



State-backed pharmacy benefit solutions

An Orientation

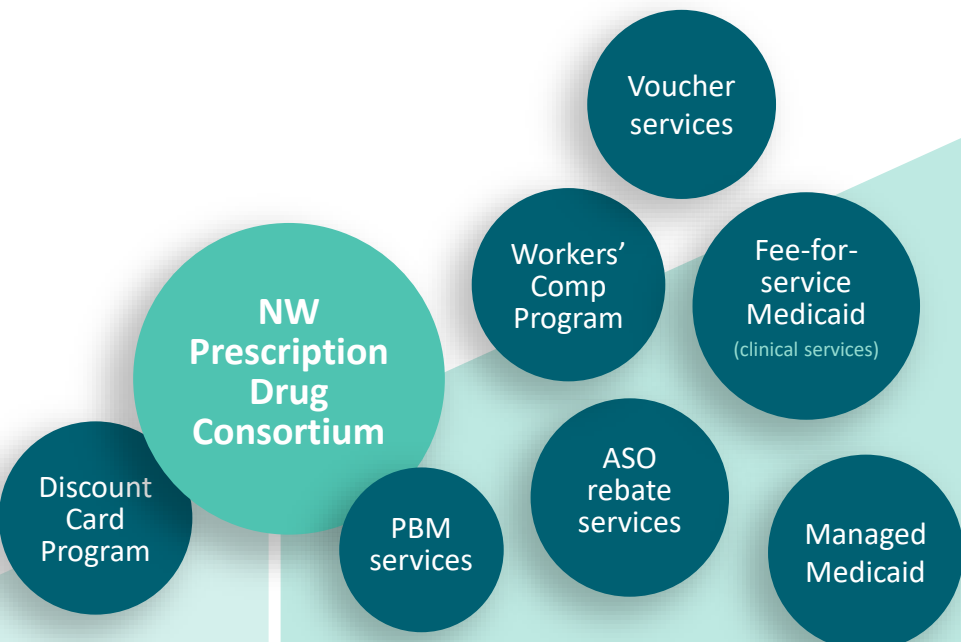
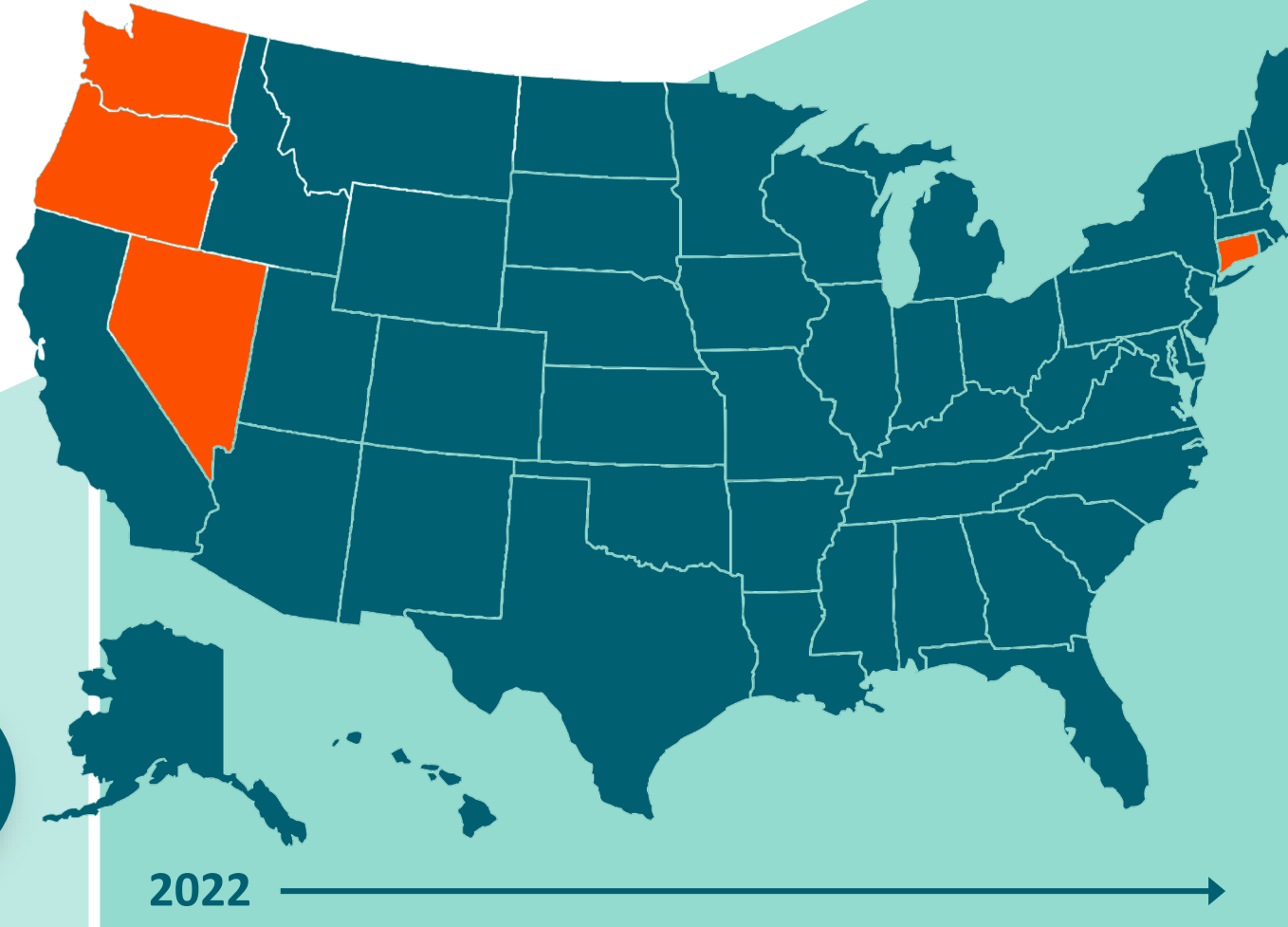
Outline

