

# The PrudentRx solution: High-Deductible Health Plans with Health Savings Accounts

The PrudentRx solution helps clients maintain plan design integrity and reduce spend while providing a best-in-class member experience. This innovative specialty plan design strategy preserves core components of the client’s intended plan design, with a flat coinsurance of 30% for all drugs in the specialty tier, regardless of manufacturer copay assistance availability. Clients that have adopted the PrudentRx solution are very pleased with the program and have rated it with a 72.5% net promoter score.<sup>1</sup>

We’ve made updates to the PrudentRx solution that will enable clients to adopt it for their high-deductible health plans (HDHPs) with health savings accounts (HSAs). The PrudentRx solution for HDHPs with HSAs is expected to be available **January 1, 2023**.

**PrudentRx helps provide value for clients and reduce specialty spend, while delivering savings to members.**

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## 1 | **What changes have been made to enable the PrudentRx solution to be available for HDHPs with HSAs?**

Participating members enrolled in HDHPs with HSAs must fully satisfy their deductible before they are eligible for a final \$0 out-of-pocket (OOP) cost, unless the member has been prescribed a medication that qualifies as “preventive care” under the Internal Revenue Code (IRC), which is administered and enforced by the Internal Revenue Service (IRS).

Through collaboration with our specialty pharmacy operations team and our vendor, PrudentRx, we have enabled enhanced system functionality that will ensure no coverage is provided by the Plan to a member who participates in the PrudentRx solution who is enrolled in an HDHP with an HSA until the member’s deductible has been satisfied in compliance with the IRC which is administered and enforced by the IRS.

Because of limitations that exist within various external pharmacy systems, implementing the PrudentRx solution on HDHPs with HSAs will be limited to only those medications included on the client’s specialty drug list and dispensed by CVS Specialty®.

## 2 | **Have the requirements to implement the PrudentRx solution changed when implementing it for HDHPs with HSAs?**

No. Clients must have or be willing to adopt the standard PrudentRx solution requirements.

### **Client must have or be willing to adopt the following programs:**

- Exclusive Specialty or Enhanced Exclusive Specialty (with no grace fill). Clients with human immunodeficiency virus (HIV), transplant or hepatitis B excluded from their Exclusive Specialty setup, or that have an open HIV network, would not have those categories included in the PrudentRx program. Clients with an infertility maximum allowable benefit (MAB) or those that exclude fertility from their prescription benefits will not have that category included in the PrudentRx program
- True Accumulation
- Advanced Control Specialty Formulary® (ACSF) or a formulary that uses the ACSF approach for specialty, such as Advanced Control Formulary® (ACF) and Value Formulary

### **Client must have or be willing to make the following changes to their plan design:**

- All specialty drugs included in a covered class listed within the PrudentRx Drug List must be set at a 30% coinsurance after any applicable deductible has been satisfied
- Any medications not included on the PrudentRx Drug List or that are otherwise excluded from the definition of specialty product will be adjudicated using the client’s existing plan design for

non-specialty products, as outlined above, and would continue to take the client intended plan applicable member cost share

- A medical necessity exception process
- Adoption of the Affordable Care Act (ACA) standards for essential health benefits (EHB) and maximum OOP (MOOP) limits
- Update to Summary Plan Description (SPD) to reflect the program terms and plan design. Sample language is available
- Remove dispense as written (DAW) charges from eligible specialty medications

**Client must allow PrudentRx to send letters to targeted members, on their behalf, to help facilitate member engagement.**

**Note:** because of limitations that exist within various external pharmacy systems, clients that implement the PrudentRx solution on their HDHPs with HSAs will be limited to CVS Specialty pharmacies included in the standard Exclusive Specialty or Enhanced Exclusive Specialty network. Clients will be unable to include their client-owned onsite pharmacy location(s) and other non-CVS Specialty dispensing pharmacies as part of their Exclusive Specialty or Enhanced Exclusive Specialty network (including those pharmacies in the Exclusive+ Specialty Network). These options will continue to be available for the solution that is available for plans that do not qualify as HDHPs with HSAs.

### **3 | What are the anticipated savings that can be generated from implementing the PrudentRx solution for HDHPs with HSAs?**

Incremental savings from the PrudentRx solution may be less for HDHPs than non-HDHPs (especially if the HDHP already includes True Accumulation as part of the plan design), as the nature of the deductible plan design will generate much of the savings for the Plan. Actual savings will vary based upon a variety of factors including things such as demographics and other programs previously implemented by the plan. A savings analysis from PrudentRx can be made available upon request.

## 1 | Will participating members have a \$0 OOP cost if they are enrolled in an HDHP with HSA?

Participating members enrolled in HDHPs with HSAs must fully satisfy their deductible before they are eligible for a \$0 OOP cost, unless the member has been prescribed a medication that qualifies as “preventive care” under the IRC, which is administered and enforced by the IRS. This means, until the deductible has been satisfied, participating members may incur an OOP cost for their eligible specialty medications. Amounts paid *for the benefit of a member*, including amounts paid by a manufacturer copayment assistance program, for an eligible medication shall *not* be counted toward any member deductible or any member MOOP obligation, unless otherwise required by applicable law. Once the deductible has been satisfied, participating members will then have a final OOP cost of \$0. If a drug is listed as a non-EHB, payments made by members enrolled in HDHPs with HSAs will count toward the annual deductible limit set forth by the Plan, however, member payments will not count toward the MOOP unless otherwise required by law.

