



Washington
Prescription
Drug Program

Northwest Prescription Drug Consortium

Integrating Solutions for Best Value

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HEALTH



Northwest Prescription Drug Consortium

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NW Consortium Overview

- An inter-state agreement between the States of Oregon and Washington
- Designed to meet the broad and unique pharmacy program needs of public and private entities
- Enabling legislation:
 - Oregon: ORS 414.312
 - Washington: RCW: Chapter 70.14.060

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NW Consortium Services

- Group pharmacy benefit management
- Managed Medicaid pharmacy benefit administration
- Discount Card Program
- GPO (facilities and public health) program offerings
- Voucher program
- 340B program administration
- Rebate administration services only
- Medicaid supplemental drug rebate program coordination
- Fee-for-Service Medicaid pharmacy administration (coming)

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NW Consortium History

2003

Oregon Prescription Drug Program (OPDP) was established by the Oregon State legislature.

2005

Washington Prescription Drug Program (WPDP) was established by the Washington State legislature.

2006

Northwest Prescription Drug Consortium (NW Consortium) created to pool purchasing and bring the best drug prices to program participants.

State of Oregon competitive procurement developed with State of Washington to select Program Administrator.

2007-08

Moda Health selected as Program Administrator for the NW Consortium program and expand participation.

NW Consortium launches with Washington's Public Employees and Oregon's Educators Benefits Boards.

2010

2nd RFP completed by State of Oregon in partnership with State of Washington. Scope of services expanded to include Medicaid, Medicare, GPO and 340B programs.

Moda Health renew as Program Administrator.

2013

OPDP launches GPO program to include Traditional and Non-Traditional non-profit entities.

2015

Through passage of Oregon House Bill 2638, Medicaid received authorization to join OPDP. Any Medicaid Health Plan can elect to use OPDP's programs and contracts to better manage their program costs.

2016

3rd RFP released by State of Oregon in partnership with State of Washington to select new Program Administrator.

Moda Health renewed as Program Administrator.

2017

Eastern Oregon Coordinated Care Organization joins NW Consortium, adding Managed Medicaid as a participant in program.

2018

NW Consortium facilitates more than \$800 million in annual drug purchases for over 1 million people in participating groups and facilities.

2019

Oregon's Coordinated Care Organization (CCO) RFA solicits PBM's demonstrating pass-through transparency. OPDP offered as an option for CCOs to use for their PBM programs.

WA SEBB elects to join NW Consortium.

2020

4th RFP released by State of Oregon in partnership with State of Washington to select new Program Administrator. Contract discussions expect to be finalized in July. FFS Medicaid platform development started.

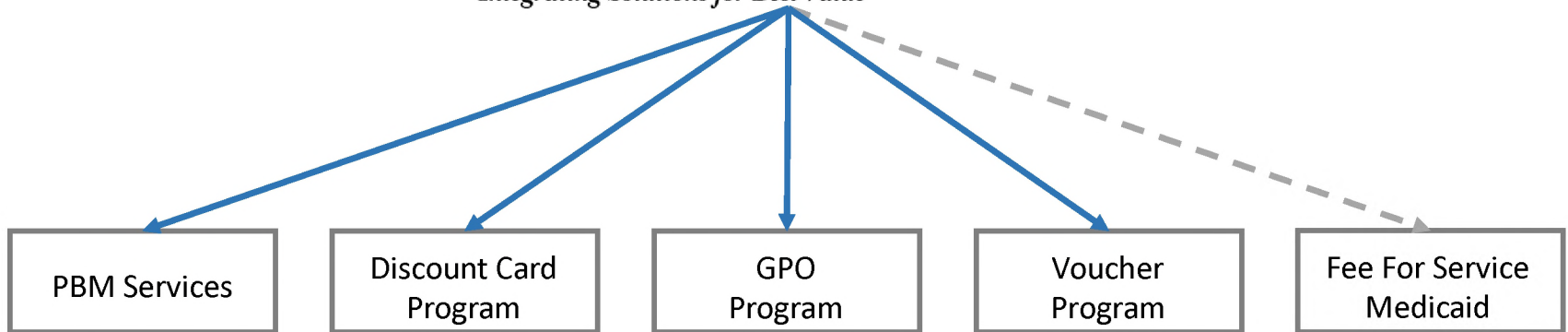
Discussions with others states about joining.

