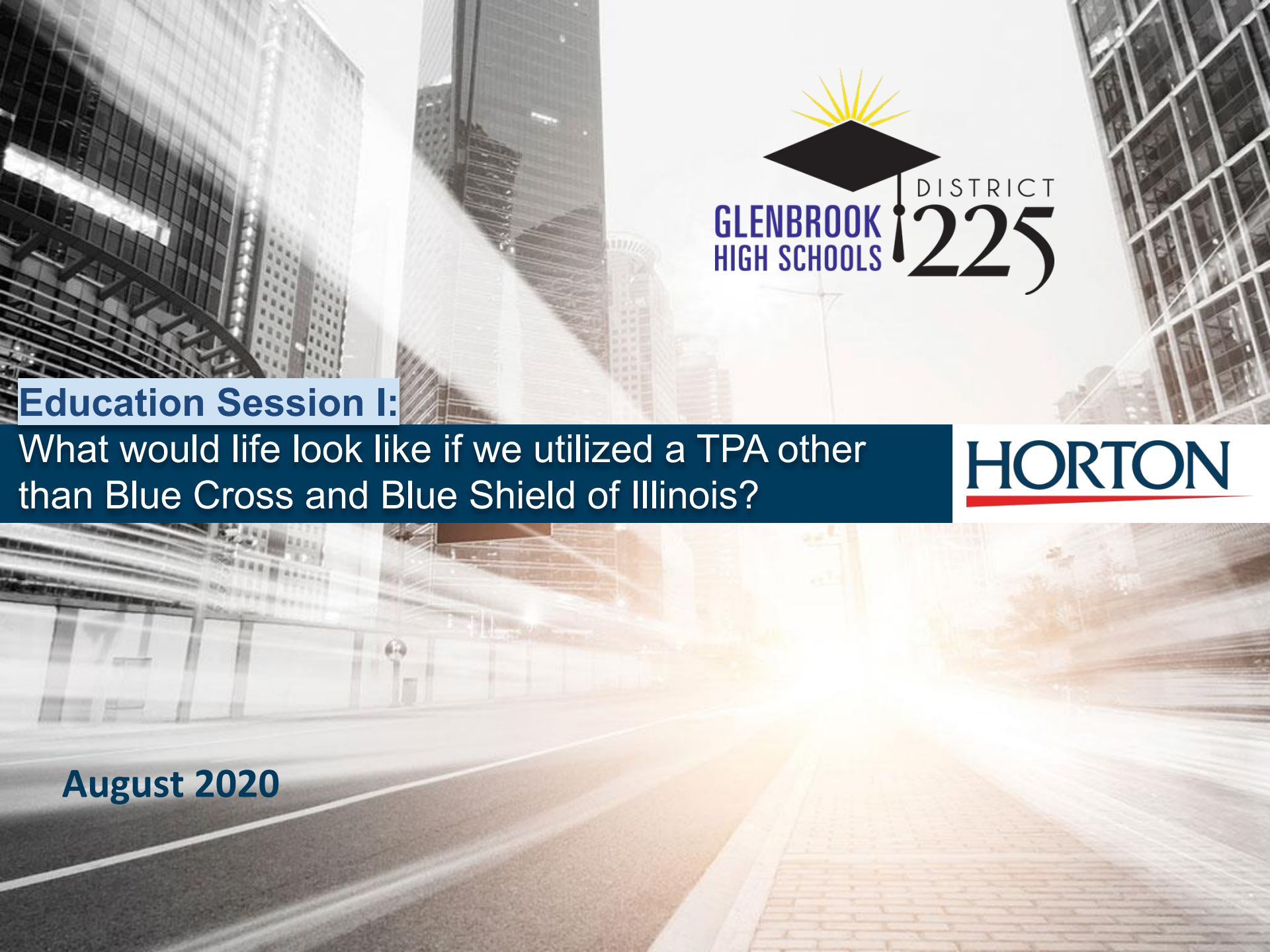


GLENBROOK HIGH SCHOOLS DISTRICT 225

Education Session I:

What would life look like if we utilized a TPA other than Blue Cross and Blue Shield of Illinois?

HORTON

August 2020

Meeting Agenda

1. What is Blue Cross and Blue Shield of Illinois to Our Members?
2. Exploring TPAs and Their Networks
3. Types of HMOs and TPA Networks
4. TPA Claim Payment Timeline and Guarantees
5. TPA Customer Service Standards
6. Prescription Drug TPAs
7. Service Categories
8. Next Steps

HORTON

Glossary of Insurance Terms

Term	Definition
Administrative Services Only (ASO) Group	A group (organization) that contracts with a carrier to provide administrative and claims payment services according to the group's coverage criteria. The group assumes the risk for the cost of services the subscribers receive, rather than paying premiums.
Balance Bill / Billing	When a provider bills you for the difference between the provider's charge and the allowed amount. For example, if the provider's charge is $100 and the allowed amount is $70, the provider may bill you for the remaining $30. A preferred provider may not balance bill you for covered services.
Explanation of Benefits (EOB)	A summary sent to the member showing how much the plan paid, what the employee's responsibility may be, and any provider write-offs.
Member	An individual covered by a Glenbrook health plan. This includes the employee (sometimes referred to as a subscriber), their spouse and other dependents.
Third-Party Administrator (TPA)	A company that provides operational service such as claims processing and employee benefits management under contract to another company.

