG)
- **Comprehensive list of data fields to be provided during next 90 days**

❑ **Options for clinic dispensaries to provide pharmacy data to Ventegra include:**
- HL-7 data transfer from the CPs Electronic Health Record (EHR) system
- Automated file transfer via Secure File Transfer Protocol (SFTP) – clinic can upload the files and send to Ventegra.
- Excel file sent via secure email to Ventegra with password protection.

❑ **CPs should not have to purchase new software to submit the data to Ventegra in any of the three formats noted above.**

- Patient file sent by MHLA to Ventegra daily

- Defined Formulary Prior Authorizations

- Step Therapy

- Advanced Practice Protocols

Dispensaries

- Generic formulary agents = $4 per 30-day supply
- All other formulary agents (with a 340B drug ingredient cost exceeding $4 per 30-days) or PA-approved non-formulary agents = 340B drug ingredient cost
- Patient Assistance Program agents = no reimbursement
- Payment will come from MHLA following a R.A. by Ventegra

Licensed Pharmacies

- Based upon 340B Actual Acquisition Cost
- Dispensing Fee TBD
- May vary by prescription distribution channel
- Payment will come from Ventegra

- Go-live February 1, 2015 (90 day implementation)
- Add Pharmacy Processing info to MHLA Cards
- Finalize Formulary
- Define Flow and Timeline for Financial Transactions
- Create small workgroup with Ventegra, DHS and CPs
- Centralized location to direct pharmacy questions
- Conduct a Pilot to ensure a smooth transition
  - Test Dispensary Processing
  - Test On-site Clinic Pharmacy Processing
  - Test Retail Pharmacy Processing
  - Test DHS Central Fill Processing

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Questions?