



PUBLIC EMPLOYEE HEALTH BENEFITS - PLAN STRUCTURE OF NEIGHBORING STATES

	Minnesota	Montana	South Dakota
Structure	Self-insured Pharmacy carve-out (contract with pharmacy benefits manager (PBM))	Self-insured Pharmacy carve-out (contract with PBM)	Self-insured Pharmacy carve-out (contract with PBM)
Length of time in current structure	Since 2008	More than 12 years	Since 2018
Prior structure	2001-2007 - Self-insured integrated medical and pharmacy Pre-2001 - Multiple health plans, with a combination of fully insured and self-insured products		Pre-2018 - Self-insured integrated medical and pharmacy Self-insured 15-20 years
Term of contract and next request for proposal (RFP)	5-year contracts Medical last RFP for 2018 Pharmacy last RFP for 2017	3-year contracts with renewal option up to 10 years Medical last RFP for 2016 Pharmacy last RFP for 2017, renewed for 3-year term through 2022	3-year contracts with option to renew for three additional 3-year terms
Staff to administer pharmacy benefits	No pharmacist on staff	No pharmacist on staff	No pharmacist on staff
Efforts to manage elements of pharmacy benefits	State selects formulary option with PBM, but PBM manages covered products and determines which products are added or dropped from the formulary over time	Monthly meetings with PBM Pharmacy benefits driven by PBM with input from agency	Annual pharmacy audits
Efforts to integrate medical and pharmacy	PBM shares information with medical to track cost-sharing accumulators and identify members for disease management programs	PBM shares information with medical Case management side of medical does not actively use pharmacy data for case management; however, agency contracts with third party for pharmacy management	
Comments		PBM is fully transparent Medical uses reference-based pricing for hospitals - negotiated reimbursements a percentage of Medicare rates	Separated to realize greater discounts