HORTON

1

What is Blue Cross and Blue Shield of Illinois to Our Members?

HORTON

Functions of a TPA

As an organization that has chosen to manage a self-funded health care program, the school district assumes the risk for payment of the claims for benefits. This is different than an organization that enters into a contract with an insurance company to offer coverage for employees and dependents.

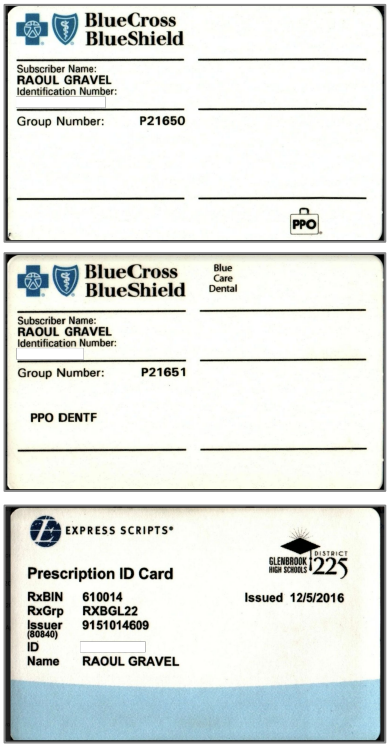
Glenbrook has contracted with Blue Cross and Blue Shield of Illinois (BCBS-IL) through an Administrative Services Only (ASO) agreement. Through this agreement, **BCBS-IL serves as a Third-Party Administrator (TPA)** and:

- **Administers** the plan and claims payment services according to the district's health plan parameters; and
- Offers **access** to its various networks and negotiated "discounts" for both outpatient and inpatient hospital services.

HORTON

Functions of a TPA

BCBS-IL provides members access to their network, other purchased services, and their customer service teams. Most employees associate their insurance coverage with the card that they are mailed from the TPA, and the acceptance of that card at a provider.

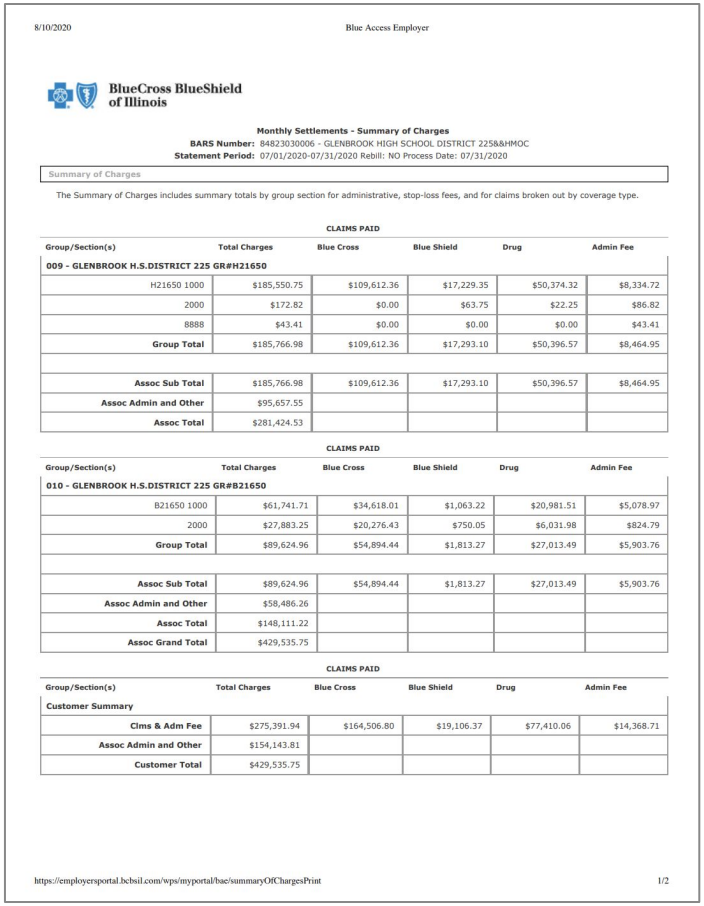


- In an ASO plan, it is common for employees to have multiple cards, as different parts of their health benefits are outsourced to different TPAs.
- What most employees do not realize is that behind the scenes, there are multiple companies that support elements of the health plan (e.g., stop loss provider).

HORTON

Functions of a TPA

Upon receipt of a bill, BCBS-IL will process the claim and pay the provider the negotiated price. The TPA will subsequently bill the school district for all claims paid.



8/10/2020 Blue Access Employer

BlueCross BlueShield of Illinois

Monthly Settlements - Summary of Charges

BARS Number: 84823030006 - GLENBROOK HIGH SCHOOL DISTRICT 225&&HMOC
Statement Period: 07/01/2020-07/31/2020 Rebill: NO Process Date: 07/31/2020

Summary of Charges

The Summary of Charges includes summary totals by group section for administrative, stop-loss fees, and for claims broken out by coverage type.

