Medicare Part D Retail Performance Network Programs and Amendment

Included in this communication:
I. Reminder: 2015 SilverScript Performance Network Program
II. 2016 Performance Network Program
III. Amendment to Performance Network Program Network Enrollment Forms

I. REMINDER: 2015 SilverScript Performance Network Program

Program Terms
All retail pharmacies in the CVS/caremark Medicare Part D networks for SilverScript are eligible to participate. CVS/caremark will measure your pharmacy’s performance for the 2015 calendar year, and the performance payment, if applicable, is expected to be paid near the end of first quarter 2016. The performance payment will depend on the volume of SilverScript members who utilize your pharmacy and your pharmacy’s average performance score in six (6) areas as previously provided and stated again on page 2 of this notification.

In 2015, pharmacies will continue to have an opportunity to improve their performance scores using the Mirixa tool and to view their progress in select performance categories using the EQuIPP reporting platform – see Performance Tools below for details.

Performance Tools

MirixaPro℠: CVS/caremark has engaged Mirixa to provide pharmacies with a tool that can identify and document drug therapy intervention opportunities. If you are a participating pharmacy with Mirixa, your pharmacy has access to this web-based platform tool, MirixaPro℠.

For questions regarding Mirixa program details please refer to the program documentation available on the MirixaPro℠ platform at www.mirixa.com. For information about joining the Mirixa network, contact Mirixa at 1-866-218-6649. Note: You are not required to participate with Mirixa in order to participate in the CVS/caremark Medicare Part D Performance Network Programs. Utilizing Mirixa may assist your pharmacy with prioritization and identification of patients with drug therapy opportunities.

EQuIPP: CVS/caremark selected Pharmacy Quality Solutions, Inc. (PQS) to support the 2015 Performance Network Program for pharmacies through its services and the use of its portal, EQuIPP. EQuIPP displays the performance measures PQS calculates on a monthly basis using 6 months of data. This date range allows pharmacies that subscribe to EQuIPP services to quickly trend the impact of their clinical programs in the dashboard. For more information on EQuIPP and subscribing to these services, go to www.EQuIPP.org Note: You are not required to subscribe to EQuIPP services in order to participate in the CVS/caremark Medicare Part D Performance Network Programs.

As a reminder with all Performance Network Programs: Your pharmacy shall disclose to enrollees and prescribers that your pharmacy is working with the Part D Plan Sponsor to improve enrollee adherence and compliance with current clinical guidelines, and that your pharmacy is receiving a payment from the Plan Sponsor for your pharmacy’s performance under this program. Your pharmacy shall advise Part D Enrollees and prescribers that participation is voluntary; that this program is not intended to substitute for the judgment of the prescriber; prescribers are not obligated to prescribe any medications for enrollees; and that enrollees are not obligated to obtain any new medication.
II. 2016 Performance Network Program

The 2016 Performance Network Program includes SilverScript and other select Medicare Part D plans. In addition, there are significant differences for 2016, as summarized below.

2016 Performance Payment Methodology

For 2016, the Retail Performance Network Program is changing from a program that is based on two parts – performance effort (Pay Per Intervention – PPI) and performance outcome (Performance Payment - PP), to a program solely focused on performance outcome. PPI payments (excluding CMR payments) made for effort that exceed the annual PP will be recovered from pharmacies as part of the final 2016 collection period. If the PP exceeds the PPI payments, the PP will be paid approximately at the end of first quarter of the following year, i.e. 2017.

