



State-backed pharmacy benefit solutions

A case study of Oregon and Washington's experience

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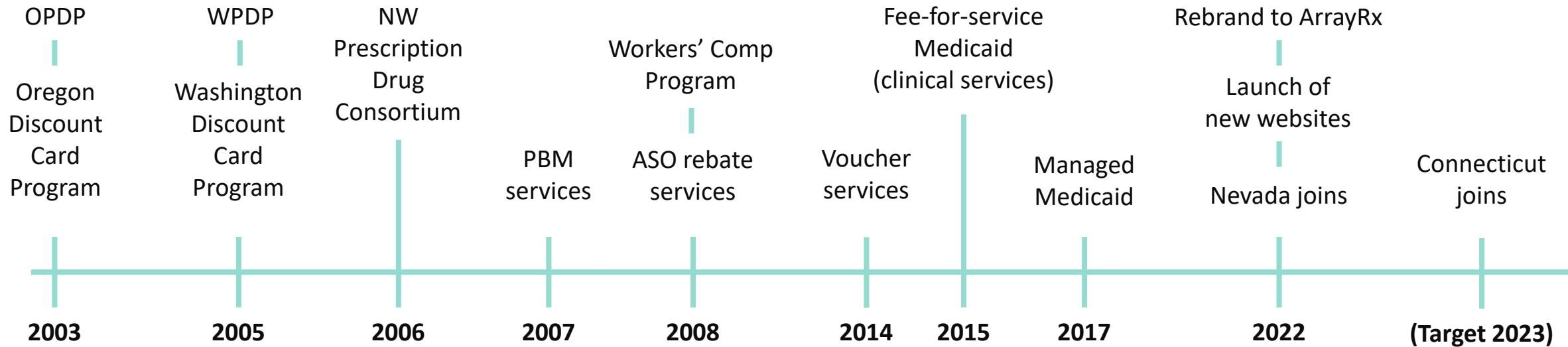
Outline

- Origins: How and why Oregon and Washington created a PBM solution to address increasing drug costs
- State challenges with traditional PBM services
- ArrayRx approach and experience

Created for states, by states



Northwest Prescription Drug Consortium
Integrating Solutions for Best Value



ArrayRx Steering Committee



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Donna Sullivan, PharmD, MS
Chief Pharmacy Officer, WA Health Care Authority



William Hayes, PharmD, CCHP
Director of Pharmacy, WA State Department of Corrections



Pharmacy services are complex and confusing

rising drug costs
oversight
brand drugs
drug formularies
community pharmacy survival
critical access pharmacies
specialty pharmacies

benefit design
audit rights
PBM REGULATIONS
chain pharmacy consolidation
biosimilars
pharmacy tourism
population health

DRUG PIPELINE
governance
drug patent extensions
REBATES
GENERIC DRUGS
orphan drugs
underserved communities

HEALTH EQUITY

LACK OF TRANSPARENCY

ArrayRx approach

- **Operate** complete and true transparency in state prescription drug purchasing and programs
- **Procured** contractors who demonstrate the flexibility and shared values of ArrayRx
- **Govern** the ArrayRx programs to ensure the contractors are responsive to purchasing states and member organizations
- **Leverage** the ArrayRx Inter-governmental Agreement

ArrayRx method

- **Established procurement standards and governance process**
 - Regularly scheduled public procurements
 - State agency procurement office oversight
 - State legal sufficiency review
- **Partner with states and local governments to join as members**
 - Statutory approval to conduct multi-state agreements
 - Exercise governance over services that are provided
 - Steering committee oversight by member states
 - Collaborate to prioritize projects, programs and initiatives
- **Oversee and direct the performance of contractor and subcontractors**
 - Organizational and financial performance guarantees
 - Extensive audit rights

