



New Mexico  
Public Schools  
Insurance Authority

Interagency Pharmaceutical Purchasing Council  
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# NMPSIA

The New Mexico Public Schools Insurance Authority (NMPSIA) was created by the NM Legislature in 1986 to serve as a purchasing agency for public school districts, post-secondary educational entities and charter schools. Through NMPSIA, member schools are afforded the opportunity to offer quality employee benefit and risk coverages.

## **Purpose of act. 22-29-2.**

The purpose of the Public School Insurance Authority Act is to provide comprehensive core insurance programs, including reimbursement coverage for the costs of providing due process to students with disabilities, for all participating public schools, school board members, school board retirees and public school employees and retirees by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage.

## **Authority created. 22-29-4**

There is created the "public school insurance authority", which is established to provide for group health insurance, other risk-related coverage and due process reimbursement with the exception of the mandatory coverage provided by the risk management division on the effective date of the Public School Insurance Authority Act.

# NMPSIA Today

## • School Districts

- 88 Mandatory (*Excludes APS*)

## • Charter Schools

- 97 Mandatory

## • 26 Educational Entities

- 27 (*Optional*)



## • Staff

- 11 FTE

## • Board of Directors

- 11 Board Members
  - NEA-NM
    - Mary Parr-Sanchez, President
    - David Martinez, Jr.
  - AFT-NM
    - Tim Crone
  - Governor Appointees
    - Alfred Park, Secretary
    - Vacant
    - Vacant
  - Superintendents' Association
    - Ricky Williams
  - New Mexico Association of School Business Officials
    - Chris Parrino, Vice President
  - Educational Entities at Large
    - David Willden
  - School Boards Association
    - Pauline Jaramillo
  - Public Education Commission
    - Trish Ruiz

# NMPSIA Rx PLAN DESIGN

## Retail (30-day Supply)

## Mail Order (90-day supply)

<b>Generic:</b>	\$10 Copay	\$22 Copay
<b>Preferred Brand:</b>	30% Coinsurance (\$30 min/\$60 max)	\$60 copay
<b>Non-Preferred Brand:</b>	70% Coinsurance	70% Coinsurance
<b>Preferred Insulin &amp; Diabetic Supplies:</b>	\$0 Copay	\$0 Copay
<b>Non-Preferred Insulin &amp; Diabetic Supplies:</b>	\$70 Coinsurance	\$70 Coinsurance
<b>Generic and Preferred Diabetic Oral Medications:</b>	\$10 Copay	\$22 Copay
<b>Generic Specialty:</b>	<i>Not Available at Retail</i>	\$55
<b>Preferred Brand Specialty:</b>	<i>Not Available at Retail</i>	\$80
<b>Non-Preferred Brand Specialty:</b>	<i>Not Available at Retail</i>	\$130 Copay
<b>Deductible: \$0</b>		
<b>Out of Pocket Maximum (specialty/non-specialty combined): \$3,100 individual / \$6,200 family</b>		

# NMPSIA SUCCESSES AND CHALLENGES

## Successes

- Implemented SaveOnSp Program – Approx. \$2 - \$2.5 million in annual savings
- Achieved higher generic usage – 86.3%
- Achieved Clinical and Rx Program Savings of \$5.4 million in FY19
- Segal’s cost trend study reflects NMPSIA’s annual historical and projected Rx trend as 6.56% compared to 7.55% pmpm nationally from 2007 – 2021
- Increased rebates with new PBM contract to offset plan cost - \$16.4 million in FY19
- Other programs in partnership with PBM – RationalMed, Advanced Opioid Management Program, Drug Channel Management

## Challenges

- Increased Specialty Drug Utilization
- 16% of top 25 drugs are specialty drugs (67.2% of pharmacy spend)
- Costly drugs to treat members with diabetes, inflammatory conditions, cancer, MS, HIV, hemophilia, etc.
- Lack of federal regulations on drug pricing
- Network considerations – impact on independent pharmacies, rural communities