As in the past, the annual PP, if applicable, is based on the volume of participating members who utilize your pharmacy and on your pharmacy’s average performance score. Other changes are highlighted with colored, bolded text in the following table:

<table>
<thead>
<tr>
<th>Program Year</th>
<th>2015 SilverScript Performance Network Program</th>
<th>2016 Performance Network Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria &amp; Weight</td>
<td>1. ACE/ARB Adherence 2. Statin Adherence 3. Diabetes Adherence 4. % 90 day Stars RXs 5. CMR Completion Rate (MTM) 6. % High Risk Meds (HRMs)</td>
<td>1. ACE/ARB Adherence 2. Statin Adherence 3. Diabetes Adherence 4. Gap Therapy (statin) 5. CMR Completion Rate (MTM) 6. % High Risk Meds (HRMs)</td>
</tr>
<tr>
<td>Who Measures</td>
<td>1,2,3,5,6: PQS* 4. CVS/caremark</td>
<td>1,2,3,4,5,6: PQS 7: CVS/caremark</td>
</tr>
<tr>
<td>Network Variable Rate</td>
<td>• Rate applied and collection performed before pharmacy performance measurement occurs  • Utilizes a flat rate</td>
<td>• Rate calculation and collection performed retrospectively, after claims are processed and pharmacy performance measurement occurs  • Utilizes a network variable rate based on pharmacy performance by Part D plan, by network within each evaluation period</td>
</tr>
<tr>
<td>Mirixa Payment for Completed Cases/Alerts</td>
<td>• $12.00 for each served alert (e.g., $36 for 3 adherence alerts)  • $2.00 for declined cases  • The PPI for effort is paid through Mirixa, and if the total PPI amount exceeds the end-of-year PP, the PP defaults to $0.00</td>
<td>• $12.00 for each served alert (e.g., $36 for 3 adherence alerts)  • $2.00 for declined cases  • The PPI for effort is paid through Mirixa, and if the total PPI amount (excluding CMR payments) exceeds the end-of-year PP, the amount that exceeds PP will be recovered as part of the final 2016 collection period</td>
</tr>
</tbody>
</table>

*If a Part D plan does not enroll in the CVS/caremark MTM program, the CMR measure will be eliminated and the 5% weighting will be re-distributed:
  • 2.5% to the GAP therapy (statin) for a total of 12.5%
  • 2.5% to High Risk Meds for a total of 7.5%
2016 Performance Network Program and Medicare Part D Plans

The following Medicare Part D Retail Performance networks and associated Plan Sponsors will be effective for 2016 plan year:

<table>
<thead>
<tr>
<th>Medicare Part D Retail Performance Networks</th>
<th>Medicare Part D Plan Sponsor</th>
</tr>
</thead>
</table>
| Medicare Part D Retail Network 24 –Performance Network Program | • SilverScript Choice  
• WellCare |
| Medicare Part D Retail Network 36 –Performance Network Program | • SilverScript Plus |
| Medicare Part D Retail Network 37 –Performance Network Program - Preferred |  |
| Medicare Part D Retail and Extended Days Supply Network 38 – Performance Network Program | • BlueCross BlueShield of Arizona  
• Fallon Health Plan  
• Health Net  
• New England Joint Enterprise  
• Northern Plains Alliance  
• United American Insurance Company |
| Medicare Part D Retail and Extended Days Supply Network 39 – Performance Network Program - Preferred |  |

As a reminder with all Performance Network Programs: Your pharmacy shall disclose to enrollees and prescribers that your pharmacy is working with the Part D Plan Sponsor to improve enrollee adherence and compliance with current clinical guidelines, and that your pharmacy is receiving a payment from the Plan Sponsor for your pharmacy’s performance under this program. Your pharmacy shall advise Part D Enrollees and prescribers that participation is voluntary; that this program is not intended to substitute for the judgment of the prescriber; prescribers are not obligated to prescribe any medications for enrollees; and that enrollees are not obligated to obtain any new medication.
III. Amendment to Performance Network Program Network Enrollment Forms

To the extent the provider is enrolled in the following networks, CVS/caremark is amending the following Performance Network Program Network Enrollment Forms to reflect the amendments indicated below, effective January 1, 2016:

- Medicare Part D Retail Network 24 –Performance Network Program
- Medicare Part D Retail Network 36 –Performance Network Program
- Medicare Part D Retail Network 37 –Performance Network Program - Preferred
- Medicare Part D Retail and Extended Days Supply Network 38 –Performance Network Program
- Medicare Part D Retail and Extended Days Supply Network 39 –Performance Network Program - Preferred