- Origins: How and why Oregon and Washington created a PBM solution to address increasing drug costs
- State challenges with traditional PBM services
- ArrayRx approach and experience
- Barriers and Solutions to Oregon Prescription Drug Program/ArrayRx expansion

Who is ArrayRx?

- Comprised of public servants
- Embrace solutions that are founded in transparency and accountability
- Being effective stewards of public resources
- Procured via Oregon's Procurement policies and procedures

Created for states, by states



2003-2005

2006-2021

2022

OR & WA establish prescription discount card programs in their states

OR & WA collaborate to offer a variety of **pharmacy solutions** in their states

The "Consortium" rebrands to ArrayRx to share successful programs and services beyond the Pacific Northwest

ArrayRx Steering Committee



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Pharmacy services are complex and confusing

rising drug costs
oversight
brand drugs
drug formularies
community pharmacy survival
critical access pharmacies
specialty pharmacies

benefit design
audit rights
PBM REGULATIONS
chain pharmacy consolidation
biosimilars
pharmacy tourism
population health

DRUG PIPELINE
governance
drug patent extensions
REBATES
GENERIC DRUGS
orphan drugs
underserved communities

HEALTH EQUITY
LACK OF TRANSPARENCY

ArrayRx's objectives

- **Collaborate** to identify solutions for pharmacy purchasing in the public sector
- **Leverage** group's purchasing power effectively
- **Public official oversight** validating transparency, audit rights and market check
- **Resource** to other public sector stakeholders in participating and prospective states

Program services



**PBM
Services**

**Discount
Card**

**Voucher
Programs**

**ASO Rebate
Services**

**Medicaid
Programs**

ArrayRx operating principles

Predictability

- Fixed administration fee
- Aggressive network guarantees
- Most favored nation



Transparency

- Pass-through pricing
- 100% rebate pass-through
- Comprehensive reporting



Auditability

- State oversight and governance
- Annual market checks
- Financial audits



= Working for states

Our vision:

