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Keenan Pharmacy Services
San Joaquin Valley Insurance Authority (SJVIA)
RFP Results Compared to Current Preliminary
Utilization and 2023 Audit/Contract

Summary – RFP results compared to current preliminary utilization

- **Original RFP was completed in 2022 using plan year 2021 claims**
 - The RFP was refreshed in 2023 using projected estimated 2023 claim cost and to include any improved pricing for 2024 – 2025 with optional 2026
 - EmpiRx improved their Average Wholesale Price, Rebate and Clinical Guarantees offering for 2024-2026
- **Looking at the first 6 months of 2024 compared to the refresh of 2023**
 - Total Rebates for 2023: \$4,774,309 (which were \$907K over the estimate in the refresh)
 - Estimated Rebates through Q2 2024 are \$3,318,600 which is performing above the estimated annualized \$5,451,800 in the proposal
 - Clinical Guarantee is \$1,800,000 and is currently overperforming based on Q1 2024 estimates
 - \$450,000 per quarter
 - Q1 2024 estimated clinical savings \$905,000
 - Estimated Q1 2024 Clinical Savings Overperformance \$455,000
 - Claims cost is increasing; this is due to several factors
 - SJVIA has seen an increase in total members as well as utilizing members
 - 874 new members
 - 227 new utilizers
 - The increase in utilizers has increased total Rx claims being processed
 - In 2023 there were 110,549 Rx's
 - 1/1/2024 – 6/30/2024 there have been 58,624 Rx's
 - This is 3,676 more Rx's compared to the same time frame in 2023
- **Drug Inflation and New Utilization are the Cost Drivers**
 - Some Rx's are already close to or have increased in total Rx count and cost from 2023
 - New utilization on High Cost Specialty medications



SJVIA- EmpiRx Health – RFP results compared to current preliminary utilization

RFP Completed in 2022 and refreshed in 2023 for 2024 plan year		
Original Claims Time Frame Used	1/1/2021 – 12/31/2021	1/1/2023 – 12/31/2023
Projected Total Plan Cost	\$19,526,161	\$25,550,015
Estimated Rebates	\$5,451,800	\$3,866,836
Total Net Projected Plan Cost	\$14,074,361	\$21,683,179
Total Members	10,169	11,320
Net Plan Cost PMPM	\$115.34	\$159.62
Total Rx Count	111,201	110,549
Clinical Guarantee	\$1,250,000	\$1,250,000

Actuals	2022 Plan Year (1/1/2022 – 12/31/2022)	2023 Plan Year (1/1/2023 – 12/31/2023)	2024 Plan Year (1/1/2024 – 6/30/2024)*
Total Plan Cost	\$23,994,864	\$25,590,898	\$14,689,795
Rebates	\$2,413,592.00	\$4,774,309.00	\$3,318,600.00**
Total Net Plan Cost	\$21,581,272.00	\$20,816,589.00	\$11,371,195.00
Total Members	10,183	11,320	12,194
Net Plan Cost PMPM	\$176.60	\$153.24	\$155.42
Total Rx Count	107,856	110,549	58,642
Clinical Guarantee	\$1,000,000	\$1,800,000	\$1,800,000 (\$450,000 per Quarter)
Clinical Savings	\$4,894,310	\$5,781,246	\$905,000***
Clinical Guarantee Overperformance	\$3,894,310	\$3,981,246	\$455,000***

