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UFCW Unions & Participating Employers Health and Welfare Fund

OptumRx Contract Audit Results (Final)

September 2021

PBM Contract Audit – Executive Summary

- Confidio conducted an audit of the UFCW Unions & Participating Employers Health and Welfare Fund (the ‘Fund’) contract with OptumRx for CY 2016-2017.
- **Audit Scope**: Pricing, Plan Designs, Clinical Programs, and Rebates.
- **Status**: Confidio’s Final Audit Report was issued September 2, 2021; OptumRx has 60 days to respond (agree, disagree, propose settlement).
- **Results**: The table below summarizes the audit results; additional detail is provided on page 3.

Audit Summary		
Key Stats		
Contract Audit Period	**2016**	**2017**
Total Net Plan Costs	$5,539,061.58	$6,405,201.61
Unique Claims Analyzed	56,579	54,338
Findings		
Pricing Accuracy	99.99%	99.99%
Plan Design Accuracy	99.49%	99.49%
Clinical Program Accuracy	99.99%	99.99%
Rebate Accuracy	100%	<90%

Audit Findings

Detail - Audit Findings			
Audit Scope	Errors Identified		Variance
Pricing	U&C Not Applied	122 claims	$1,055
Plan Design	Copay Variances*	1,107 claims in 2016 1,061 claims in 2017	-$231.37
Clinical/UM Programs	Mandatory Generics	73 claims	$10,948
	QLL Administration	1 claim	$5.86
	Compound Claims	20 claims	$6,562.73
Rebates	2017 Rebate Aggregator Fees	n/a	$77,860
		Total	$96,432

*Includes member underpayments (Fund paid too much); member overpayments (Fund paid too little); net impact is the Fund should have paid an additional $231.37.

Summary and Next Steps

- Confidio's audit findings indicate a variance of ~$96k for the 2016-2017 contract period, representing less than 0.01% of the Fund's total drug spend for that same time.
- OptumRx's response to the Final Audit Report is expected on or before October 1, 2021.
- Based on experience, it's reasonable to assume OptumRx will limit their liability to the bare minimum (e.g., the compounds).
- Upon receipt of OptumRx's response, Confidio will send an update to the Fund, including any recommendations for action that may be warranted.

APPENDIX

Focus of Audit

Plans & Programs

- Correct member cost share:
    - Drug Type
    - Distribution channel
- Mandatory generics (DAW 1 & 2)
- Accurate out of pocket maximums
- $0 copay drug lists for vaccines and oral contraceptives followed
- Compound claims managed correctly
- Prior authorizations followed
- Accurate quantity limits
- Step therapy programs administered

Check Pricing Accuracy

- Correct discounts applied (adjudication)
- Lesser of logic
- Usual & customary (U&C) pricing
- Maximum allowable cost (MAC) pricing
- Duplicate claims payment
- Dispense as written (DAW) 5/9 claims (brand drugs dispensed as generics)
- Brand, generic, specialty, non-specialty definitions & adjudication
- Guarantee inclusion/exclusion criteria

Validate Guarantees

- Pricing guarantees
    - Discounts & dispensing fees
    - Drug type (brand vs. generic)
    - Specialty vs. non-specialty
    - Channel (retail, mail, specialty)
    - Aggregated results
- Rebate minimum guarantees
    - Traditional
    - Specialty
- Retail vs mail maintenance drug cost