To be the most trusted pharmacy
solutions provider in the industry

Any public entity can participate

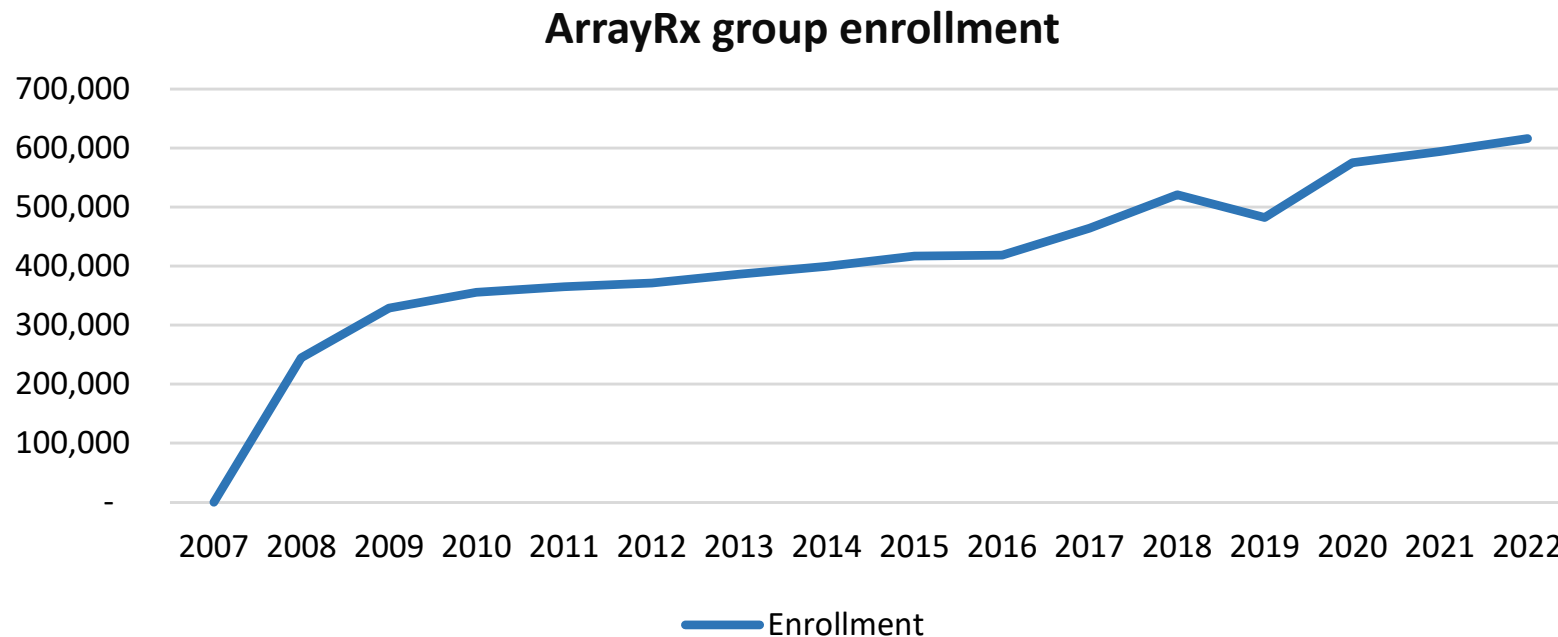
ArrayRx programs are made for:

- States
- School districts
- Utility districts
- Cities
- Counties
- Interlocal cooperatives
- And more...



