



Bakers Union and FELRA Health and Welfare Fund
Pharmacy Audit Report – OptumRx
Audit Period – April 1st 2017 – March 31st 2018

March 19, 2019

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EXECUTIVE SUMMARY



Seneca Consulting Group performed a comprehensive claims audit for Bakers Union and FELRA Health and Welfare Fund (BAKERS FUND) for claims processed by OPTUMRx from April 1st 2017 to March 31st 2018. This time period included \$959,937.26 of paid pharmacy claims. The audit included a detailed review of the data extract to detect potential payment errors in a variety of categories. A sample of claims was submitted to OPTUMRx in March 2019 to review 24 of these claims in further detail, and OPTUMRx responded to these claims remotely. The sample claims were selected by Seneca based on results of the data mining process and our assessment of both the likelihood of error and the overall potential for a given category. The remote feedback allowed us to validate our initial findings and eliminate false positives for the findings documented herein.

Seneca identified \$6,985 in potential recovery items as detailed in the chart below. These findings are attributed to the Mail order Generic channel guarantee. Our findings are described in detail in this audit report, and we encourage BAKERS FUND to review these findings to determine if any are worthy of follow-up with OPTUMRx. Findings by category for the audit are:

Discount Performance						
Description	#Rx	AWP	Ingred Cost	Actual Discount	Contracted Discount	Performance
Retail Brand	1,434	\$493,929	\$406,275	17.75%	17.70%	\$228
Retail Generic	7,519	\$728,535	\$226,442	68.92%	65.00%	\$28,542
Mail Brand	12	\$11,376	\$8,862	22.10%	22.10%	\$0
Mail Generic	145	\$79,669	\$32,479	59.23%	68.00%	(\$6,985)

Dispensing Fee Performance					
Description	Rx	Total Dispensing Fees	Dispensing Fee Per Rx	Contracted Dispensing Fee	Performance
Retail Brand	1,434	\$1,863	\$1.30	\$1.30	\$0
Retail Generic	7,519	\$9,775	\$1.30	\$1.30	\$0
Mail Brand	12	\$0	\$0.00	\$0.00	\$0
Mail Generic	145	\$0	\$0.00	\$0.00	\$0
Specialty	67	\$12	\$0.17	\$0.00	(\$12)

We appreciate the opportunity to serve BAKERS FUND on this project.

AUDIT PROCESS

Seneca utilized the BAKERS FUND medical/prescription plan document to establish benefits for testing. Our testing across the entire claims population included:

- Pricing
- Early refills
- Duplicate claims
- Retail and mail copays
- Prior authorizations
- Step therapy
- Benefit limits including quantity limits, fill limits, age limits and brand dispensed when generic available
- Benefit exclusions

After establishing the initial results of these data mining categories, our auditors reviewed claims output to determine which appeared to have been potential errors versus those claims that were likely false positives or reasonable exceptions. This assessment resulted in the composition of the sample file selection. Our auditors then reviewed feedback from OPTUMRx on these claims to formulate our findings.

BAKERS FUND can be assured that it received an exceptionally detailed and thorough claims audit as reflected in both our findings and this description of the Audit Process. We would be happy to answer additional questions about how we conducted the audit at the plan's discretion. The remainder of this Audit Report details the findings of the comprehensive claims audit.

PRICING PERFORMANCE

OPTUMRx did not meet the Mail Order Generic Guarantee and the Specialty Drug Dispensing Fee Guarantee, however they did meet all other guarantees. It is important to note that most PBM agreements include offset language whereby over performance in one category will offset any shortfall in any other category. The BAKERS FUND agreement contained specific language that excludes this process and each channel guarantee is independent. Had this offset been applied, the over performance would have offset the mail order discount guarantee shortfall.

We recommend that BAKERS FUND accept a payout of \$6,997.00 related to the pricing guarantees.

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Rebates

Description	#Rx	Rebate Guarantee	Earned Rebates
Retail Brand	1,434	\$15.00	\$21,510
Mail Brand	12	\$35.00	\$420.00

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AWP discounts are based on Medi-Span's Published AWP

Excludes DMR/Paper Claims

Excludes Compounds

Excludes COB

Excludes the following Pharmacy Types: Tribal, IV Infusion and Long Term Care Excludes

Vaccines

Excludes 340B

Excludes Reversals. BAKERS FUND

INFORMATIONAL FINDINGS

The contract that was in effect during the audit period dates back to 2014. Much has changed since 2014. The new agreement that BAKERS FUND has implemented effective April 1st 2018 has significantly increased the discount guarantees and Manufacture rebates.

OptumRx agrees that there was a shortfall on Mail Order Generic Guarantee and the Specialty Drug Dispensing Fee Guarantee.

Credit has been issued to the Client on 12/1/2018 of the amount of \$6,997.00.