

San Joaquin Valley Insurance Authority

BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
October 7, 2011
9:00 AM

AGENDA DATE: October 7, 2011

ITEM NUMBER: 13

SUBJECT: Receive and File Catalyst Rx Notice Regarding AWP Pricing Source

REQUEST(S): That the Board receive and file the attached notice from Catalyst Rx regarding AWP publishing source.

DESCRIPTION:

The SJVIA has an existing contract with Walgreens Health Initiatives (WHI) which was purchased in June 2011 by Catalyst Rx (Catalyst). The County of Tulare utilizes this contract for Pharmacy Benefit Management (PBM) services. SJVIA staff received the attached notice from Catalyst.

The notice refers to First Data Bank (FDB) electing to cease publishing Average Wholesale Prices (AWP), as of September 26th, 2011 and that Catalyst (as the parent company of WHI) will now utilize Medi-Span (the publisher which has been utilized by Catalyst) for the SJVIA contract..

AWP means the average price for a standard size package of a prescription drug as established by Medi-Span based on the list price as reported by drug wholesalers. The AWP is a pricing component of a Pharmacy Benefit program and has been published by FDB and Medispan for many years. Historically, some Pharmacy Benefit Management (PBM) vendors have used FDB and others have used Medi-Span and some both. Since there are no regulating bodies that oversee AWP there are no audits and no supervision of how they publish AWP. But under the context of the SJVIA PBM contract the vendor will make sure that any subtle changes in the differences between the FDB method and the Med-Span method would not change the actual cost of medications to the client.

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FISCAL IMPACT/FINANCING:

None.

Gallagher Benefit Services Pharmacy Division Director, Dr. Michael Thomas, has reviewed the notice for potential financial impact to the SJVIA and concluded that the change will not have an impact on the SJVIA. However, GBS and SJVIA staff will continue to monitor the situation.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Jeffrey Cardell
SJVIA Assistant Manager

**BEFORE THE BOARD OF DIRECTORS
SAN JOAQUIN VALLEY INSURANCE
AUTHORITY**

IN THE MATTER OF Receive and File Catalyst Rx Notice Regarding AWP Pricing Source

RESOLUTION NO. _____

AGREEMENT NO. _____

UPON MOTION OF DIRECTOR _____, SECONDED BY DIRECTOR _____
_____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN
OFFICIAL MEETING HELD _____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

* * * * *

That the Board received and filed the attached notice from Catalyst Rx regarding AWP publishing source