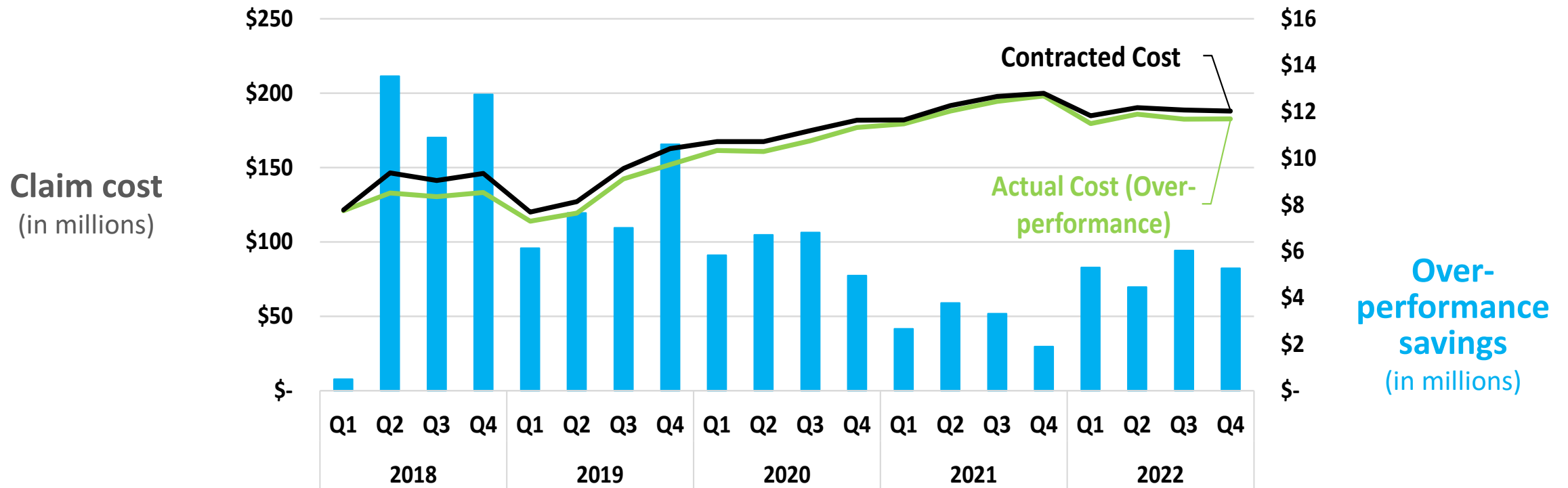
Over a decade of sustained growth

- Currently, more than 775,000 people served by public employee, commercial employer, Managed Medicaid, and facility programs



Value of pass-through over-performance

\$155 Million in over-performance savings since 2018



Top 25 drugs by spend

Oregon State Public Sector
Top 25 Drugs - Paid

RANK_PA ID	Product Name	Brand Flag
1	Humira Pen	Specialty
2	Stelara	Specialty
3	Ozempic	Brand
4	Skyrizi pen	Specialty
5	Trulicity	Brand
6	Enbrel Sureclick	Specialty
7	Dupixent	Specialty
8	Jardiance	Brand
9	Cosentyx sensoready pen	Specialty
10	Ocrevus	Specialty
11	Eliquis	Brand
12	Trikafta	Specialty
13	Humira	Specialty
14	Rinvoq	Specialty
15	Imbruvica	Specialty
16	Skyrizi	Specialty
17	Dexcom g6 sensor	Non_Drug
19	Carbaglu	Specialty
20	Xolair	Specialty
21	Sprycel	Specialty
22	Verzenio	Specialty
23	Ibrance	Specialty
24	Procysbi	Specialty
25	Fluticasone propionate hfa	Brand