CLAIMS PAID

Group/Section(s)	Total Charges	Blue Cross	Blue Shield	Drug	Admin Fee
009 - GLENBROOK H.S.DISTRICT 225 GR#H21650					
H21650 1000	$185,550.75	$109,612.36	$17,229.35	$50,374.32	$8,334.72
2000	$172.82	$0.00	$63.75	$22.25	$86.82
8888	$43.41	$0.00	$0.00	$0.00	$43.41
Group Total	$185,766.98	$109,612.36	$17,293.10	$50,396.57	$8,464.95
Assoc Sub Total	$185,766.98	$109,612.36	$17,293.10	$50,396.57	$8,464.95
Assoc Admin and Other	$95,657.55				
Assoc Total	$281,424.53				

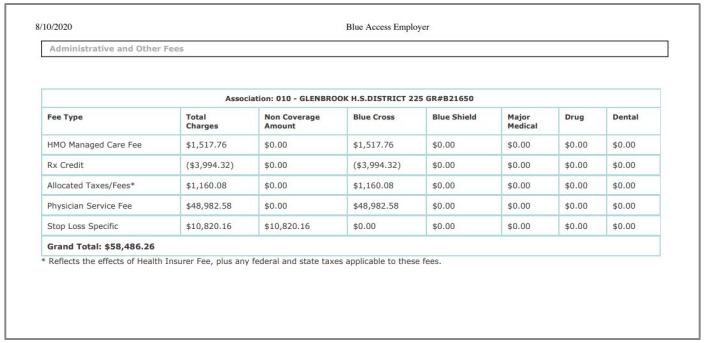
CLAIMS PAID

Group/Section(s)	Total Charges	Blue Cross	Blue Shield	Drug	Admin Fee
010 - GLENBROOK H.S.DISTRICT 225 GR#B21650					
B21650 1000	$61,741.71	$34,618.01	$1,063.22	$20,981.51	$5,078.97
2000	$27,883.25	$20,276.43	$750.05	$6,031.98	$824.79
Group Total	$89,624.96	$54,894.44	$1,813.27	$27,013.49	$5,903.76
Assoc Sub Total	$89,624.96	$54,894.44	$1,813.27	$27,013.49	$5,903.76
Assoc Admin and Other	$58,486.26				
Assoc Total	$148,111.22				
Assoc Grand Total	$429,535.75				

CLAIMS PAID

Group/Section(s)	Total Charges	Blue Cross	Blue Shield	Drug	Admin Fee
Customer Summary					
Clms & Adm Fee	$275,391.94	$164,506.80	$19,106.37	$77,410.06	$14,368.71
Assoc Admin and Other	$154,143.81				
Customer Total	$429,535.75				

https://employersportal.bcbsil.com/wps/myportal/bac/summaryOfChargesPrint 1/2



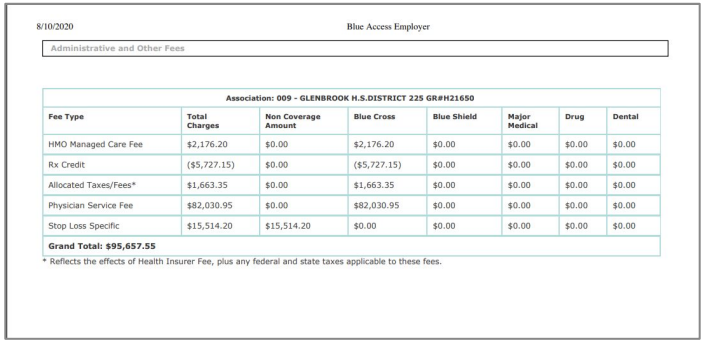
8/10/2020 Blue Access Employer

Administrative and Other Fees

Association: 010 - GLENBROOK H.S.DISTRICT 225 GR#B21650

Fee Type	Total Charges	Non Coverage Amount	Blue Cross	Blue Shield	Major Medical	Drug	Dental
HMO Managed Care Fee	$1,517.76	$0.00	$1,517.76	$0.00	$0.00	$0.00	$0.00
Rx Credit	($3,994.32)	$0.00	($3,994.32)	$0.00	$0.00	$0.00	$0.00
Allocated Taxes/Fees*	$1,160.08	$0.00	$1,160.08	$0.00	$0.00	$0.00	$0.00
Physician Service Fee	$48,982.58	$0.00	$48,982.58	$0.00	$0.00	$0.00	$0.00
Stop Loss Specific	$10,820.16	$10,820.16	$0.00	$0.00	$0.00	$0.00	$0.00
Grand Total: $58,486.26							

* Reflects the effects of Health Insurer Fee, plus any federal and state taxes applicable to these fees.



