



# State-backed pharmacy benefit solutions

New Mexico  
October 24, 2024

# Agenda

- PBM Basics
- History of ArrayRx
- Governance of ArrayRx
- Delivery of services
- How to join ArrayRx

# What are PBMs?

Manage medication benefits for payers and members



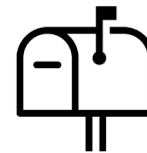
**Process claims.** Establish member eligibility and authorize claims submitted by pharmacies for payment.



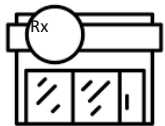
**Ensure patient compliance.** Administer programs to monitor and track that medications are taken as prescribed.



**Manage formularies.** Administer pharmacy & therapeutic committee reviews to select drugs that will be covered by the pharmacy and medical benefit.



**Operate mail order and specialty pharmacies.** Responsible for having medications delivered directly to a patient's door.



**Create and administer networks of pharmacies.** Ensure that members have broad access to retail pharmacies.



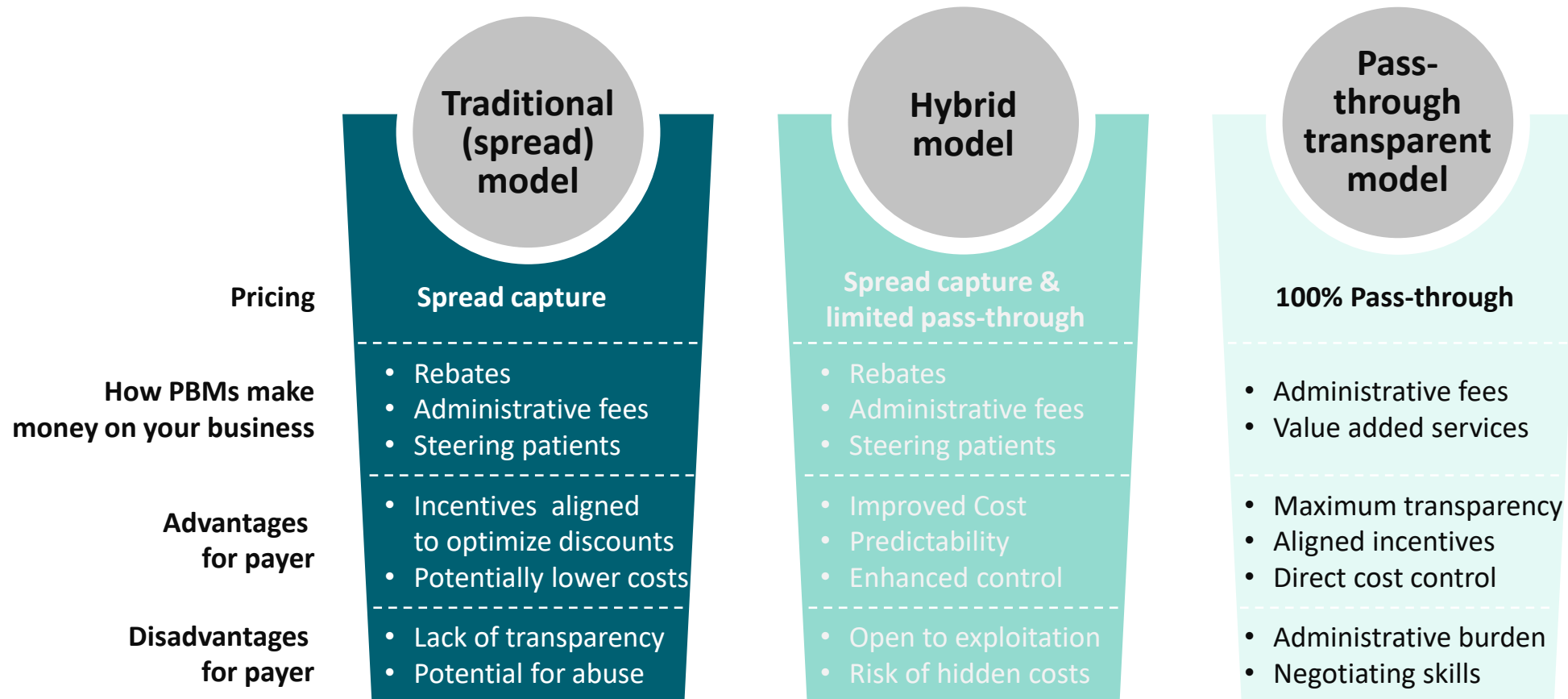
**Administer rebate programs.** Negotiate rebates with manufacturers to leverage financial performance.