Washington State Public Sector
Top 25 Drugs - Paid

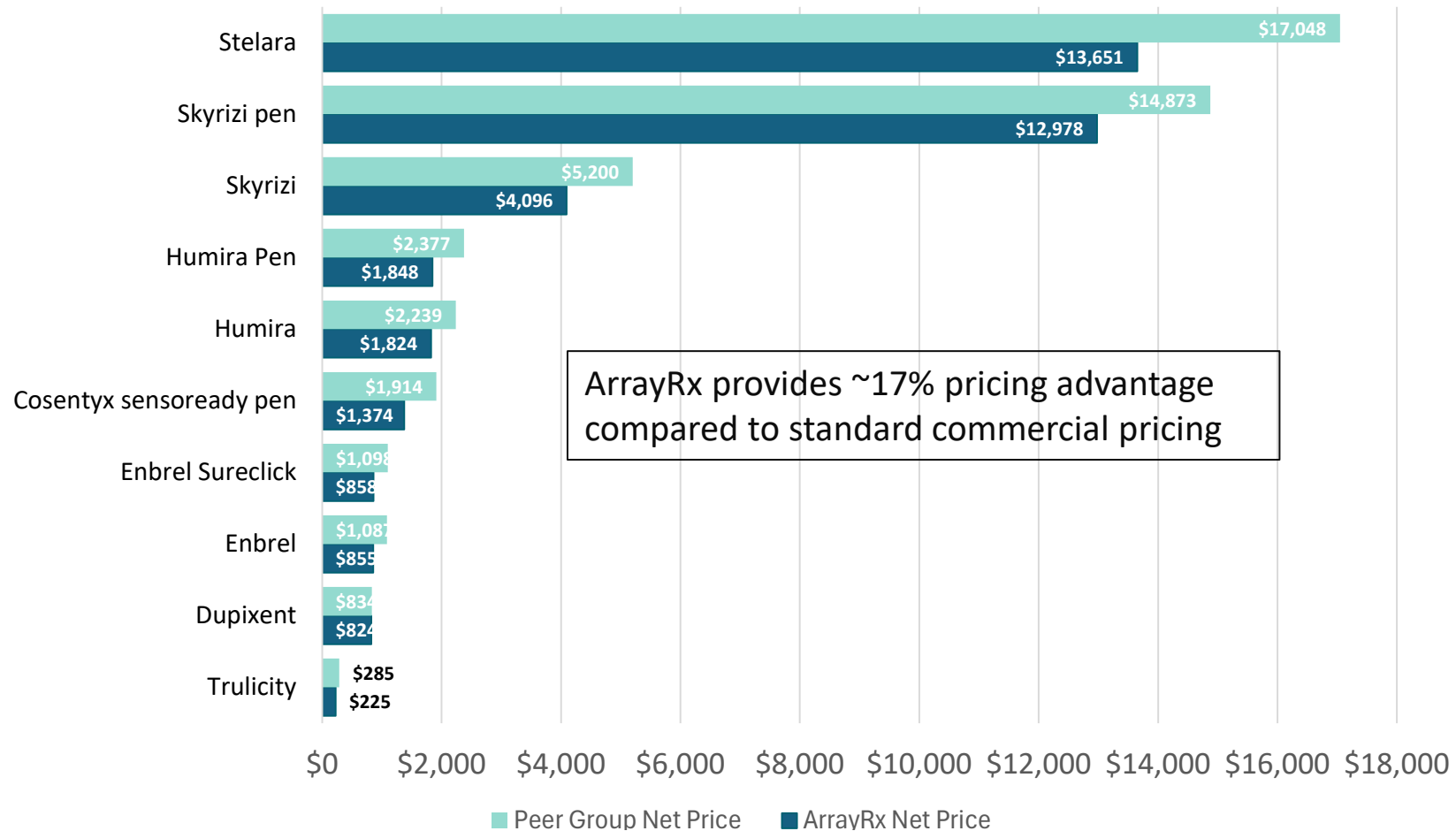
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9	Jardiance	Brand
10	Lenalidomide	Specialty
11	Basaglar kwikpen	Brand
12	Rinvoq	Specialty
13	Humira	Specialty
14	Enbrel	Specialty
15	Imbruvica	Specialty
16	Trulicity	Brand
17	Trikafta	Specialty
19	Farxiga	Brand
20	Xeljanz xr	Specialty
21	Verzenio	Specialty
22	Victoza	Brand
23	Rybelsus	Brand
24	Biktarvy	Brand
25	Dexcom g6 sensor	Non_Drug