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NW Consortium Program Elements



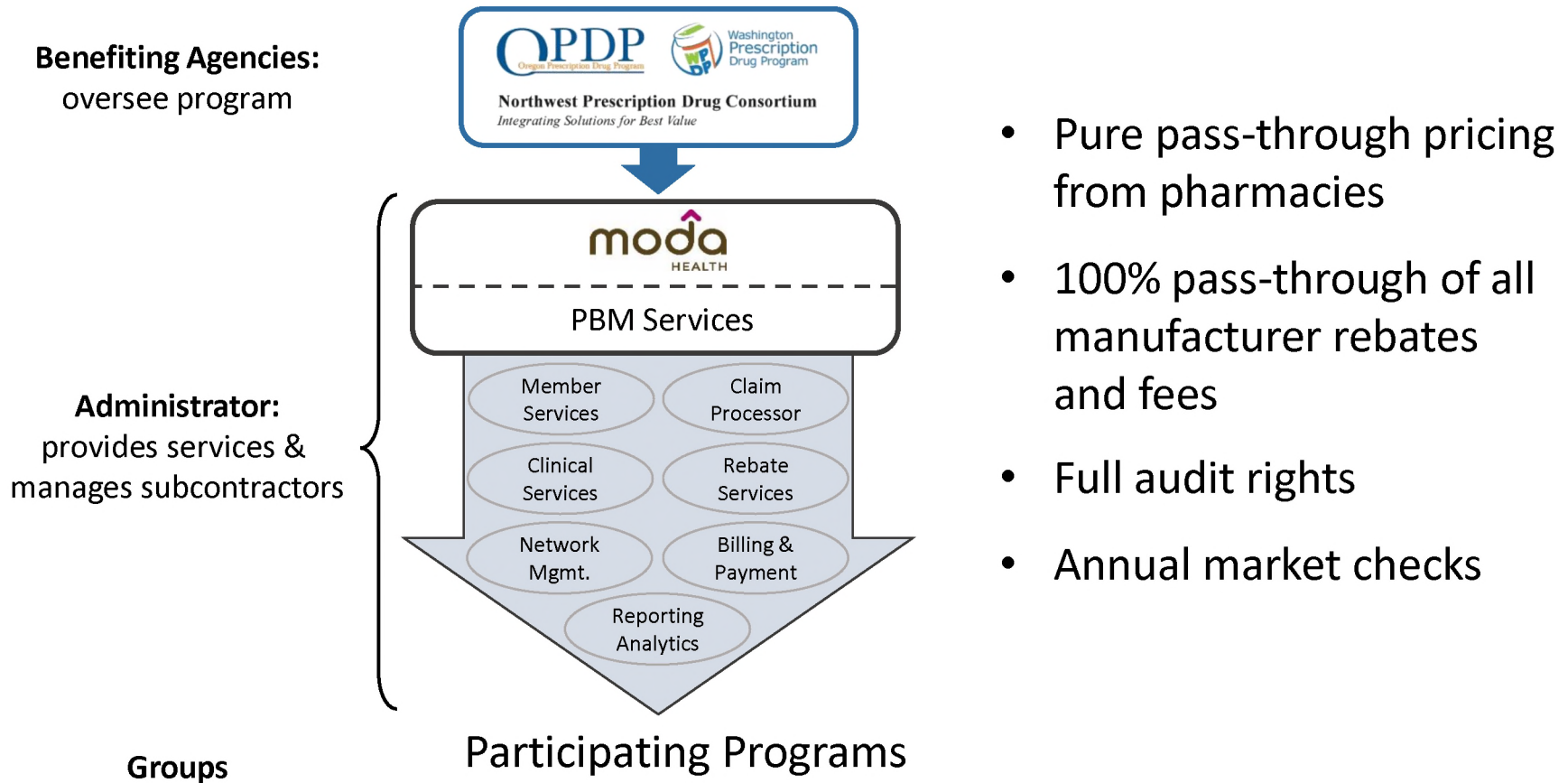
Northwest Prescription Drug Consortium *Integrating Solutions for Best Value*



