CPESN® Pharmacies and Local Network Leadership:

Note: Before you read the following Update, it is important for you to have the same "ah ha" moment I've experienced this past year. Never refer to a PBM as a "Payer". They are not. PBMs are a contractor to payers who pay you (ostensibly) on the payer's behalf. ***We've been trying to appeal all of these years to a contractor–not the Payer. That has to change****. Especially in light of the upcoming mergers between PBMs and payers.*

What Payers Want.

And What We are Doing to Bend in Their Direction.

We are nearing the first anniversary next month of our initial efforts across CPESN Networks to actively reach out to payers and engage them in conversations about re-orienting their thinking around the value proposition of community-based pharmacies. **Remember that our focus is contracting for services outside of the pharmacy benefit.** From our collective 300+ flights, presentations, meetings, email strings, feedback and a few executed contracts later, here is what we've learned payers want:

1) Patient Relationships.

The Medical side of the House is Looking for Relationship-Oriented and Community-Based Care. As the plans (not the PBMs) are being held to account for clinical and economic outcomes, **they are struggling mightily** to cost-effectively engage patients where they live, work and play – in the community. Most of their efforts to address medication issues and provide supports are generally limited to call centers and home-office based care managers. **You are entering the market as a third option that is appealing to plans.** It isn't about

Pharmacy, it's about Pharmacy leveraging its engagement through dispensing to provide engagement-dependent services.
Medical plans are ***Responding Well*** to concepts and terms like:

- Local
- Community-Based
- Relationship-Oriented
- Face-to-Face
- Addressing Social Determinants
- Care Planning
- Care Plan Reinforcement
- Coaching and Monitoring
- Care Team Integrated
- Accountability
- Skin in the Game
- Patient Activation
- And, Surprisingly from time to time – Wellness and Screening

Medical Plans are *not* Responding Well to Concepts and Terms like:

- Comprehensive Medication Review
- "Clinical" Pharmacy
- Medication Synchronization/Autofill
- "Check Box" Activities with No Depth
- Call Centers
- Traditional Fee-For-Service

Interestingly, the Pharmacy Benefit (PBMs) has the 180-degree opposite view of the above and it oftentimes frustrates our ability to work with the medical plan. Even when the Plan wants to contract with a CPESN Network, exclusive networks based on self-dealing, spread relationships and kickbacks often get in the way. In-House mail order and call center MTM is their business model of choice – the opposite of what the medical side is looking for.

1) Network Adequacy.
You've heard us say this before. **No payer wants to put a service in the marketplace and spend time and energy launching it if the provider Network has insufficient coverage.** The payer cannot move the population-level needle without Network Adequacy and they don't want to get a phone call from a member saying they don't have access to a covered service. Or the next phone call might come from the insurance commissioner, broker, Medicaid Director or CMS.

2) Accountability.
There is very little faith in MTM in the Medical Plan community. It's viewed a regulatory requirement or "teach-to-the-test" exercise. They want access to

data and contractual relationships that will hold providers accountable-including pharmacies. They are not so interested in Proportion of Days Covered as much as clinical and economic outcomes and **they want pharmacies to have "skin in the game" just like all of the other providers** in our collective payment reform efforts.

3) Ease of Implementation.
Medical Plans hate the idea of contracting with individual pharmacies in onsies or twosies. They want single signature and a "neck to ring" if implementation is not going well. **CPESN Networks are appealing to them in this regard** as it provides them with the ability to work with a diversity of pharmacies but have a single implementation effort. You are part of a nationwide services-based, CPESN Network of Networks that represents thousands of pharmacies – that gives you market presence with the payers.

What are We Doing to Meet These Needs?

1) Tripling down on Local. You need to be doing all of the things that cannot be done by mail order. **Expect to see a lot of training and programming coming your way** in the next few months about training your staff as community health workers, care management skills and advanced medication delivery concepts. This is a hot, hot, hot area with payers. Personally, I will tell you that I am more excited about this upcoming effort than anything I've ever done in my nearly twenty years of health care innovation. Every payer I come across and every pharmacy that has started down this path seems to feel the same way.

2) Doubling Down on the Pharmacist eCare Plan. This is core to clinical integration and satisfying antitrust rules, but also to the accountability, transparency and depth of data payers yearn for. There are now many clinical documentation systems now available to you to choose from. **The eCare Plan is how you express your activities and value in aggregate.** You are now a service provider with your own clinical records, under your control, and sharable with payers, providers and quality assurances efforts alike. **Expect a lot more programming on how to use your chosen systems to their fullest extent.** Initial experience with eCare Plans by payers is very favorable – they like the data for depth, transparency and accountability. It separates you from the pack.

3) Continued Build Out of CPESN Service Sets. Payers like your ability to be local (think craft beer) but they hate inconsistency of service delivery across a network. We have many Service Sets that are now standardized and regularly pitched to payers. **Expect a pivot to more prescriptive supports (think paint by numbers)** to go with the service sets to reduce ambiguity and variability. We will also start to brand those services to create a better market presence and launch a learning management system **focused on workflow implementations**.

4) Implementing a CRM. This month we will be launching a Customer Relationship Management (CRM for short) solution that will have the entire CPESN USA staff, along with all of your 45 Networks' leads on Payers, Purchasers and Partners. This will allow us to do the following:

- Track leads for follow up
- Measure our success and response time(s)
- Report out to you more effectively wins and losses and various payer engagements more fully and more completely

5) EnlistingYou to be Actively Involved. Soon, you will be asked to start to interact with our soon-to-be launched Collaboration Site. This will have, among other features, the ability to load your own profile for the Pharmacy Finder, engage in the training(s), download marketing materials, view your quality reporting from the eCare Plans. In the future we will be launching self-serve materials that allow to print maps of the network and its enhanced services to specific practices and hospitals, as well as customized flyers for legislators and payers. **You are part of a grassroots organization and what your pharmacy is doing to promote your network in your locale in one part of the country has a positive effect on what happens to a local group of pharmacies in a network in another part of the country.** Payers, providers, employers and manufacturers are all becoming increasingly connected. Your network allows you to be part of that fabric of health care reform and consolidate without consolidating.

This effort is not about Joe or Ashley or Trista or Jay or me or anyone else on our staff – (*or your local Networks' staff for that matter*). **It's about you... by, of, and for you.** We are simply stewards of the framework and a shared service**. You are the one's you've been waiting for.** With every day that passes, I believe in you more and more – I was a skeptic when we started this effort, but now I'm convinced it will work. **We are SO close.** Thank you for the privilege of helping this movement grow and let's get to work.

Sincerely,

Troy Trygstad
Executive Director

For more information on CPESN®
Networks, visit www.CPESN.com