



CUSTOMIZED PHARMACY SOLUTIONS

In Spring of 2023, PillarRx Consulting, LLC won a competitive procurement to review a Pharmacy Benefit Management solutions provider called ArrayRx to determine the organization's transparency and way of doing business on behalf of customers and the membership those customers represent. The project was financially supported by Arnold Ventures, a philanthropic organization. ArrayRx promises to their clients a fully transparent pharmacy benefits management solution along with a 100% pass-through pricing model that ensures all savings will be provided to their clients in full.

PillarRx completed the assessment of ArrayRx in August 2023 by reviewing ArrayRx's standard pharmacy benefits management client contract and completing a pricing analysis. Upon the conclusion of the evaluation, it was refreshing to find that ArrayRx is truly a 100% pass-through solution and their transparency is apparent in both the financial aspects of what they provide to their clients as well as their general operations.

Over the years, PillarRx has reviewed hundreds of contracts and proposal language for clients of all sizes and complexity. As part of the ArrayRx analysis, PillarRx completed a thorough review of the business components within the contract including such sections as: Definitions, Contractor Responsibilities, Client Responsibilities, Rebate Administration, Program Invoicing and Payments, Audit Rights, Pricing, Performance Guarantees, and other business components. The assessment resulted in the identification of multiple items that make the ArrayRx contract superior to many other similar type contracts that PillarRx has reviewed.

One of the first items of note about the contract is its general organization and attention to detail. PillarRx found the contract to be organized and easy to follow general content through the use of a comprehensive table of contents as well as notations of where additional supporting language could be found to further support a component being described. For example, when clinical programs were described in the Contractor Responsibilities section, there were detailed references provided of where the client could find any fees associated with administering those programs. PillarRx has never seen a contract that is referenced so well or completely. The very design of the



contract supports full transparency and it is apparent that ArrayRx gave careful consideration of how to best create a contract that would be clear and informative to their client.

Within the contract there are multiple items that would be beneficial to a client. For example, language not only allowing the use of any willing pharmacy but specifically not steering clients and their members to a pharmacy where ArrayRx has a vested interest. Too many times, PillarRx identifies language that is mostly about protecting the PBM, whether that be in the operations of the services offered, pricing guarantees and promises, as well as performance guarantees, and overall revenue for the PBM. With the ArrayRx contract, PillarRx identified a contract that was overall more favorable to the client than the PBM. That is a rarity these days and PillarRx applauds ArrayRx's efforts to bring something unique to the marketplace that truly puts their clients needs, wants, and goals first above everything else.

For the pricing analysis, PillarRx completed an exercise that tested the transparency of the pricing model being offered to clients, which is 100% Pass-through, and the competitiveness of the offer ArrayRx is putting forth. As part of the Analysis, PillarRx re-prices the claims and evaluates the PBM offer, including pharmacy discounts, dispensing fees, and rebates, to name a few. In addition, PillarRx performs an audit on the PBM re-pricing exercise to validate the proposal the PBM is offering is sound and correlates to what PillarRx re-prices by using the PBM's pricing offer, supplemental details, and external industry source information, e.g. Medi-Span data, to validate AWP starting points, etc.

From the information analyzed, PillarRx is confident that ArrayRx is offering a 100% Pass-through pricing model and confirmed the performance pricing rates are in-line with other 100% Pass-through PBM solutions within the marketplace. The analysis also determined ArrayRx's re-pricing methodology is sound.

In conclusion, PillarRx would recommend to a client interested in a 100% Pass-through pricing model and true transparency to review and evaluate the ArrayRx pharmacy benefit management solution suite as a possible future partner to assist the client with effectively managing their pharmacy benefits program.



About the Businesses:

Arnold Ventures is dedicated to improving the lives of all Americans through evidence-based solutions to the nation's most pressing problems. They fund research to better understand the root causes of broken systems that limit opportunity and create injustice. Their area of focus includes: Criminal Justice, Higher Education, Health, and Public Finance. In each area, they advocate for policy reforms that will lead to lasting, scalable change. Founded in 2010 by Laura and John Arnold, their mission is to maximize opportunity and minimize injustice.

ArrayRx, formerly Northwest Prescription Drug Consortium, delivers transparent and value-based pharmacy solutions that address the unique needs of member programs. These programs include state employee plans, government programs, participating state, county and city organizations, and private employers. ArrayRx originating states have conducted multiple competitive procurements and have selected Moda Health Plan, Inc. as its program administrator since 2006.

PillarRx Consulting, LLC has 31 years of experience in pharmacy benefits consulting and auditing services. PillarRx is owned by Brown & Brown Insurance, Inc., an independent intermediary that through its licensed subsidiaries, provides a variety of insurance products and services to health plans, corporate, public entity, institutional, trade, professional, association, and individual clients. As an independent, non-biased audit and consulting company, PillarRx relies on sound data analysis to support all lines of business including: Commercial, Medicare Part D, Medicaid, and Exchange programs.