8/10/2020 Blue Access Employer

Administrative and Other Fees

Association: 009 - GLENBROOK H.S.DISTRICT 225 GR#H21650

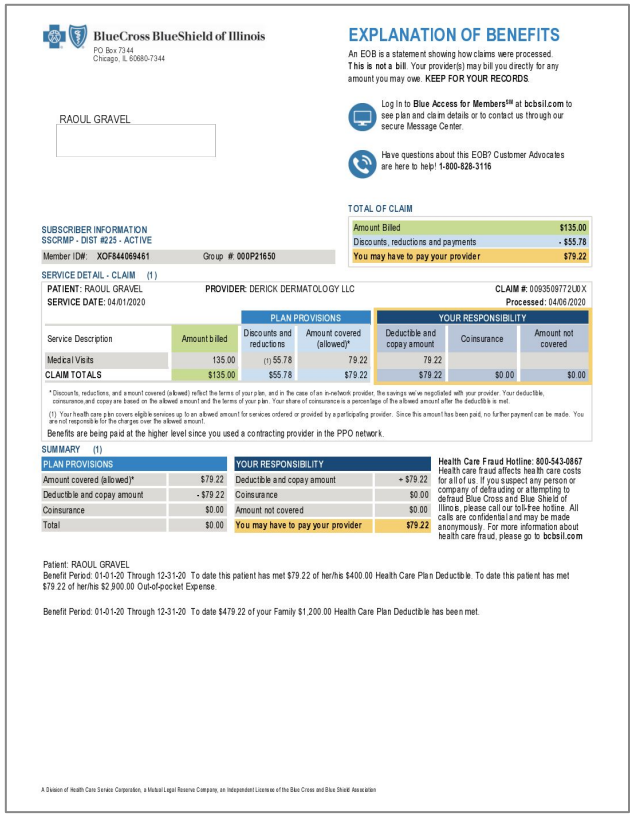
Fee Type	Total Charges	Non Coverage Amount	Blue Cross	Blue Shield	Major Medical	Drug	Dental
HMO Managed Care Fee	$2,176.20	$0.00	$2,176.20	$0.00	$0.00	$0.00	$0.00
Rx Credit	($5,727.15)	$0.00	($5,727.15)	$0.00	$0.00	$0.00	$0.00
Allocated Taxes/Fees*	$1,663.35	$0.00	$1,663.35	$0.00	$0.00	$0.00	$0.00
Physician Service Fee	$82,030.95	$0.00	$82,030.95	$0.00	$0.00	$0.00	$0.00
Stop Loss Specific	$15,514.20	$15,514.20	$0.00	$0.00	$0.00	$0.00	$0.00
Grand Total: $95,657.55							

* Reflects the effects of Health Insurer Fee, plus any federal and state taxes applicable to these fees.

HORTON

Functions of a TPA

Once the provider is paid, the employee receives an explanation of benefits from the TPA, and a balance bill (if applicable) from the provider.



BlueCross BlueShield of Illinois
PO Box 7344
Chicago, IL 60680-7344

EXPLANATION OF BENEFITS

An EOB is a statement showing how claims were processed. **This is not a bill.** Your provider(s) may bill you directly for any amount you may owe. **KEEP FOR YOUR RECORDS.**

Log In to **Blue Access for Members℠** at bcbsil.com to see plan and claim details or to contact us through our secure Message Center.

Have questions about this EOB? Customer Advocates are here to help! **1-800-828-3116**

RAOUL GRAVEL

SUBSCRIBER INFORMATION
SSCRMP - DIST #225 - ACTIVE
Member ID#: XOF844069461 Group # 000P21650

TOTAL OF CLAIM

Amount Billed	$135.00
Discounts, reductions and payments	- $55.78
You may have to pay your provider	$79.22

SERVICE DETAIL - CLAIM (1)

PATIENT: RAOUL GRAVEL PROVIDER: DERICK DERMATOLOGY LLC CLAIM #: 0093509772U0X
SERVICE DATE: 04/01/2020 Processed: 04/08/2020

		PLAN PROVISIONS		YOUR RESPONSIBILITY		
Service Description	Amount billed	Discounts and reductions	Amount covered (allowed)*	Deductible and copay amount	Coinsurance	Amount not covered
Medical Visits	135.00	(1) 55.78	79.22	79.22		
CLAIM TOTALS	$135.00	$55.78	$79.22	$79.22	$0.00	$0.00

*Discounts, reductions, and amount covered (allowed) reflect the terms of your plan, and in the case of an in-network provider, the savings we've negotiated with your provider. Your deductible, coinsurance, and copays are based on the allowed amount and the terms of your plan. Your share of coinsurance is a percentage of the allowed amount after the deductible is met.

(1) Your health care plan covers eligible services up to an allowed amount for services ordered or provided by a participating provider. Since this amount has been paid, no further payment can be made. You are not responsible for the charges over the allowed amount.

Benefits are being paid at the higher level since you used a contracting provider in the PPO network.