1. All references to the term "rebate" shall be deleted and replaced with the term "variable rate".

2. In the first bullet, delete the second through fourth sentences.

3. Insert the following information at the end of the second bullet:
   
   “The Retail Performance Network Program is based on two parts – performance effort (Pay Per Intervention – PPI) and performance outcome (Performance Payment - PP) with the end result focused solely on performance outcome. PPI payments (excluding CMR payments) made for effort that exceed the annual PP will be recovered from pharmacies as part of the final 2016 collection period. If the PP exceeds the PPI payments, the PP will be paid approximately at the end of first quarter of the following year, i.e. 2017.”

4. Delete the third bullet in its entirety.

5. Exhibit A should be deleted and replaced in its entirety with the Exhibit A below.

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**Exhibit A**

**Performance Criteria**

<table>
<thead>
<tr>
<th>Performance criteria</th>
<th>criteria weight</th>
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<tbody>
<tr>
<td>1. ACE/ARB Adherence</td>
<td>75%</td>
</tr>
<tr>
<td>2. Statin Adherence</td>
<td></td>
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<tr>
<td>3. Diabetes Adherence</td>
<td></td>
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<tr>
<td>4. GAP therapy (statin)</td>
<td>10%</td>
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<tr>
<td>5. CMR Completion Rate (MTM)</td>
<td>5%</td>
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<tr>
<td>6. % High Risk Meds (HRMs)</td>
<td>5%</td>
</tr>
<tr>
<td>7. Formulary Compliance</td>
<td>5%</td>
</tr>
</tbody>
</table>

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1If a Part D Plan does not enroll in the CVS/caremark MTM program, the CMR measure will be eliminated and the 5% weighting will be re-distributed:

- 2.5% to the GAP therapy (statin) for a total of 12.5%
- 2.5% to High Risk Meds for a total of 7.5%
Exhibit A (continued)

Measurement, Calculation and Collection Periods

Network variable rates will be calculated retrospectively, after claims are processed and pharmacy performance measurement occurs. The variable rate is derived using each pharmacy’s performance score for that measurement period and is calculated by Part D plan, by network for each network in which your pharmacy participates. The PQS measurement data for the measurement periods ending April 2016, August 2016, and December 2016, are considered the final measurements utilized to determine each pharmacy’s individual performance score for the respective trimester.

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<tbody>
<tr>
<td>1st Trimester 2016</td>
<td>Applicable Claims</td>
<td>Calculation</td>
<td>Collection</td>
<td>Performance Measurement</td>
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<tr>
<td>2nd Trimester 2016</td>
<td>Applicable Claims</td>
<td>Calculation</td>
<td>Collection</td>
<td>Performance Measurement</td>
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<tr>
<td>3rd Trimester 2016</td>
<td>Applicable Claims</td>
<td>Calculation</td>
<td>Collection</td>
<td>Performance Measurement</td>
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Performance Measurement - PQS measurement will be based on a six-month look-back for the first period, then a year-to-date score for periods two and three.

Applicable Claims – the applicable claims falling within a trimester and used as part of the calculation.

Calculation – Date range during which a pharmacy’s performance score is calculated and ranked among all participating pharmacies to derive each pharmacy’s network variable rate. Applicable claims will be multiplied by this rate to determine the final total amount due for each trimester. ◆ indicates the approximate time in which pharmacies will be able to view the PQS performance measures in EQuIPP that are used in their calculation.

Collection of Network Variable Rate - The total amount due for each trimester will be collected proportionately over a 12-week period. Claims detail supporting the amount collected will be provided.

Questions

If you have any questions, contact:
• Your PSAO contracting with CVS/caremark on your behalf
• CVS/caremark Network Services at 1-866-488-4708 if you contract directly with CVS/caremark
• If you wish to no longer participate in a network program network, contact CVS/caremark Network Services at 1-866-488-4708