

 <p>KMTSJ, Inc.</p>	DEPARTMENT:	Health Management
	SUBJECT:	Pharmacy Benefit Management
	PRODUCT LINE:	Commercial
	POLICY NUMBER:	UM110
	ORIGINAL POLICY EFFECTIVE DATE:	12/13/2022
	LAST REVISED DATE:	4/11/2024
	LAST REVIEWED DATE:	4/11/2024

SCOPE:

To ensure that Group Health Cooperative of Eau Claire (GHC) has processes and procedures in place to promote clinically appropriate use of pharmaceuticals and has appropriate structures and mechanisms in place to oversee delegated UM activities of our PBM vendor, ESI.

POLICY:

The policy outlines GHC’s oversight of our Pharmacy Benefit Administrator (PBM), ESI, and the delegated pharmaceutical UM processes they are responsible for performing.

PROCEDURE:

Delegated Pharmacy Agreement

GHC has a written delegation agreement with our PBM vendor that includes the following:

1. Is mutually agreed upon. Delegation activities were mutually agreed on before delegation began, in a dated, binding document (contract) between the GHC and ESI, the delegated entity.
2. Describes the delegated activities and the responsibilities of the organization and the delegated entity. Outlined in the NCQA Delegation Responsibility Grid in the contract.
3. Requires at least semiannual reporting by the delegated entity to the organization.
4. Describes the process by which the organization evaluates the delegated entity’s performance.
5. Describes the process for providing member experience and clinical performance data to its delegates when requested.
6. Describes the remedies available to the organization if the delegated entity does not fulfill its obligations, including revocation of the delegation agreement.

Delegated Activities

All other activities not listed below are not delegated and are the responsibility of GHC. ESI is responsible for the following activities:

1. Managing pharmaceutical prior authorizations
2. Pharmaceutical reviews and determinations
3. Managing UM pharmaceutical appeals
4. Managing UM pharmaceutical denials
5. P and T Committee
6. Managing drug recalls and withdrawals

Delegated Pharmacy Benefit Management Oversight

UM Program Review

GHC has processes in place to review the delegate’s UM program. The GHC Clinical Pharmacist is responsible for oversight and review of ESI’s UM program. GHC annually reviews ESI’s UM program and based on the review of the UM program, identifies opportunities for improvement. See ESI Semi-Annual UM Program Analysis

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Reporting

GHC reviews reports from ESI regularly. The table below includes the reports.

Name of Report	Received By	How Reported	Frequency
Timeliness Report	GHC Clinical Pharmacist	Download from Evernorth	Monthly
Prior Authorizations Completed and Denied Report	GHC Clinical Pharmacist	Download from Evernorth	Monthly
Drug Utilization Report	Clinical Pharmacist	Download from Evernorth	Monthly

Auditing of UM and Appeals Files

GHC does not annually audit UM denials and appeals files against NCQA standards for ESI nor does it annually evaluate ESI’s performance against NCQA standards for delegated activities because ESI has NCQA accreditation in Utilization Management.

UM Denial and Appeal System Security Control Monitoring

Both the GHC and ESI must monitor the delegate’s system security controls as part of delegation oversight requirements. Annually GHC monitors ESI’s UM denial and appeal system security controls to ensure the delegate is protecting data from unauthorized modification and is following the delegation agreement, and is compliant with its own policies and procedures. It is expected that ESI reviews its system security controls annually. GHC documents this review in a report entitled, UM Denial and Appeal System Security Control Review.

ESI must provide documentation of modifications that did not comply with its policies and procedures or with the delegation agreement at least annually.

Annually GHC acts on all findings from ESI’s UM denial and appeal system security controls review and implements a quarterly monitoring process until each delegate demonstrates improvement for one finding over three consecutive quarters.

Pre-Delegation Evaluation

For new PBM delegation agreements, GHC will evaluate the delegated PBM’s ability to meet NCQA standards within 12 months prior to when delegation begins. If GHC amends the delegation agreement to include additional UM activities within the look-back period, it performs a pre-delegation evaluation for the additional activities.

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APPROVED: *Michele Bauer MD*

DATE: 4/11/2024

Formal policies and procedures require department manager review, approval and signature. Executive and/or administrative policies and procedures require CEO/General Manager review, approval and signature.

REVISION HISTORY:

Rev. Date	Revised By/Title	Summary of Revision
12/13/2023	Michele Bauer, MD, CMO	Reviewed. No changes.
4/11/2024	Michele Bauer, MD, CMO	Updated processes related to ESI.