SUMMARY (1)

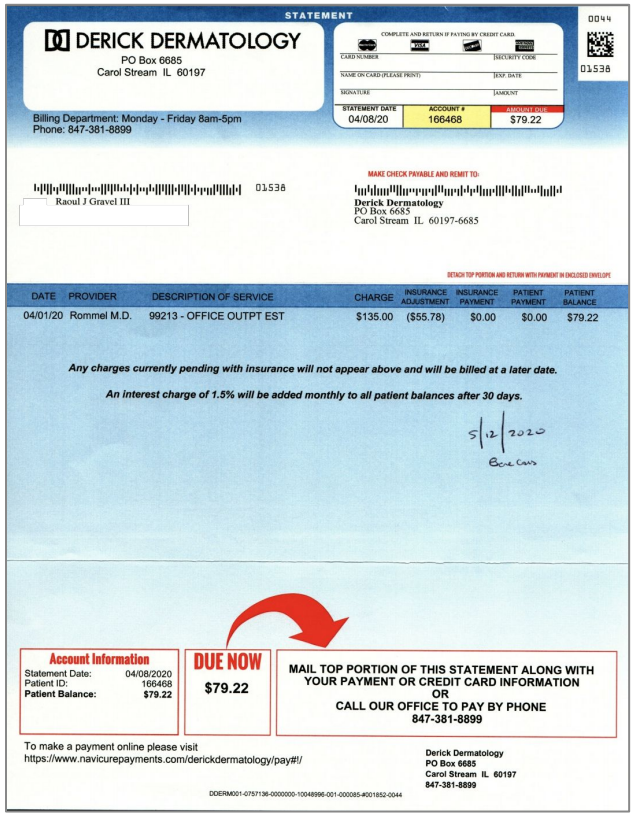
PLAN PROVISIONS		YOUR RESPONSIBILITY	
Amount covered (allowed)*	$79.22	Deductible and copay amount	+ $79.22
Deductible and copay amount	- $79.22	Coinsurance	$0.00
Coinsurance	$0.00	Amount not covered	$0.00
Total	$0.00	You may have to pay your provider	$79.22

Health Care Fraud Hotline: 800-543-0867
Health care fraud affects health care costs for all of us. If you suspect any person or company of defrauding or attempting to defraud Blue Cross and Blue Shield of Illinois, please call our toll-free hotline. All calls are confidential and may be made anonymously. For more information about health care fraud, please go to bcbsil.com

Patient: RAOUL GRAVEL
Benefit Period: 01-01-20 Through 12-31-20 To date this patient has met $79.22 of her/his $400.00 Health Care Plan Deductible. To date this patient has met $79.22 of her/his $2,900.00 Out-of-pocket Expense.

Benefit Period: 01-01-20 Through 12-31-20 To date $479.22 of your Family $1,200.00 Health Care Plan Deductible has been met.

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association



STATEMENT

DERICK DERMATOLOGY
PO Box 6685
Carol Stream IL 60197

Billing Department: Monday - Friday 8am-5pm
Phone: 847-381-8899

STATEMENT DATE	ACCOUNT #	AMOUNT DUE
04/08/20	166468	$79.22

Raoul J Gravel III

MAKE CHECK PAYABLE AND REMIT TO:
Derick Dermatology
PO Box 6685
Carol Stream IL 60197-6685

DATE	PROVIDER	DESCRIPTION OF SERVICE	CHARGE	INSURANCE ADJUSTMENT	INSURANCE PAYMENT	PATIENT PAYMENT	PATIENT BALANCE
04/01/20	Rommel M.D.	99213 - OFFICE OUTPT EST	$135.00	($55.78)	$0.00	$0.00	$79.22

Any charges currently pending with insurance will not appear above and will be billed at a later date.

An interest charge of 1.5% will be added monthly to all patient balances after 30 days.

5/12/2020

Account Information
Statement Date: 04/08/2020
Patient ID: 166468
Patient Balance: $79.22

DUE NOW
$79.22

MAIL TOP PORTION OF THIS STATEMENT ALONG WITH YOUR PAYMENT OR CREDIT CARD INFORMATION
OR
CALL OUR OFFICE TO PAY BY PHONE
847-381-8899

To make a payment online please visit
https://www.navicurepayments.com/derickdermatology/pay#!/

Derick Dermatology
PO Box 6685
Carol Stream IL 60197
847-381-8899

Summary of TPA Functions

- **Maintain Network(s) with Negotiated Service Discounts**
  - HMO
  - PPO
- **Process All Claims Consistent with the Plan Design**
  - In-Network and Out-of-Network Coverage Levels
  - Payment Responsibility (Copays, Deductibles, Coinsurance, Reinsurance/Stop Loss)
  - Preauthorization / Precertification
- **Offers Additional Services (Examples Below)**
  - Blue Value Advisor
  - MD Live
  - Wellbeing Management
  - Prescription Benefit Management

HORTON

2

Exploring TPAs and Their Networks

HORTON

Introducing BUCAH

BUCAH is an acronym that refers to **the largest healthcare insurance companies**:

- **B**lue Cross and Blue Shield;
- **U**nited Healthcare;
- **C**igna;
- **A**etna; and
- **H**umana.

Blue Cross was founded in 1929, United in 1977, Cigna in 1982, and Aetna in 1853. Generally speaking, these companies have achieved name recognition with consumers across the nation. According to the 2018 Kaiser Family Foundation report, the following were the largest insurers in Illinois:

- Blue Cross and Blue Shield of Illinois - 71% (1,244,574);
- United Healthcare - 17% (291,364); and
- Carle Holding - 6% (107,657).