**If a member elects to opt out of the PrudentRx solution:** for clients that implement the PrudentRx solution, members will be encouraged to remain enrolled in the PrudentRx program. Members who elect to opt out of the program will be responsible for the full 30% coinsurance even after the deductible has been satisfied. If a drug is listed as a non-EHB, member payments toward the 30% coinsurance will not count toward the MOOP and the member will be responsible for the 30% coinsurance for non-EHB drugs even after the MOOP is met, unless otherwise required by law. Less than 1% of members opt out of the program.<sup>2</sup>

## 2 | Will PrudentRx still conduct outreach to an eligible member to complete enrollment in the solution if that member is enrolled in an HDHP with HSA?

Yes. PrudentRx will send out a member letter on behalf of the client and follow up telephonically with members to provide specific information about the program, as it pertains to their medication(s). All eligible members’ enrollment will begin automatically in the PrudentRx program, but members can choose to opt out of the program by calling **1-800-578-4403**.

Some manufacturers require members to sign up to utilize the copay assistance that they provide for their medications – in that case, the member must speak to someone at PrudentRx to provide any additional information needed to enroll in the copay assistance program. If they choose to opt out of the program or if they do not affirmatively enroll in available copay card assistance as required by a manufacturer, the member will be responsible for the 30% coinsurance, after satisfying the plan deductible, on specialty medications under the plan design.

If a copay card is no longer offered, if copay assistance is not available or if the member maxes out the annual manufacturer copay assistance available, and the member who is enrolled in an HDHP with an HSA is participating in the PrudentRx program, they will still have a final \$0 OOP cost once they’ve satisfied the deductible.

## 1 | What types of clients are eligible for this plan design?

- Self-funded plans subject to Employee Retirement Income Security Act (ERISA)
- Self-funded plans not subject to ERISA (e.g., government and church plans), if there are no conflicting state laws
- Coalition and Third-Party Administrator (TPA) clients can be appropriate
- Not recommended for clients with ‘first dollar’/remote health reimbursement accounts (HRAs). Each client is responsible for assessing the risk associated with implementing the program on plans with HRAs
- Health plans may not be appropriate due to specific state insurance regulations, custom formularies and not being able to accommodate Exclusive Specialty
- Clients with the Starter Fill program may not be appropriate since some copay cards require a 30-day drug supply. Clients should evaluate the risk before implementing
  - Clients with the Starter Fill program may still implement the PrudentRx program; however, they need to be aware of potential savings impact
  - While most copay cards do not have a 30-day supply requirement, those that do would not apply dollars toward Starter Fill claims. The cost of the fill would be 100% plan responsibility
  - We believe clients would still see some savings from the Starter Fill program due to the decreased days’ supply and limited fill duration required within the program, which reduces the overall cost of the drug
  - Savings from the PrudentRx program for medications included in the Starter Fill program may be delayed, but still realized
- Clients that administer their own PAs may not be appropriate
- Not appropriate for Federal health care programs, such as Medicare, Medicaid and Employer Group Waiver Plans (EGWP)

## 2 | Is a contract or letter of agreement needed for clients enrolling in this program?

The PrudentRx solution is included in the Point Solutions Management (PSM) process. Clients will need to provide a signed PSM amendment and Vendor Enrollment Form (VEF) to implement the program. Standard implementation deadlines and requirements still apply with the PSM process. The program requires a 90-day implementation.

**Note:** under the PSM process, a separate VEF is required for each TPA-liable and health plan administrative services only (ASO) client implementing the PrudentRx solution. The VEF would need to be signed by the client contracted with CVS Caremark. TPA non-liable and coalition clients require a separate VEF for each TPA or coalition group implementing the PrudentRx solution.

Clients with existing contracts that have previously implemented the PrudentRx solution on their non-HDHPs that elect to implement the program on their HDHPs with HSAs will be required to sign an amendment to their existing contract (if directly contracted for the program with PrudentRx) or existing VEF (if contracted for the program under PSM). Standard deadlines apply as implementing the solution on an HDHP with HSA will require outreach to members prior to the effective date and will be treated similarly to a new implementation of the program.

### **3 | Can clients customize the recommended therapy classes and coinsurance amounts?**

No. The therapy classes and coinsurance amounts cannot be changed.

### **4 | Are there any limitations to when a client can implement this program?**

If ACSF and Specialty Performance Network are already in place, there are no limitations. If a client needs to implement ACSF as well, they can only implement at the beginning of each quarter. The program requires a 90-day implementation; all signed agreements required must be received 90-days prior to the expected go live.

## 1 | **Will the standard monthly reporting be changed for the PrudentRx solution implemented on HDHPs with HSAs?**

No. PrudentRx will provide a standard report on a monthly basis. The report includes the following information from the previous month:

- Total specialty spend
- Total PrudentRx savings
- Total net savings
- Summary year to date
- Net savings by therapeutic category year to date
- Medications with no copay assistance available year to date

Additionally, pre-go live reporting will be provided by PrudentRx, which includes a member outreach summary to the client. This pre-go live report will include the total number of outreaches and summary of members who are indicated as 'Unable to Contact' or 'Refused' prior to go live. This report cannot be customized to include additional data elements and will be sent to the client approximately five days prior to go live. Additional reporting requests cannot be accommodated.

Eligibility for third-party copay assistance program is dependent on the applicable terms and conditions required by that particular program and are subject to change. Copay assistance program may not be used with any Federal health care program.

All data sharing complies with applicable law, our information firewall and any applicable contractual limitations.

1. PrudentRx Client Satisfaction Survey. (P1011760422)

2. PrudentRx Analytics, January 2022. Data is based on members eligible for the PrudentRx program. (P1011420222)

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