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Pharmacy Benefit Management Services

A fully transparent PBM service that focuses on eliminating spread.



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Prescription Discount Card Program

A free state-sponsored prescription drug discount card for under or uninsured individuals.

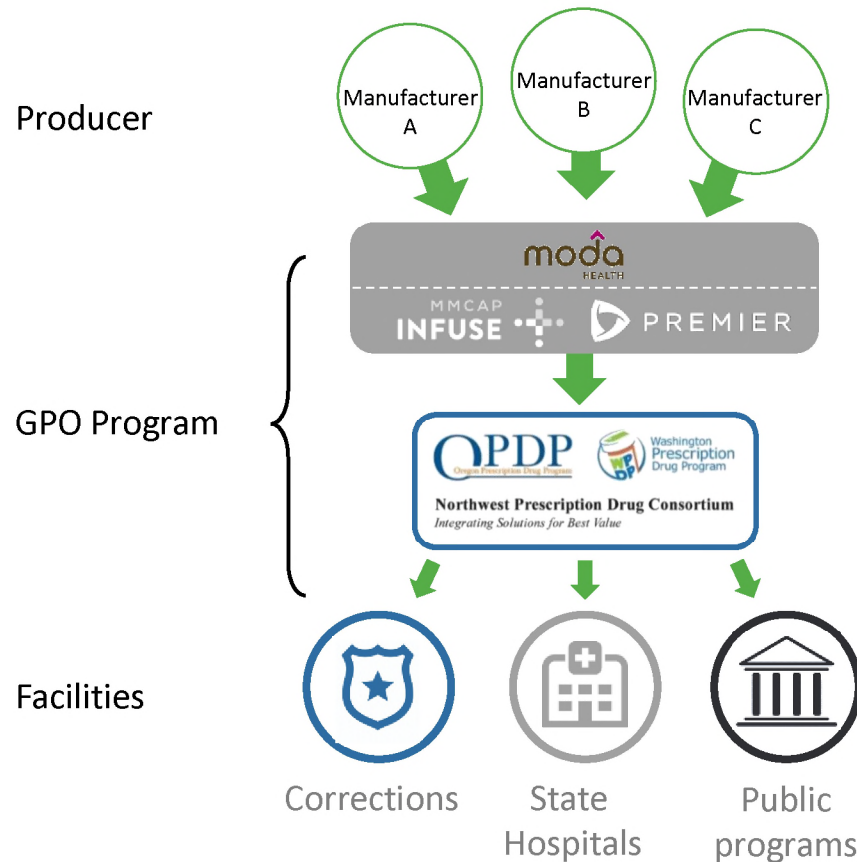


- Purchases are not subsidized by state funds
- Offers individual consumers pricing comparable to participating groups under the NW Consortium
- Over 55,000 pharmacies participate nationwide

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Group Purchasing Option Program

A state backed GPO program delivering best value pharmaceuticals and services to government and non-profit institutions.