HORTON

Another Way of Thinking About Insurance

Top 10 Writers Of Private Passenger Auto Insurance In Illinois By Direct Premiums Written, 2019 (1)

Rank	Group/company	Direct premiums written ($000)	Market share
1	State Farm	$2,312,444	29.7%
2	Allstate Corp.	897,732	11.5
3	Progressive	616,481	7.9
4	Berkshire Hathaway Inc.	549,641	7.0
5	COUNTRY Financial	526,075	6.7
6	American Family Insurance Group	345,139	4.4
7	Farmers Insurance Group	306,020	3.9
8	Liberty Mutual	227,691	2.9
9	USAA Insurance Group	197,318	2.5
10	Travelers Companies Inc.	133,384	1.7

(1) Before reinsurance transactions.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

HORTON

Network Disruption Report - PPO

The Horton Group performed a disruption analysis using claim data from **January 2019 - March 2020** to identify the providers and hospitals utilized by Glenbrook plan members that are within the TPA's network. The chart below identifies the number and percent of individuals in network for each of the listed TPAs.

All TPAs offer multiple networks. We have identified the network(s) below that most align with our current usage.

TPA	Name of Network	% of Providers Matched	% of In-Patient Providers Matched	% of Total Paid $*
Aetna	Aetna Choice POS II	83.65%^	98% All But 2 Skilled Nursing Facilities	92.18%
Aetna	Glenbrook Custom	99.9%**	99.9%**	99.9%**
Blue Cross and Blue Shield of Illinois	PPO	99.9%	99.9%	99.9%
Cigna	OA Plus	87.6%	99.5% All But 1 Skilled Nursing Facilities	93.01%
United Healthcare	Choice+	85.1%	97%	91.5%

* Total paid dollars for PPO claims.
** Certain providers that are not in the Aetna network will be grandfathered for those currently utilizing.
^ Partly attributed to a large number of chiropractic claims for therapeutic services.

HORTON

Network Disruption Report - HMO

The Horton Group performed a disruption analysis using claim data from **January 2019 - March 2020** to identify the providers and hospitals utilized by Glenbrook plan members. The chart below identifies the number and percent of individuals in network for each of the listed TPAs.

All TPAs offer multiple networks. We have identified the network(s) below that most align with our current usage.

TPA	Name of Network	% of Providers Matched	% of In-Patient Providers Matched	% of Total Paid $*
Aetna	OA Aetna Select	83.65%^	98% All But 2 Skilled Nursing Facilities	92.18%
Aetna	Glenbrook Custom	99.9%**	99.9%**	99.9%**
Blue Cross and Blue Shield of Illinois	HMO Illinois / Blue Advantage	100%	100%	100%
Cigna	Local Plus	-***	-***	-***
United Healthcare	Navigate	82%	96%	90.5%

* Total paid dollars for HMO claims.
** Certain providers that are not in the Aetna network will be grandfathered for those currently utilizing.
** Unable to perform a disruption report at this time.
^ Partly attributed to a large number of chiropractic claims for therapeutic services.

HORTON

What if a Provider is Not “Matched”

- A provider that is not matched means that the physician, physician group, or hospital is not within the TPA’s network.
- In this situation, the member may still visit the provider, however, they will be responsible for the out of network cost if covered by a PPO, or the entire cost if covered by an HMO.
- As an ASO plan, the school district:
  - Has the ability to define the out of network costs for PPO plans (e.g., employee is typically responsible for 10-20% more than an in-network provider); and
  - May also specify in-network costs for specific providers that may not be in the network; but
  - This is a sensitive discussion, with significant implications.
- However, redefining out of network costs has financial implications that would impact the plan’s premiums (e.g., more expense that needs to be provided for through premiums).

HORTON

3

Types of HMOs and TPA Networks

HORTON

What is an HMO?

HMO stands for **H**ealth **M**aintenance **O**rganization.

- An insurance plan that has its own network of doctors, hospital and other healthcare providers who have agreed to accept payment at a certain level for any services they provide.
- HMOs offer lower copays and coinsurance, and are very cost effective for members that are comfortable being limited in their choice in health care providers and hospitals.
- With an HMO, a member's primary care physician manages the member's overall picture of health and is tasked with coordinating any additional care that might be needed through a referral process.

HORTON

HMO Models

There are two types of HMO models: capitation and fee for service.

- **Capitation Model**
  Under a capitation model, health care service providers are paid a set fixed per capita payment for each enrollment person assigned to that physician or group of physicians, whether or not that person seeks care.

- **Fee for Service Model**
  Under a fee for service model, there are no fixed payments paid to a provider. Alternatively, providers bill for services delivered and are paid on predetermined rates for each service.

Primary Care Physician and Referral Requirements

Depending on the TPA and the HMO model implemented, HMO plans may or may not require primary care physicians and/or referrals for specialists. The chart below provides insight into both requirements, based on the TPA.

TPA	Model	Primary Care Physician Required?	Referrals Required?
Aetna*^	Fee for Service	No	No
Blue Cross and Blue Shield of Illinois^	Capitation	Yes	Yes
Cigna	Fee for Service	Yes	Yes
United Healthcare	Fee for Service	Yes	Yes

* Non-emergency out of network coverage requires referrals.
^ If the member is experiencing an emergency and is outside the provider's treatment area, the member may access the closest emergency facility.