Notes:

- Top utilized drugs is impacted by formulary and plan design
- Unit cost savings results from aggregated savings and improved pricing in pharmacy network
- Rebate yields can increase where commonality between formularies exists

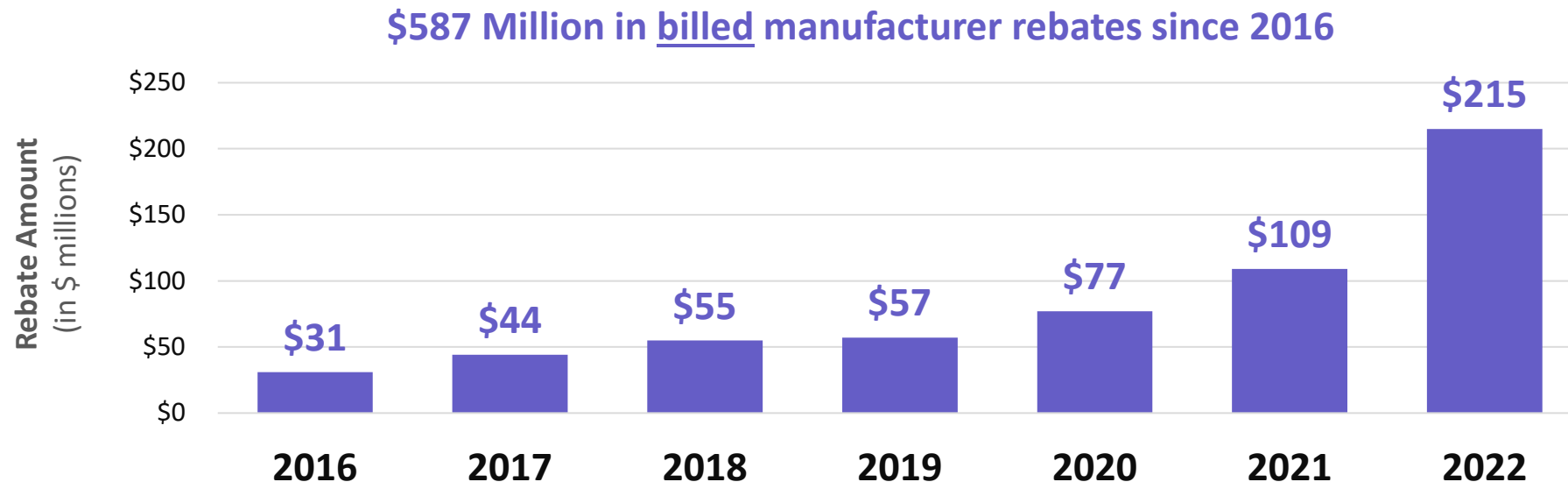
Value of aggregation on drug costs

Top 10 Drugs by Net Claim Cost



Rebate Pass Through

- From 2016 to 2022 we have passed through \$523 million in rebates to our participating programs (over \$100 million/year)