ArrayRx operating principles

Predictability

- Fixed administration fee
- Aggressive network guarantees
- Most favored nation



Transparency

- Pass-through pricing
- 100% rebate pass-through
- Comprehensive reporting



Auditability

- State oversight and governance
- Annual market checks
- Financial audits



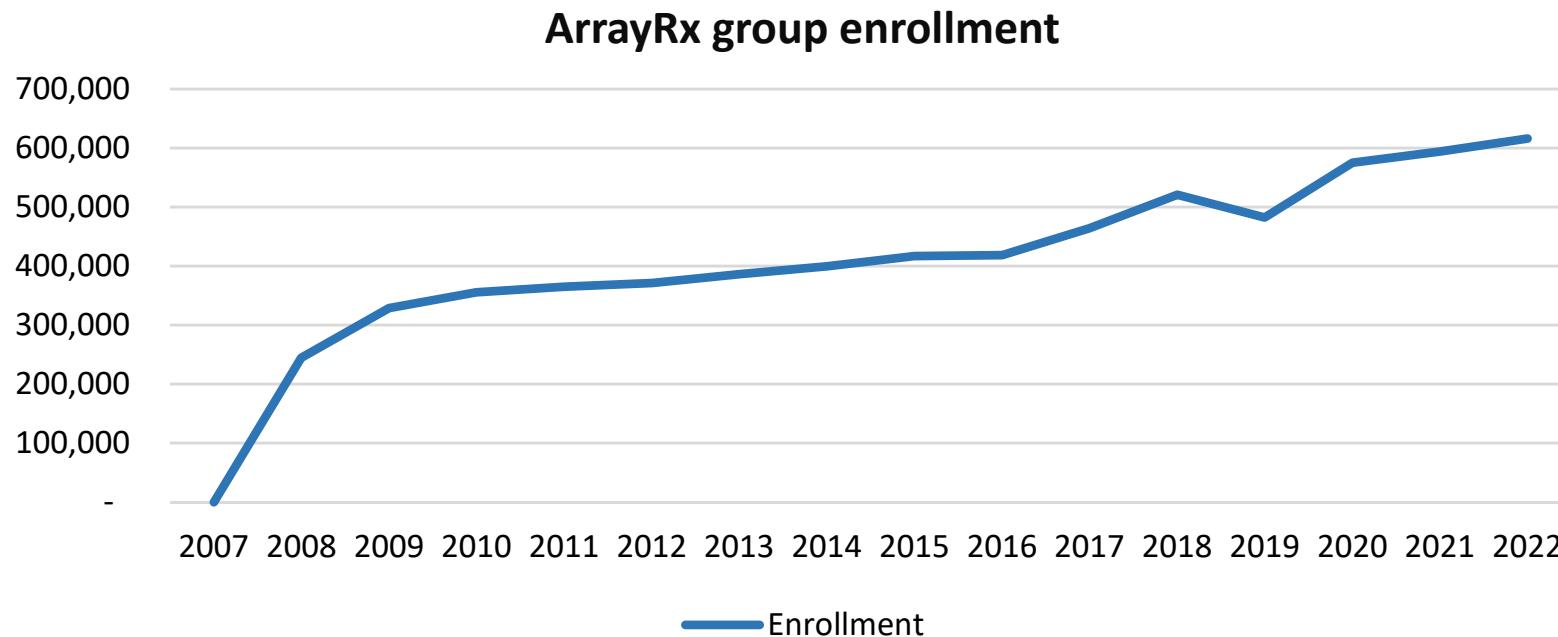
= Working for states

Our vision:

To be the most trusted pharmacy
solutions provider in the industry

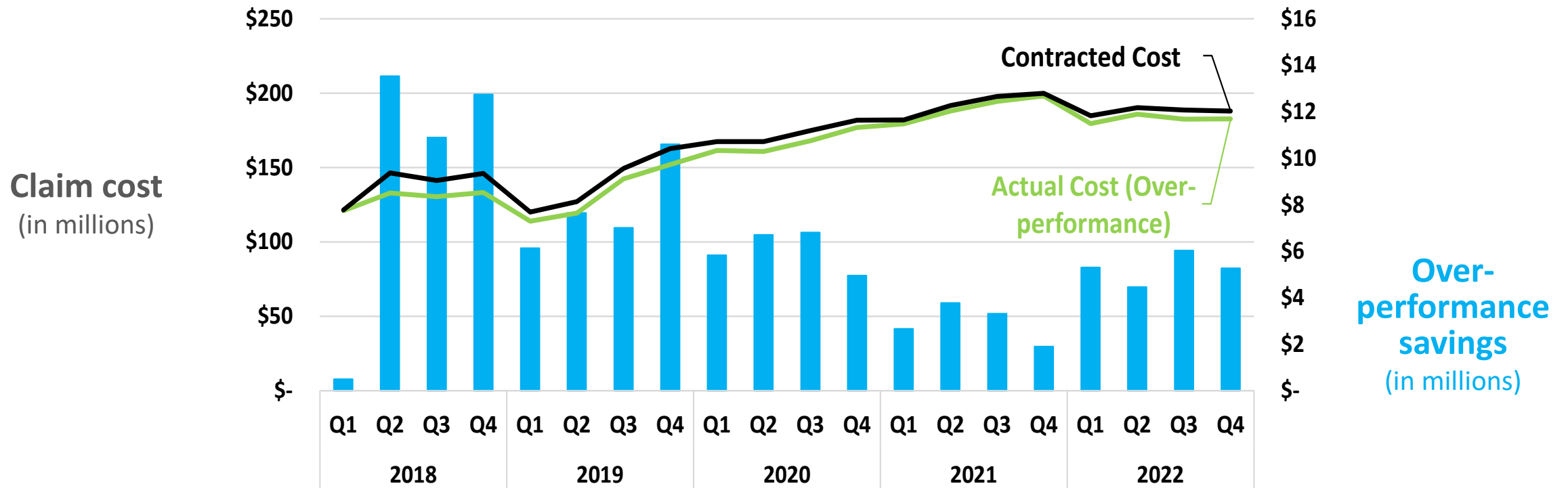
Over a decade of sustained growth

More than **650,000** people served by public employee, commercial employer, Managed Medicaid, and facility programs



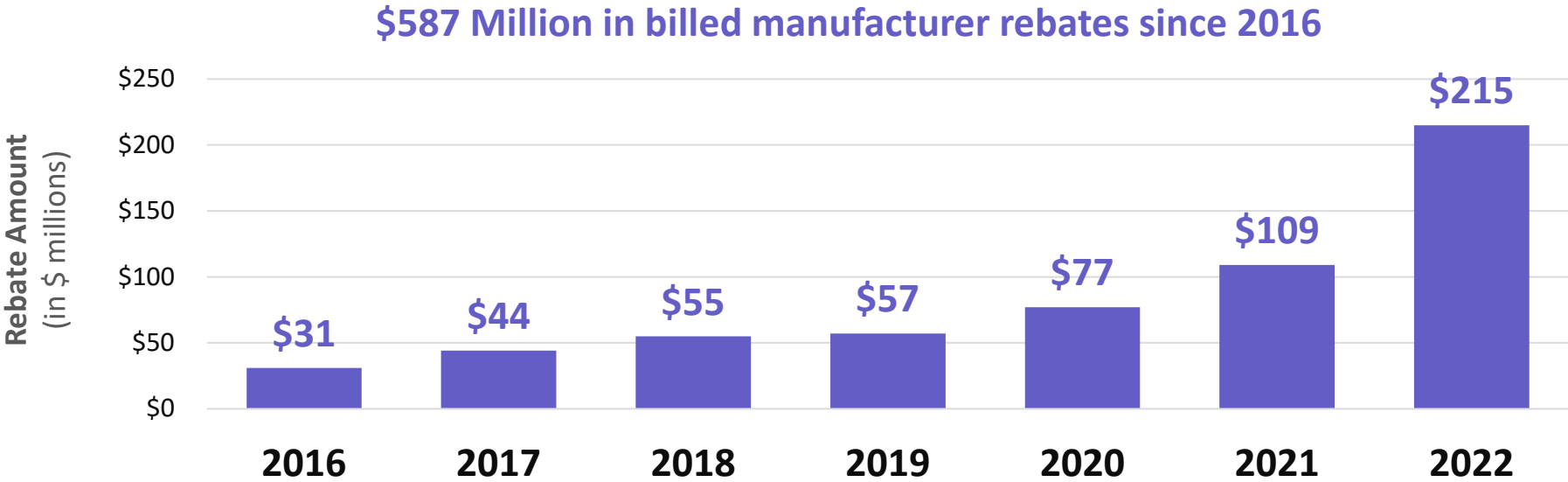
Value of pass-through over-performance

\$155 Million in over-performance savings since 2018



Rebate Pass Through

- From 2016 to present we have passed through \$523 million in rebates to our participating programs (over \$100 million/year)



Pharmacy solutions for public purchasers



Multi-state
collaboration

Best
practices

Inter-
governmental
agreements

Ongoing initiatives

- Developing options for managing high-cost therapeutics
- Investigating approaches that address pharmaceutical supply chain
- Seeking out innovation with valued partners
- Addressing pharmacy access and pharmacy deserts

**All public sector entities can join as purchasing members via
Inter-Governmental Agreement**



Email us at: **info@arrayrxsolutions.com**

Learn more at
ArrayRxSolutions.com