HORTON

4

TPA Claim Payment Timeline and Guarantees

HORTON

Turnaround Time and Accuracy Levels

Medical claims are submitted by a provider to the TPA through an electronic process. Each claim is coded utilizing a standardized service schedule, and the majority of claims are automatically adjudicated using the TPA's proprietary software system.

TPA	Average Turnaround Time	Average Financial Accuracy	Average Claim Accuracy
Aetna	Our turnaround time goal is to process 90% of all claims within 14 calendar days of our receipt of complete claim and eligibility information. As of year end 2019, we processed 90% of claims in 4.37 days in our Bismarck member service center.	Our preferred performance guarantee for Financial Accuracy is 99% As of year end 2019, our financial accuracy rate is 99.14% in our Bismarck member service center.	Our preferred performance guarantee for Overall Accuracy is 95%. As of year end 2019, our overall accuracy rate is 98.80% in our Bismarck member service center.

HORTON

Turnaround Time and Accuracy Levels

TPA	Average Turnaround Time	Average Financial Accuracy	Average Claim Accuracy
Blue Cross and Blue Shield of Illinois	In 2019, our turnaround within 14 calendar days for claims was 94.53% and 30 calendar days claims turnaround was 98.89%. *The above represents our entire Illinois book of business.	In 2019, our financial accuracy was 99.7%. *The above represents our entire Illinois book of business.	In 2019, our processing accuracy was 98.43%. *The above represents our entire Illinois book of business.
Cigna	99% within 10 business days; 98% within 22 business days	99%	97%
United Healthcare	Our most recent national average results: ● 99.2% processed within 10 business days; ● 99.8% processed within 20 business days.	Our current claim financial accuracy is 100%	Our current claim accuracy is 99.8%

HORTON

Turnaround Time and Accuracy Levels

TPAs are ultimately responsible for processing claim payments in accordance with the school district's health plan. Several TPAs have offered claim payment guarantees as part of their service quotation:

TPA	Services Offered
Aetna	Yes. We have proposed guarantees for our claims turnaround time of 90% within 14 calendar days. In addition, we have proposed our financial accuracy guarantee of 99% and total claims accuracy of 95% For complete details please refer to the guarantees section of the financial package included in our initial proposal response.
Blue Cross and Blue Shield of Illinois	We will provide performance guarantees upon selection as a finalist.
Cigna	Not included in quote.
United Healthcare	Not included in quote.

HORTON

5

TPA Customer Service Standards

Customer Support - Phone Service

TPA	Voice Response System	Average Time for Agent to Answer Call	Average Call Abandonment Rate
Aetna	Yes	We have an average speed of answer goal of 30 seconds. As of year end 2019, the average speed of answer is 28.5 seconds in our Bismarck member service center.	We have an abandonment rate goal of less than 2.5% As of year end 2019, the abandonment rate is 1.4% in our Bismarck member service center.
Blue Cross and Blue Shield of Illinois	Yes	In 2019, our average speed of answer was 24 seconds. *The above represents our entire Illinois book of business.	In 2019, our abandonment rate was 1%. *The above represents our entire Illinois book of business.
Cigna	Yes	Our current average speed to answer is 22 seconds.	Our current average call abandonment rate is 1%.
United Healthcare	Yes	Our current average speed to answer is 30 seconds.	Our current average call abandonment rate is 2%.

HORTON

6

Prescription Drug TPAs

HORTON

Retail Pharmacy Network

Some TPAs offer prescription drug programs, while others utilize a separate pharmacy benefit manager (PBM). Below is a summary of data provided through the bidding process.

TPA	Are Any Major Retail Pharmacies Excluded?
Aetna	No
Blue Cross and Blue Shield of Illinois	No
Cigna	No
United Healthcare	No
CVS Caremark	No
Express Scripts	No
Optum Rx	No

HORTON

Mail Order Pharmacy Experience

In addition to retail and independent pharmacies, there is a considerable financial benefit for utilizing mail order services. Below is a summary of data provided through the bidding process.

TPA	Mail Order Pharmacy Experience
Aetna	We own and operate our home delivery. Our home delivery network of regional pharmacies and support facilities operate in unison to process and deliver prescription medications as seamlessly and quickly as possible.
Blue Cross and Blue Shield of Illinois	Home delivery services are administered through AllianceRx Walgreens Prime. AllianceRx Walgreens Prime was created in April 2017 through a strategic collaboration between Prime and Walgreens. AllianceRx Walgreens Prime is home to the fourth largest home delivery pharmacy and provides competitive cost advantages to clients. Today, AllianceRx Walgreens Prime provides services through our home delivery pharmacy located in Tempe, Arizona. AllianceRx Walgreens Prime home delivery offers several features and advantages over other vendors within the home delivery market, including cost savings, enhanced customer service, convenience, and timely and accurate dispensing.
Cigna	Own and operates Express Scripts.

HORTON

Mail Order Pharmacy Experience

TPA	Mail Order Pharmacy Experience
United Healthcare	Optum RX Mail Service. We use multiple MAC lists to determine the approved ingredient cost of generic medications in the retail setting. This allows us to achieve aggressive generic discounts for our customers. We use the predominant retail MAC list for calculating the ingredient cost at our Home Delivery Pharmacy. However, using the same MAC list at both retail and mail may not yield the same level of discount. The different types and volume of medications dispensed at each setting drives the overall effective rate of the MAC list.
CVS Caremark	Full service provided.
Express Scripts	Full service provided.
Optum Rx	Full service provided.