# Different PBM models

	Pricing	Transparency	Benefits	Drawbacks
Traditional (spread) model	Markup added to drug costs, often opaque	Limited transparency in pricing, rebate retention	Predictability since guarantees reflect what is paid	Limited transparency, potentially higher costs
Hybrid model	Flexibility in Pricing and Fees	Varies on model and level of pass-through	Some pricing details understood, negotiated rebates may lower cost	Limited visibility into PBM program, hidden fees persist
Pass-through transparent model	Transparent, pass-through drug costs without markup	High transparency, clear visibility into costs and rebates	PBM alignment, clear view into performance	Requires greater responsibility of plan sponsor

# How PBMs make money

Business models impact how services are priced and revenue is generated



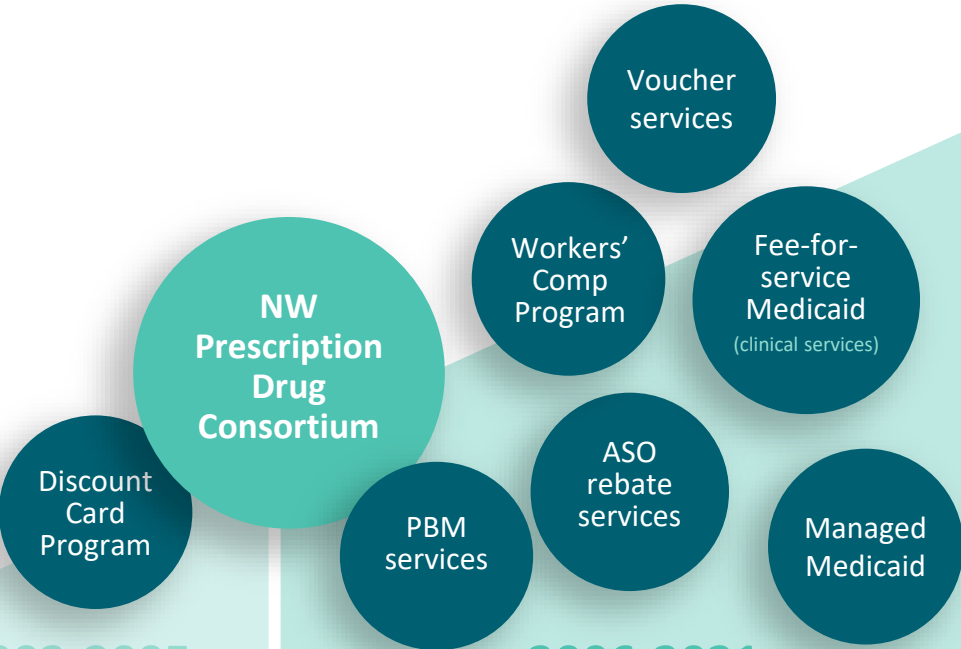
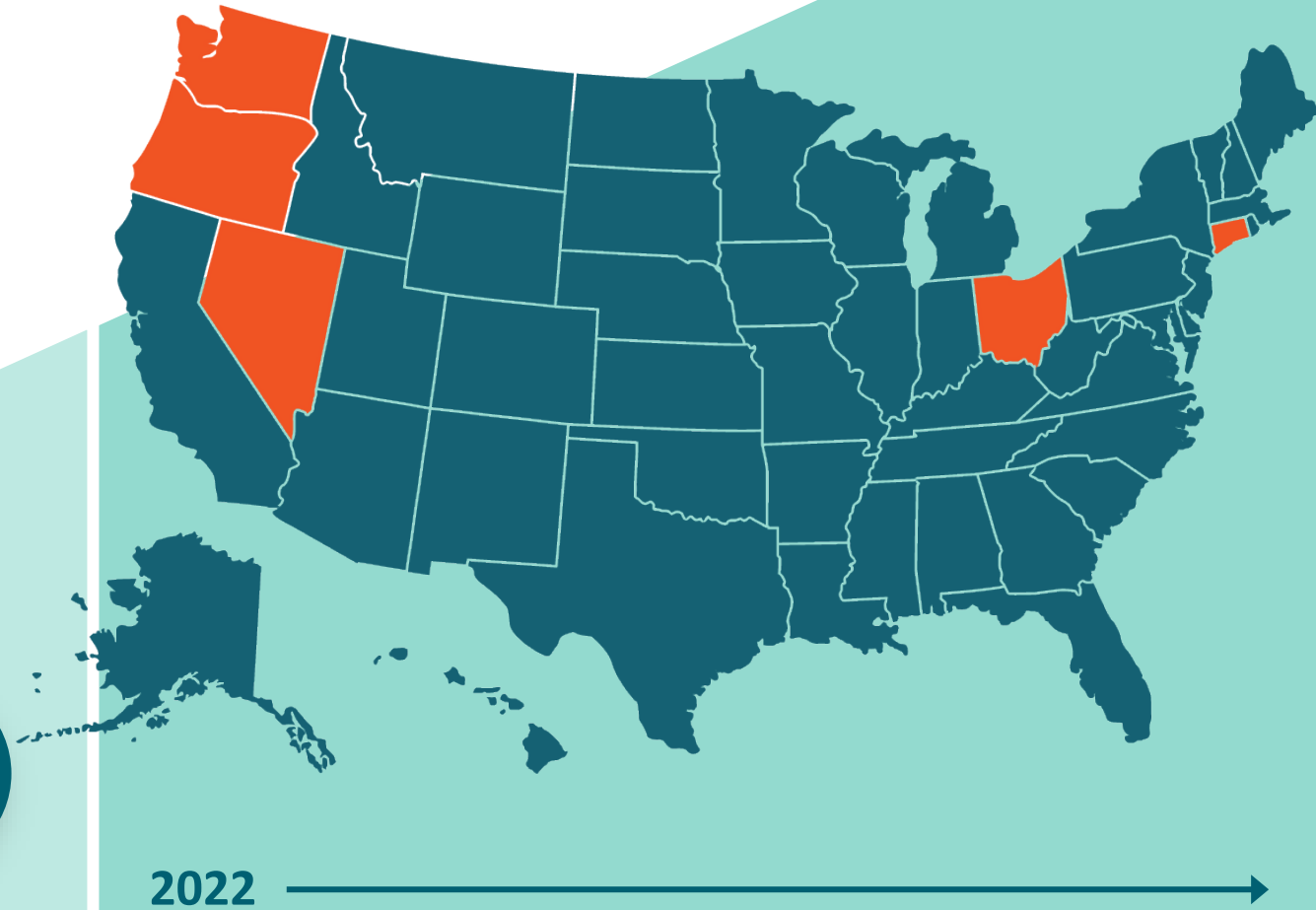
# Who is ArrayRx?