*Preliminary

**Includes Estimated Q2 Rebate

***Estimated Q1 Only



Top Clinical Cost Drivers by Drug

2023 Rank	2024 Rank	Drug Label Name	Drug Group	Speciality Indicator	6 months	6 months	6 months	12 months	12 months	12 months
					2024 Claim Count	2024 Utilizers	2024 Ingredient Cost	2023 Claim Count	2023 Utilizers	2023 Ingredient Cost
1	1	OZEMPIC	ANTIDIABETICS	N	1,060	327	\$1,446,931.02	1,512	324	\$1,926,539.77
3	2	WEGOVY	ADHD/ANTI-NARCOLEPSY/ANTI-	N	645	218	\$994,030.61	747	235	\$1,080,538.77
11	3	MOUNJARO	ANTIDIABETICS	N	476	145	\$600,034.95	388	105	\$447,920.71
2	4	HUMIRA PEN	ANALGESICS - ANTI-INFLAMMATORY	Y	72	22	\$576,266.67	164	23	\$1,396,123.48
4	5	DUPIXENT	DERMATOLOGICALS	Y	130	34	\$486,489.18	256	36	\$915,953.26
6	6	JARDIANCE	ANTIDIABETICS	N	291	145	\$403,921.72	455	146	\$590,996.57
9	7	TREMFYA	DERMATOLOGICALS	Y	22	9	\$283,560.11	36	10	\$452,800.84
23	8	SKYZI PEN	DERMATOLOGICALS	Y	12	7	\$243,633.23	13	5	\$251,734.67
7	9	EMPAVELI	HEMATOLOGICAL AGENTS - MISC.	Y	6	1	\$235,261.62	13	1	\$492,496.16
8	10	FARXIGA	ANTIDIABETICS	N	160	86	\$232,279.00	368	108	\$472,250.37
12	11	STELARA	DERMATOLOGICALS	Y	8	3	\$216,506.00	19	6	\$429,345.78
n/a	12	KORLYM	ANTIDIABETICS	Y	5	1	\$206,530.56	0	0	\$0.00
5	13	TRULICITY	ANTIDIABETICS	N	154	73	\$204,837.74	582	128	\$830,325.09
10	14	RYBELSUS	ANTIDIABETICS	N	111	54	\$200,343.48	282	75	\$451,446.42
13	15	RINVOQ	ANALGESICS - ANTI-INFLAMMATORY	Y	30	7	\$189,698.59	63	10	\$416,168.01
16	16	JANUVIA	ANTIDIABETICS	N	140	67	\$175,684.02	269	86	\$325,927.29
21	17	BIKTARVY	ANTIVIRALS	Y	45	11	\$174,061.72	71	10	\$258,877.73
14	18	LYNPARZA	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	Y	10	2	\$170,835.10	21	3	\$341,441.58
19	19	SPRYCEL	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	Y	11	2	\$163,541.58	16	2	\$273,417.94
15	20	ELIQUIS	ANTICOAGULANTS	N	148	65	\$159,076.03	347	88	\$330,826.02
n/a	21	VUMERITY	PSYCHOTHERAPEUTIC AND NEUROLOGICAL AGENTS	Y	17	3	\$153,224.57	0	0	\$0.00
n/a	22	TRIKAFTA	RESPIRATORY AGENTS - MISC.	Y	5	1	\$138,570.10	0	0	\$0.00
17	23	ENBREL SURECLICK	ANALGESICS - ANTI-INFLAMMATORY	Y	20	6	\$138,206.96	44	9	\$305,546.68
22	24	ICLUSIG	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	Y	6	1	\$130,485.36	12	1	\$252,138.48
n/a	25	LENVIMA 20 MG DAILY DOSE	ANTINEOPLASTICS AND ADJUNCTIVE THERAPIES	Y	5	1	\$126,611.10	0	0	\$0.00



Summary – RFP results compared to 2023 Audit/Contract

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 - RFP was refreshed in 2023 using projected estimated 2023 claim cost and to include any improved pricing for 2024 – 2025 with optional 2026
 - EmpiRx improved their Average Wholesale Price, Rebate and Clinical Guarantees offering for 2024-2026
- **2023 Pharmacy Audit Results**
 - Based on the final adjusted annual results, there was a net overperformance of \$1,442,137. Per the contract terms, any clinical savings achieved over the clinical guarantee can be used to offset any shortfalls in the performance of AWP discounts and dispensing fees.

KPS Reconciliation Audit Summary Jan 2023 - Dec 2023

Net Clinical Savings	\$5,781,246
Less Clinical Guarantee	\$1,800,000
Clinical Guarantee Overage/Shortfall	\$3,981,246
Discount Performance Overage/Shortfall	(\$2,539,108)
Total Guarantee Overage/Shortfall	\$1,442,138

*KPS conducts a yearly financial audit of EmpiRx clinical savings, Average Wholesale Price (AWP) discounts and rebate performance against the client's aggregate contractual guarantees.

**2024 will be audited in 2025

Contractual Guarantees – RFP results compared to 2023 Audit/Contract

SJVA Prescription Drug Discount from AWP Guarantees

		Original Offer 2022 RFP: Year 1: 2023, Year 2 & 3: 2024, 2025		Refresh Offer Years 2024-2025, 2026 Optional	
Retail	Year	EmpiRx	Year	EmpiRx	
1 Generic	2023	85.0%	2024, 2025, 2026	85.00%	
2 Brand	2023	19.0%	2024, 2025, 2026	20.00%	
4 Specialty	2023	19.0%	2024, 2025, 2026	19.50%	
Mail Order				EmpiRx	
1 Generic	2023	90.0%	2024, 2025, 2026	90.00%	
2 Brand	2023	25.5%	2024, 2025, 2026	25.50%	
4 Specialty	2023	23.0%	2024, 2025, 2026	23.00%	
Retail 90				EmpiRx	
1 Generic	2023	86.0%	2024, 2025, 2026	86.00%	
2 Brand	2023	23.0%	2024, 2025, 2026	23.00%	
4 Specialty	2023	19.0%	2024, 2025, 2026	19.50%	