Pharmacy solutions for public purchasers



Multi-state
collaboration

Best
practices

Inter-
governmental
agreements

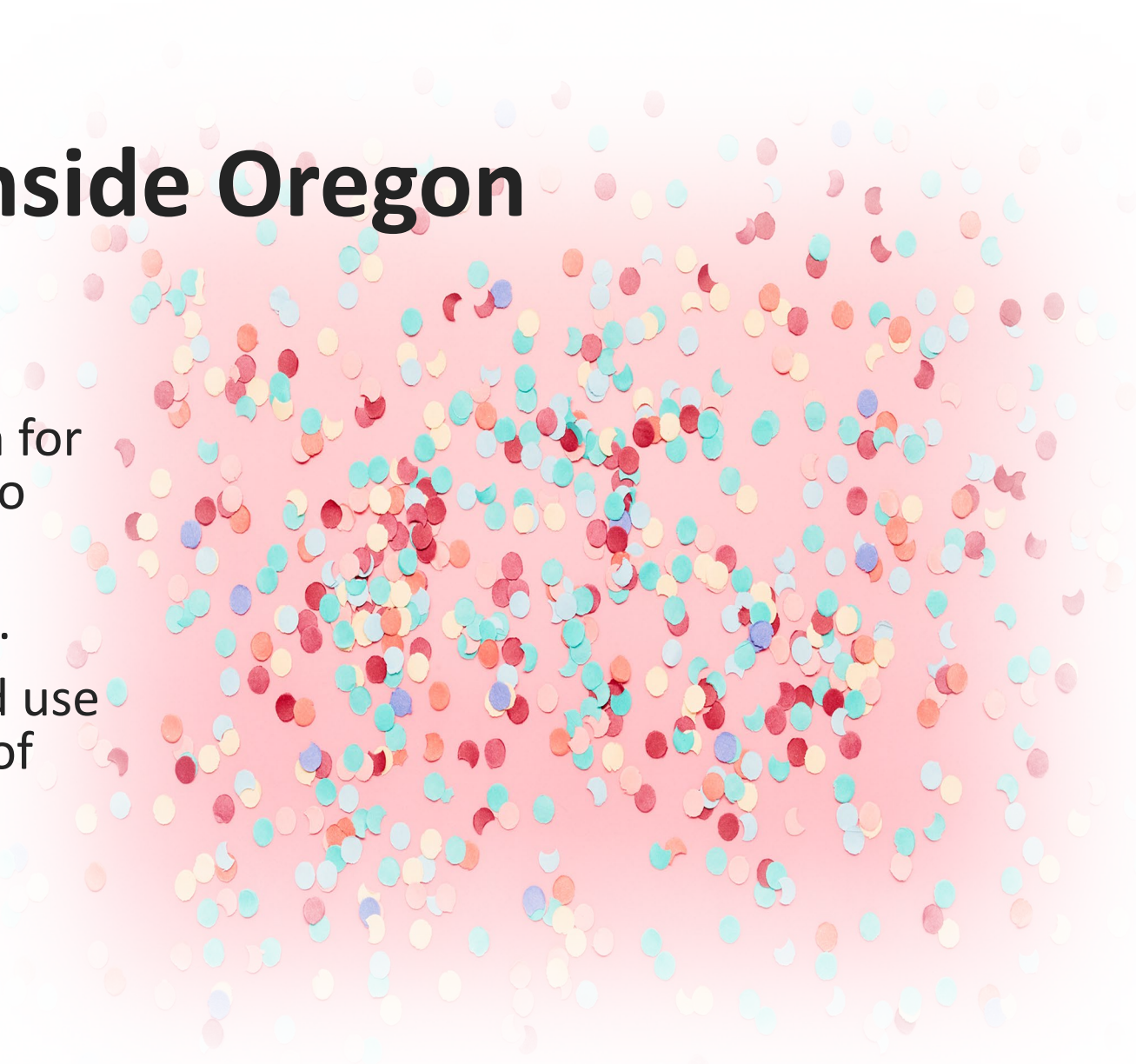
Ongoing initiatives

- Developing options for managing high-cost therapeutics
- Investigating approaches that address pharmaceutical supply chain
- Seeking out innovation with valued partners
- Addressing pharmacy access and pharmacy deserts

Barriers to Growth Inside Oregon

- OPDP statute is permissive and not a requirement for agencies.
- No collaborative space inside Oregon for regulatory and purchasing agencies to share best practices and challenges.
- Multiple purchasing decision-makers.
- Limited internal analytic capacity and use of consultants with possible conflict of interest.

All the above allow purchasing to remain fragmented and poorly leveraged.



Solutions for Oregon

Underway:

- Create an Oregon Pharmacy Policy and Purchasing Collaborative

Potential:

- Consider statutory amendments to OPDP statute to mirror WA state language.
- Consider adequately staffing an Oregon-specific pharmacy analytics team.



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Learn more at
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