- Comprised of public servants
- Regulate/control PBMs
- Protect consumers
- Being effective stewards of public resources
- Embrace solutions that are founded in transparency and accountability
- Pool multi-state purchasing power to lower drug costs and administrative fees
- Will innovate with other State partners
- We offer the only PBM suite of services that is overseen by public servants with aligned statutory goals & fiduciary responsibilities

# Mission

To provide high-value pharmacy solutions overseen and administered by states' public sector purchasers of prescription drugs where transparency and stewardship of tax dollars is the highest priority.

# Created for states, by states



2003-2005

2006-2021

2022

OR & WA establish prescription discount card programs in their states

OR & WA collaborate to offer a variety of **pharmacy solutions** in their states

The “Consortium” rebrands to ArrayRx to share successful programs and services beyond the Pacific Northwest



# Steering Committee membership

- Originating States: Oregon and Washington
  - Members must be an employee of a public sector entity in an Originating State
  - OPDP and WPDP Directors each hold a seat
  - 4 voting members each
- Advisory members: Member states
  - Members must be an employee of a public sector Participating Program
  - Appointed by Participating Program that signs Intergovernmental Agreement
  - Steering Committee approval of nominee

# ArrayRx Steering Committee



**Trevor Douglass,**  
**DC, MPH**  
*OR Health Authority*



**Andrew Gibler,**  
**PharmD**  
*OR Health Authority*



**Heidi Murphy, BSc**  
*OR Health Authority*



**Kevin Haley,**  
**PharmD**  
*OR State Hospital*



**Beth Slamowitz, PharmD**  
*NV Dept of Health and  
Human Services*



**Leta Evaskus, MFA**  
**Committee Chair**  
*WA Health Care Authority*



**Donna Sullivan,**  
**PharmD, MS**  
*WA Health Care Authority*



**Jaymie Mai, PharmD**  
*WA Dept of  
Labor and Industries*



**William Hayes,**  
**PharmD, CCHP**  
*WA Dept of Corrections*



**Stephanie Krieg, MSHC, CHES**  
*CT Office of the  
State Comptroller*

# Our operating principles

## Predictability

- A fixed PMPM fee
- All inclusive services
- Aggressive network guarantees



## Transparency

- Complete program and operating transparency
- Pass-through, everything at the point of sale
- Comprehensive reporting



## Auditability

- Comprehensive oversight and program governance
- Annual market checks
- Financial audits