2023 AWP Discount Audit Result

Channel	Type	Claims	AWP	Ingredient Cost	Discount Achieved	Guaranteed Discount	Guarantee Overage/Shortfall \$	EmpiRx Reported \$	KPS vs. EmpiRx Difference \$
Mail	Brand	179	\$400,112	\$311,315	22.19%	25.50%	(\$13,232)	(\$13,295)	(\$63.49)
Mail	Generic	948	\$423,412	\$116,161	72.57%	90.00%	(\$73,820)	(\$73,954)	(\$134.43)
Retail 90	Brand	2,457	\$5,217,144	\$4,203,656	19.43%	23.00%	(\$186,455)	(\$187,377)	(\$922.01)
Retail 90	Generic	29,973	\$11,177,169	\$2,399,169	78.54%	86.00%	(\$834,366)	(\$820,055)	\$14,310.64
Retail	Brand	7,368	\$6,534,878	\$5,500,541	15.83%	19.00%	(\$207,290)	(\$208,071)	(\$781.16)
Retail	Generic	53,806	\$7,238,214	\$2,254,224	68.86%	85.00%	(\$1,168,492)	(\$1,160,576)	\$7,915.57
Specialty	Exclusive	2,060	\$8,797,824	\$6,916,041	21.39%	23.00%	(\$141,716)	(\$151,257)	(\$9,540.76)
Specialty	Retail	331	\$1,064,361	\$775,870	27.10%	19.00%	\$86,262	\$86,791	\$529.16
Grand Total		97,122	\$40,853,114	\$22,476,977			(\$2,539,108)	(\$2,527,794)	\$11,313.52

Keenan AWP True Up exceeded EmpiRx Calculated, however true up is offset by clinical guarantee

*KPS conducts a yearly financial audit of EmpiRx clinical savings, Average Wholesale Price (AWP) discounts and rebate performance against the client's aggregate contractual guarantees.

**2024 will be audited in 2025



Rebate Guarantees – RFP results compared to 2023 Audit/Contract

SJVA Prescription Drug Rebate Guarantee

Original Offer 2022
RFP: Year 1: 2023,
Year 2 & 3: 2024,
2025

Refresh Offer Years 2024-2025, 2026 Optional

Rx Rebate PG per Script	Year	Number of scripts	EmpiRx	Year	Number of scripts	EmpiRx	Year	EmpiRx	Year	EmpiRx
Retail 30-day supply	2023	5,604	\$190.00	2024	6,944	\$225.00	2025	\$230.00	2026	\$235.00
Retail 90-day supply	2023	2,268	\$475.00	2024	2,152	\$650.00	2025	\$660.00	2026	\$670.00
Retail Specialty	2023	204	\$1,800.00	2024	60	\$2,600.00	2025	\$2,625.00	2026	\$2,650.00
Mail Order	2023	372	\$500.00	2024	680	\$600.00	2025	\$610.00	2026	\$620.00
Specialty Mail Order	2023	612	\$1,800.00	2024	741	\$2,600.00	2025	\$2,625.00	2026	\$2,650.00
Projected Annual Rebate	2023	9,060	\$3,796,860	2024	10,577	\$5,451,800	2025	\$5,534,865	2026	\$5,617,930

2023 Rebate Audit Result

Channel	Type	Claims	Min Rebate Guarantee	Total Rebates	EmpiRx Reported	KPS vs. EmpiRx Difference \$
Mail	Brand	893	\$500	\$446,500	\$452,000	\$5,500
Mail	Specialty Exclusive	883	\$1,800	\$1,589,400	\$1,614,600	\$25,200
Retail90	Brand	2,475	\$475	\$1,175,625	\$1,197,475	\$21,850
Retail	Brand	7,836	\$190	\$1,488,840	\$1,503,470	\$14,630
EmpiRx Rebate True Up 2022 and Q1 2023					\$6,764	\$6,764
Grand Total		12,087		\$4,700,365	\$4,774,309	\$73,944
EmpiRx rebate paid exceeded Keenan Calculated Amount						

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**2024 will be audited in 2025



Clinical Guarantees – RFP results compared to 2023 Audit/Contract

SJVA Prescription Drug Clinical Guarantee				
Original Offer 2022 RFP: Year 1: 2023, Year 2 & 3: 2024, 2025			Refresh Offer Years 2024-2025, 2026 Optional	
Clinical Savings Guarantee	Year	EmpiRx	Year	EmpiRx
Clinical Savings Guarantee	2023	\$1,250,000.00	2023, 2024, 2025, 2026	\$1,800,000.00

2023 Clinical Audit Result

EmpiRx Saving Group	EmpiRx Clinical Type	Claims	KPPC Clinical Savings	EmpiRx Clinical Savings	Clinical Savings Variance
Clinical	CR	2,397	\$5,535,780	\$5,535,786	(\$5.97)
Drug Utilization Review	DUR	120	\$245,466	\$245,466	(\$0.22)
	Total	2,517	\$5,781,246	\$5,781,252	(\$6.19)

A variance of \$6.19 was identified in KPS clinical review due to rounding of pennies.

2023 Clinical Audit Result

Net Clinical Savings	\$5,781,246
Less Clinical Guarantee	\$1,800,000
Clinical Guarantee Overage/Shortfall	\$3,981,246

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**2024 will be audited in 2025