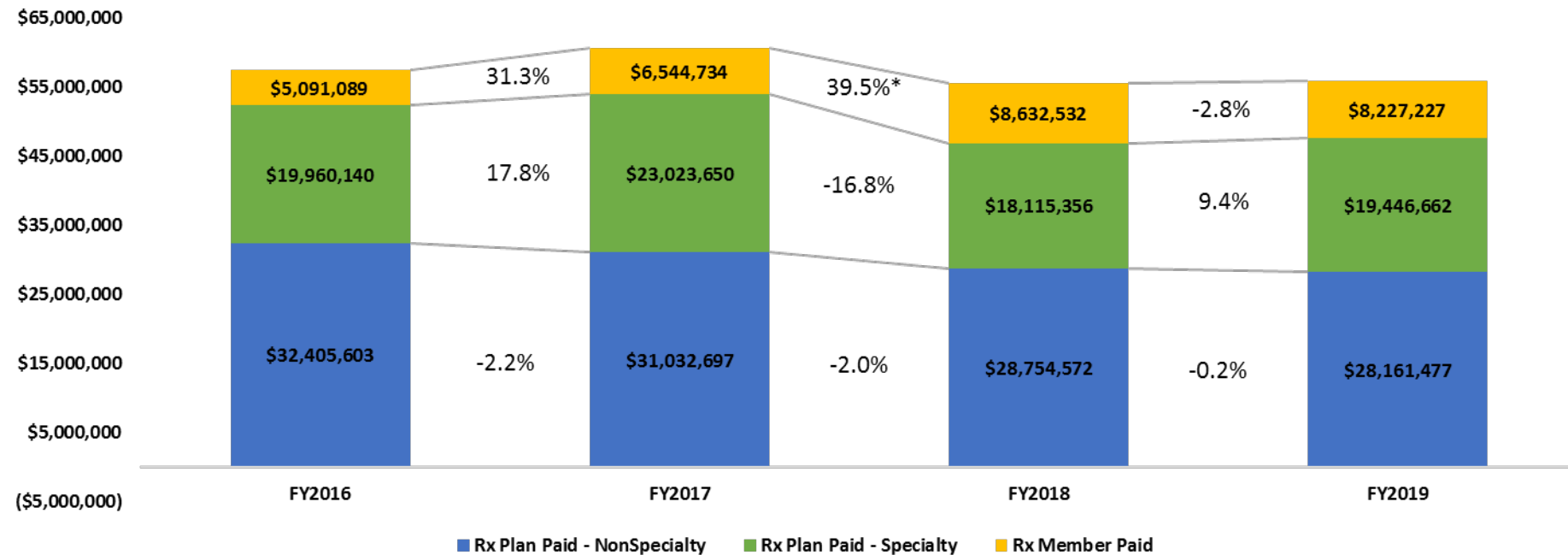
# Top 25 Drugs

Rank	Peer Rank	Brand Name	Indication	Adj. Rxs	Pts.	Plan Cost Net
1	1	HUMIRA PEN*	INFLAMMATORY CONDITIONS	460	56	\$1,106,375
2	2	TRULICITY	DIABETES	2,751	329	\$1,086,962
3	6	REVLIMID*	CANCER	50	9	\$918,301
4	135	IDELVION*	HEMOPHILIA	6	1	\$715,328
5	8	TECFIDERA*	MULTIPLE SCLEROSIS	102	9	\$602,684
6	4	ENBREL SURECLICK*	INFLAMMATORY CONDITIONS	268	41	\$567,378
7	21	JANUVIA	DIABETES	2,755	380	\$496,108
8	7	HUMIRA(CF) PEN*	INFLAMMATORY CONDITIONS	176	43	\$458,316
9		XYNTHA SOLOFUSE*	HEMOPHILIA	14	1	\$397,742
10	120	KUVAN*	ENZYME DEFICIENCIES	15	2	\$376,596
11	34	BIKTARVY	HIV	120	19	\$327,952
12	15	HUMIRA*	INFLAMMATORY CONDITIONS	103	16	\$319,579
13	65	LANTUS SOLOSTAR	DIABETES	2,605	367	\$317,863
14	161	VOTRIENT*	CANCER	31	4	\$307,961
15	10	LYRICA	PAIN/INFLAMMATION	830	180	\$306,912
16	180	OPSUMIT*	PULMONARY HYPERTENSION	39	4	\$300,601
17	45	HUMALOG KWIKPEN U-100	DIABETES	1,841	314	\$286,138
18	30	AUBAGIO*	MULTIPLE SCLEROSIS	96	11	\$280,950
19	13	GENVOYA	HIV	103	13	\$279,640
20	49	HUMALOG	DIABETES	1,606	195	\$278,760
21	35	SPRYCEL*	CANCER	28	3	\$270,854
22	48	AFINTOR*	CANCER	18	3	\$268,194
23	9	GILENYA*	MULTIPLE SCLEROSIS	49	5	\$264,542
24	105	HIZENTRA*	IMMUNE DEFICIENCY	48	4	\$261,631
25	23	XARELTO	ANTICOAGULANT	996	162	\$238,523
			Total Top 25:	15,110		\$11,035,890
			Differences Between Periods:	428		-\$166,781