**Optimizing the delivery of your pharmacy benefits**

# Contract oversight and management

## Multi-State Oversight

- Originating states legal review
- Intergovernmental agreement
- Multi-state steering committee
- Contract compliance
- Most favored nation
- Annual market checks
- Non-compete

## Key Performance Indicators

- Pass through performance reports
- Performance metrics
- Operational reports
- Cost and Utilization reviews
- Prior authorization status report
- Preferred drug management
- Clinical reports

## Financial Stewardship

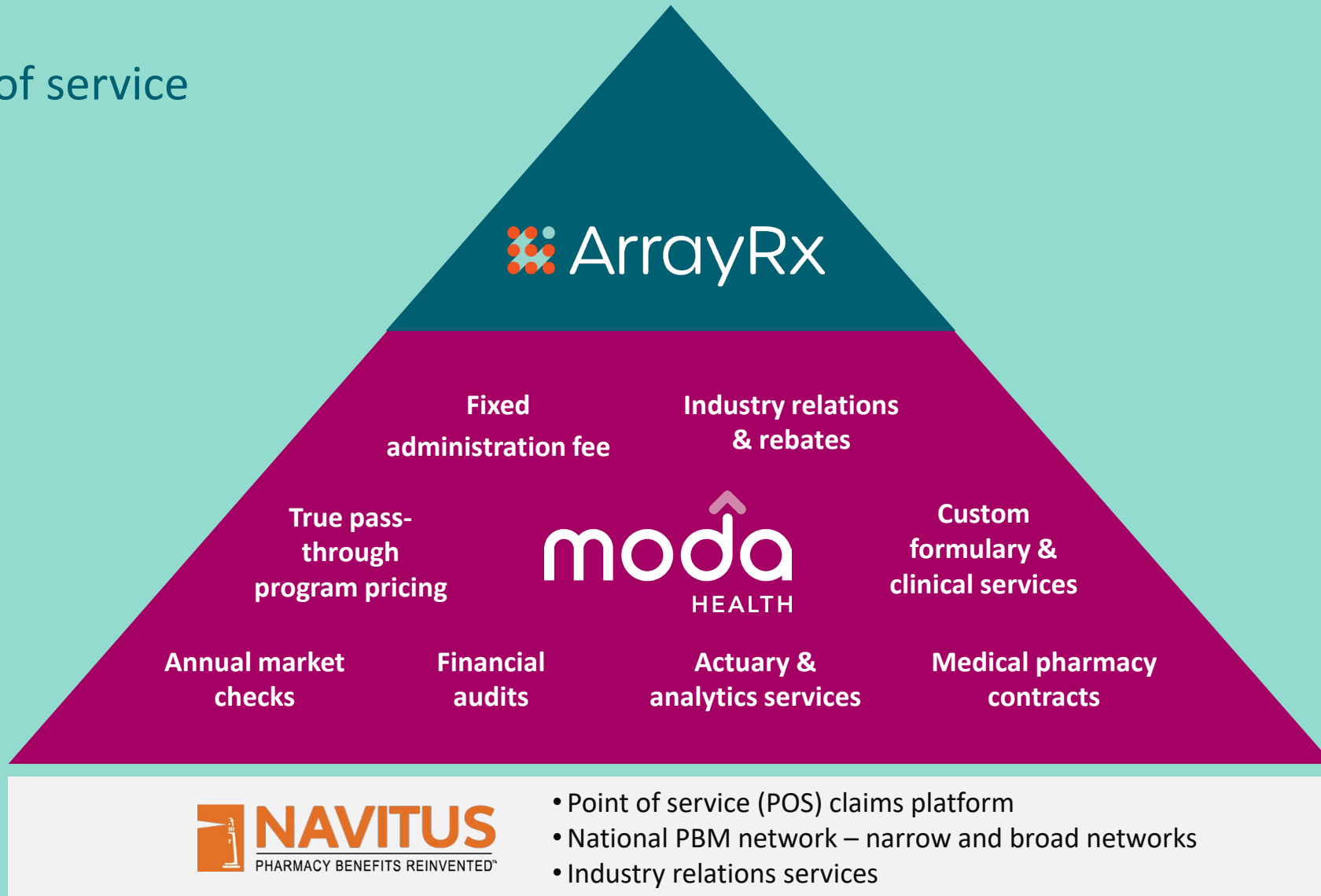
- Reporting & analytics
- Basis of reimbursement
- Rebate management reports
- Financial guarantees
- Auditability