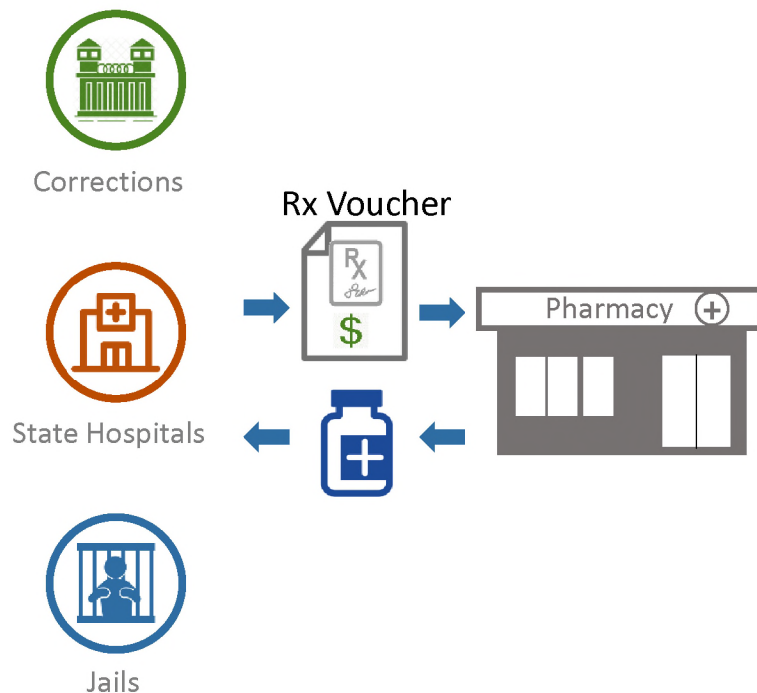


- Services provided via a national organization
- Deliver aggressive class of trade pricing for public entities
- Regular market checks to ensure competitiveness
- No affiliation fee for government programs

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Prescription Drug Voucher Program

An innovative prescription drug purchasing program for one-time only prescription drug fulfillment.



- Prescription drug service for individuals upon discharge or for emergent need use on site
- One time access to prescription at retail pharmacy
- Paid for by discharging institution
- Significant savings over pharmacy usual & customary price

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Medicaid Fee For Service Pharmacy Mgmt.

Developing a next generation CMS-certified pharmacy benefit administration (PBA) service.

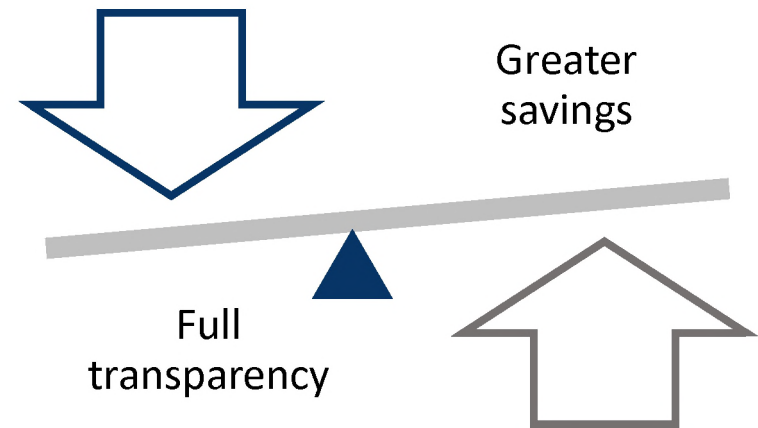


Target availability: January 2023

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Full Transparency

- Clarity in PBM contracting
- 100% pharmacy pass-through
- 100% rebate pass-through
- Fixed administrative fee per claim
- Annual market check
- History of performance above guaranteed rates
- Robust auditing



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Experience – Public Sector Employee Programs

Demonstrated history of delivering value by eliminating PBM spread.