HORTON

Prescription Drug Lists

TPA	Excluded Drugs
Aetna	Please refer to the attachment labeled "Aetna Standard Formulary Exclusions."
Blue Cross and Blue Shield of Illinois	The Performance drug list is a managed, standard (non-customizable) drug list that is designed with one key objective—to generate savings. It features competitive discounts, drug exclusions, and utilization management that drive the most cost-effective care while ensuring that people get the medicine they need. This efficient drug list drives savings, maximizes rebates, and reduces pharmacy costs by: ● Driving utilization toward discounted products by including differentiated preferred and non-preferred drugs. ● Excluding non-essential drugs to reduce extraneous costs. ● Promoting therapeutic alternatives to capitalize on over-the-counter availability of therapeutic alternatives and reduce pharmacy costs. ● Excluding high-cost generic and brand drugs to manage rampant price increases from pharmaceutical companies. Excluded drugs are listed in the Performance Supply Drug List exhibit, which can be found in the Exhibits section of this proposal.
Cigna	Dependent on chosen Prescription Drug List (PDL).

HORTON

Prescription Drug Lists (Continued)

TPA	Excluded Drugs
United Healthcare	We consider clinical, pharmacoeconomic and financial factors to determine tier placement on our formulary or Prescription Drug List (PDL) for prescription drugs or other pharmaceutical products, services or supplies. Prescription medications approved by the FDA are included on our PDL; however, some may be recommended for exclusion from coverage under the benefit plan. Many standard benefit plans exclude coverage for medications for which there are Therapeutically Equivalent prescription or over-the-counter (OTC) alternatives.
CVS Caremark	Dependent on chosen Prescription Drug List (PDL).
Express Scripts	Dependent on chosen Prescription Drug List (PDL).
Optum Rx	Dependent on chosen Prescription Drug List (PDL).

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Step Therapy

Step Therapy is a prior authorization program that encourages the use of less costly yet effective medications before more costly medications are approved for coverage. It requires patients to try the step 1 drugs and submit a prior authorization to request for coverage for a Step 2 or Step 3 drug. If the prior authorization isn't approved, you will either have to pay the full price for the Step 2 or 3 drug or take an alternative.

TPA	Step Therapy
Aetna	Step Therapy is not included in the Aetna Pharmacy quote for Glenbrook HS District #225. Step therapy can be offered as an option.

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Step Therapy (Continued)

TPA	Step Therapy
Blue Cross and Blue Shield of Illinois	Step Therapy is required with the Performance drug list. Step therapy programs take a step approach to providing members a drug to help treat their condition. This means that members may first need to try a first-line drug before coverage is provided for a second-line drug. A first-line drug is usually a generic drug (or preferred brand if generics are not available) and represents a more cost-effective alternative. Our step therapy program targets high-cost drugs with a potential for misuse and those with targeted clinical uses for specific populations. Our step therapy program includes the following features: ● An algorithm for clinical evaluation, rationale, and references. ● Established step therapy clinical protocols that support a standard list of medications and claims adjudication capabilities. ● Management of drug benefit costs for targeted drugs. ● Consulting to assist reduction of drug spend for specific classes of medications with available options, prices, and benchmarks. ● Standard reporting on program impact, savings, and effect on PMPM amounts. ● Step therapy process that is completely independent of pharmaceutical manufacturer funding. ● Ability to update criteria when information becomes available and at regular intervals.

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Step Therapy (Continued)

TPA	Step Therapy
Cigna	
United Healthcare	Optional.
CVS Caremark	Dependent on chosen Prescription Drug List (PDL).
Express Scripts	Dependent on chosen Prescription Drug List (PDL).
Optum Rx	Dependent on chosen Prescription Drug List (PDL).

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Service Categories

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Service Categories

TPAs establish service categories to group services and define usage thresholds. The most common thresholds is that the service "must meet medical necessity" and may have a maximum number of visits. The following is a summary of categories:

- Outpatient Diagnostics;
- Medical / Surgical Services;
- Diagnostic Testing;
- Imaging;
- Speech Therapy;
- Physical Therapy;
- Occupational Therapy;
- Chiropractic Services;
- Private Duty Nurse;
- Infertility;
- Bariatric surgery;
- Acupuncture;
- Cosmetic Surgery;
- Hearing Aids; and
- Speciality Medications.

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Next Steps

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Next Steps

- **Educational Session I - August 26, 2020**
  What would life look like if we utilized a TPA other than Blue Cross and Blue Shield of Illinois?

- **Educational Session II - Week of September 7, 2020**
  What would life look like if we implemented reference-based pricing?

- **What Is Our Next Step - Week of September 14, 2020**
  This is the meeting where we will review all of our options (e.g., BCBS-IL renewal, transition to a different large TPA, or transition to reference-based pricing). We will review potential contribution rates for the upcoming school year under each model, and discuss the implications of any decision.

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