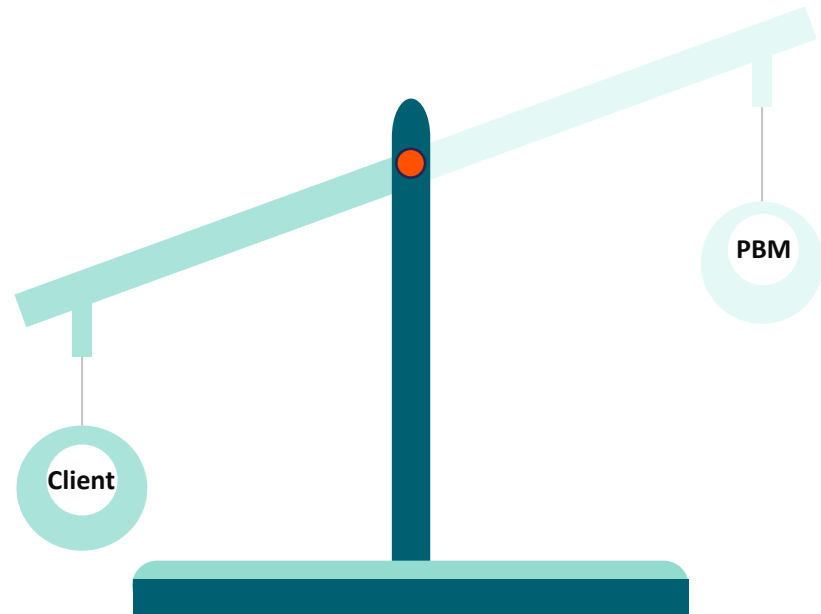
## Program services

PBM Services	Discount Card	Voucher Programs	ASO Rebate Services	Medicaid Programs
Group Rx Benefits	State-Sponsored Discount Card	Corrections	Group Rx Benefits	Managed Medicaid
Workers' Comp		State Hospitals	Workers' Comp	Fee-for-Service Medicaid
Medicare Part D (Coming Jan 2025)		County Health Departments	Medicaid Programs	

# Delivery of service



# Authentic PBM disclosure and openness



- Arnold Ventures backed
- Consultant validated
- Detailed pricing analysis
- ArrayRx Participating Program Agreement:

*“With the ArrayRx contract, PillarRx identified a contract that was **overall more favorable to the client than the PBM**. That is a rarity these days and PillarRx applauds ArrayRx’s efforts to bring something unique to the marketplace that truly puts their clients needs, wants, and goals first above everything else.”*

(See PillarRx affirmation on [ArrayRxSolutions.com](https://www.ArrayRxSolutions.com))

# Critical Access Pharmacies (CAP)

- Oregon has recently experienced 40 pharmacy closures in January 2023 to June of 2024.
- Nationally, pharmacies in low-income, urban areas and independently owned pharmacies are at greatest risk of closing.
- Pharmacies are key health care delivery sites.
- ArrayRx has developed the CAP designation
  - Tribal and FQHC pharmacies
  - Pharmacies serving high poverty census tracts.
  - Frontier, rural and urban considerations.



# Any public entity can participate

ArrayRx programs are made for:

- States, cities, counties
- School districts
- Utility districts
- Jails
- Labor unions
- Interlocal cooperatives
- And more...



# Difference between ArrayRx and other PBMs

	ArrayRx	Other PBMs
<b>Oversight and Governance</b>		
PBM overseen by public sector servants	X	
Access to negotiating power of participating states/public entities	X	
Annual market check at no charge	X	
Most Favored Nation terms	X	
<b>Transparency and Auditability</b>		
Fixed and transparent per claim administrative fee or PMPM fee	X	
100% Transparent	X	
100% Pass-through of pharmacy network discounts	X	
Pass-through 100% of PBM rebates (including Specialty)	X	
Extensive audit rights	X	
<b>Flexibility and Customization</b>		
Ability to customize most services for no added cost	X	
Clinical pharmacy expertise and programs (limited charge up)	X	
High touch high service, national footprint	X	X
Utilization management (limits, step therapy, prior authorization, etc.)	X	X
Site of Care and Pharmacy Benefit Optimization to achieve lowest cost	X	X

# Difference between ArrayRx and other PBMs

	ArrayRx	Other PBMs
<b>Network Management</b>		
ArrayRx aggressive pharmacy network discounts	X	
Choice of pharmacy networks (broad, narrow, preferred)	X	
Critical access pharmacies for underserved areas	X	
Choice of mail order pharmacy (PPS, Costco, or both)	X	
Exclusive Specialty pharmacy	X	X
<b>Performance Guarantees and Contract Rights</b>		
Extensive performance guarantees (pre-negotiated)	X	
Termination for convenience	X	
No termination Fee	X	

# How can NM join?





*Administered by* **moda**  
HEALTH