# Rx Programs

Rx Programs	Description of Program
Inflammatory Conditions Care Value Program	Indication-level management, extensive clinical documentation, and early discontinuation reimbursement guarantee
Market Events Protection Program	Quicker formulary changes when prices increase leading to faster savings
Hepatitis Cure Value Program	Lowered the cost of curative hepatitis C treatments by nearly 50% and expands access to an affordable hepatitis C cure.
Cholesterol Care Value Program	Avoiding up to 90% of the plan cost increases in this therapy class
Oncology Care Value Program	Aligning cost with efficacy for selected oncology drugs
Inflation Protection Program For Brand Name Drugs	Inflation protection guarantee
Fraud Waste and Abuse Program	Identifies outliers, flags suspicious activity, gather evidence, investigate, intervention by restricting certain members to one pharmacy for substance abuse medications (opioids, ADHD, sleep, anxiety, muscle relaxers, anticonvulsants)
Multiple Sclerosis Care Value Program	Drives member adherence and includes a discontinuation guarantee if member discontinues treatment in the first three months
RationalMed Safety Protection Program	Identifies patients at risk – alerts physicians of health and safety issues
Mobile Adherence App – Pilot Program	Improves adherence for members with diabetes, hypertension, and blood cholesterol
Therapeutic Resource Centers	Member education and helps with member adherence
Opioid Care Value Program	Places limits on initial prescriptions. Member outreach and education.

# NMPSIA – Historical Gross Pharmacy Spend and PMPM Trends



- FY2018 and FY2019 Member Paid includes amounts paid by pharmaceutical manufacturers through specialty drug copay assistance programs
- Total\*\* NMPSIA Rx Plan Paid PMPM trend was:
  - FY2016 to FY2017: 7.8% (3.3% net of rebates)
  - FY2017 to FY2018: -3.1% (-17.7% net of rebates)
  - FY 2018 to FY2019: 2.6% (-3.8% net of rebates)

	Est. Rebates	Change
FY2016	\$10,370,628	N/A
FY2017	\$11,606,228	11.9%
FY2018	\$13,851,812	19.3%
FY2019	\$16,439,640	18.7%

*\*Reflects impact of increased copays beginning FY2018 to maximize pharmaceutical manufacturer copay assistance dollars. Actual copays paid by members are significantly reduced through the SaveOnSP program.*

*\*\*Total does not include any drug claims paid through medical benefit*



# Top Line Performance Metrics – FY2016 to FY2019

	FY2016	FY2019	Total Increase/Change	Annualized Increase/Change
Avg Members	52,684	46,918	-10.9%	-3.8%
% Members Using Benefit	81.6%	82.8%	1.5%	0.5%
Member Cost %	8.9%			
Total Plan Cost	\$52,764,368	\$50,362,331	-4.6%	-1.5%
Total Plan Cost PMPM	\$83.46	\$89.45	7.2%	2.3%
Rebates	\$10,221,960	\$16,439,640	60.8%	17.2%
Net Plan Cost	\$42,542,408	\$33,922,691	-20.3%	-7.3%
Net Plan Cost PMPM	\$67.29	\$60.25	-10.5%	-3.6%
Rebates as % of Total Plan Cost	19.4%	32.6%	68.5%	19.0%
Generic Fill Rate	86.10%	86.30%	0.2%	0.1%
Specialty Drugs as % of Plan Cost	37.9%	46.0%	21.4%	6.7%



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