Contract Reprice Analyses (NW Consortium vs client's current contract)

	Pharmacy Claims	Allowed Amount (\$s)	Consortium Amount (\$s)	Savings (\$s) ¹	Percent Savings
Public Employee Group	1,543,611	\$236,884,685	\$227,258,165	\$9,626,520	4.1%
Managed Medicaid Plan	893,274	\$64,566,367	\$61,734,408	\$2,831,959	4.4%
Small Commercial Group	6,785	\$611,966	\$572,320	\$39,646	6.4%

¹ Savings reflect value of eliminating spread between Group's actual claims cost through their PBM and NW Consortium's contract financial guarantee amount plus administration fees (2017 – 2019 experience).

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Experience – Public Sector Employee Programs

NW Consortium pass through contract delivers extended value to participating programs.

Consortium Over-Performance (NW Consortium actual performance vs contract guarantee)

	Pharmacy Claims	Guarantee Amount (\$s)	Paid Amount (\$s)	Savings (\$s) ¹	Percent Savings
Public Employee Group #1	3,185,235	\$420,004,915	\$383,526,774	\$36,478,141	8.7%
Public Employee Group #2	758,601	\$88,896,244	\$81,437,637	\$7,458,607	8.4%
Managed Medicaid Program	454,443	\$32,428,655	\$31,770,704	\$657,951	2.0%
Small Commercial Group	24,386	\$4,090,499	\$3,869,191	\$221,308	5.4%

¹ Savings reflect difference between NW Consortium's contract financial guarantee amount and the actual group paid amount, plus program administration fees, based on actual experience (2019 experience).

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Experience – Discount Card Program

State sponsored discount card delivers critical savings to state's most critical population.

Discount Card Performance (prescription drug cost and savings vs retail drug pricing)

	2019 Utilization	Total DCP Use ¹
Total prescriptions filled	295,958	6,739,180
Total prescription cost	\$5,797,288	\$163,162,308
Cost per Rx	\$19.58	\$24.21
Total prescription savings	\$23,181,761	\$252,468,291
Savings per prescription	\$78.49	\$37.46

¹ "Total" reflects all NW Consortium discount card member utilization from February 2007 through December 2019.

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Future Direction

- Soliciting participation and growth from other states
- Evaluating alternatives to improve the pharmaceutical supply chain
 - Fulfillment
 - Wholesaler distribution
 - Manufacturer

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Joining the Consortium

States may participate in the NW Consortium multiple ways:

	Participating State	Partner State
Statutory Authority	<ul style="list-style-type: none">No statute supporting participation in regional consortia as in Washington and Oregon	<ul style="list-style-type: none">State has statute supporting collaboration with regional consortia.
Intergovernmental Agreement	<ul style="list-style-type: none">Able to contract with the Consortium to deliver State agency or entity's needs	<ul style="list-style-type: none">Establish intergovernmental agreement with Oregon, and Washington.
Consortium-level participation	<ul style="list-style-type: none">No participation in Consortium Partners Advisory Committee	<ul style="list-style-type: none">Seat on Consortium Partners Advisory CommitteeElection to Consortium Steering Committee possible

- Consortium Steering Committee is comprised of founding Consortium members from Oregon and Washington. New states could have a voting member elected to steering committee annually from Advisory Council.
- All Partner states will have Consortium Advisory Council representation.

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Summary

- NW Consortium – a pharmacy services purchasing collaboration designed to work across states with public and private partners.
- Includes solutions for:
 - Public and private sector pharmacy benefit management
 - Medicaid (Managed Medicaid and FFS)
 - Group Purchasing / Own use
 - Individual prescription drug discount card
- Seeking participation from other states to join and grow value of programs available to public purchasers
- States and participating programs may use all or only certain programs available through the NW Consortium

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Contact Information

- Trevor Douglass, DC, MPH
OPDP and Pharmacy Purchasing Director
Oregon Prescription Drug Program
Email: Trevor.Douglass@state.or.us
Tel: 971-209-8491
- Donna Sullivan, Pharm D, MS
Chief Pharmacist Officer
Washington Health Care Authority
Email: donna.sullivan@hca.wa.gov
Tel: 360-725-1564

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