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## **Oregon Payer Survey Results**

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Pharmaceutical payer surveys went to 13 payers:

- Three large insurers
- Five self-insured, self-administered insurers
- Five large TPAs

The seven survey questions (see reverse) dealt mainly with whether or not the payers contract with pharmacy benefit managers (PBMs) and/or if they use any other pharmacy cost-containment methods. For more detailed information from each payer, please refer to the reports in the MQI Pharmacy 'O' drive, "Survey" folder.

### Large insurers, self-insureds (not self-administered), and TPAs

All eight respondents reported using a PBM since 2000-2001. Although not a part of this survey, SAIF said that it has contracted with a PBM since 1997, and LNW said that it has contracted with a PBM for approximately 10 years.

### Self-insured (self-administered)

Four respondents in this category reported that they do not contract with a PBM. However, they do use some type of pharmacy bill review (e.g., a bill review company or self-administered bill review) to ensure that bills are paid at the fee schedule. From what the respondents said, it appears that the cost-containment model differences may be dependent on the self-insured's size. For example, Safeway, a national chain, is unique because Safeway's injured workers use Safeway pharmacies. According to the company's Oregon claims manager, all Safeway employees must fill their scripts at a Safeway pharmacy, either in-store or by mail. Special Districts, a large self-insured (serving 950 members that include local governments, water districts, sanitary and wastewater treatment plants, etc.), is looking at the PBM model, mostly due to the third-party billers administrative "nightmare," and expects to have a PBM contract in place sometime in 2007. The City of Portland doesn't contract with a PBM, but rather uses an in-house or contracted bill review company to ensure that pharmacy bills are paid at the fee schedule.

In conclusion, there was no "one size fits all" reported by payers for pharmacy cost-containment or utilization models. The majority of large payers, including SAIF and LNW, contract with PBMs to help them manage costs and perform utilization reviews. Self-insureds primarily use in-house or bill review companies to assist them in managing their pharmacy bills.