



**Validation**Institute

# 2021 Validation Report

**Review for: HealthPartners**

**Validation Achieved: Level 4 - Contractual Integrity**

**Valid through: August 2022**



# Company Profile

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<b>Category:</b>	Pharmacy Benefit Management
<b>Website:</b>	<a href="https://www.healthpartners.com/">https://www.healthpartners.com/</a>
<b>Public or Private:</b>	Private
<b>Year Established:</b>	1957
<b>CEO:</b>	Andrea Walsh
<b>Company contact:</b>	InstituteCommunications@healthpartners.com

## Description:

HealthPartners, an integrated health care organization providing health care services and health plan financing and administration, was founded in 1957 as a cooperative. It's the largest consumer governed nonprofit health care organization in the nation – serving more than 1.8 million medical and dental health plan members nationwide. HealthPartners' care system includes a multi-specialty group practice of more than 1,800 physicians that serves more than 1.2 million patients. HealthPartners employs over 26,000 people, all working together to deliver the HealthPartners mission.



# Claim Assertion for Validation

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HealthPartners' Rx Revealed Program contract meets Validation Institute standards for transparency.

HealthPartners' Rx Revealed Program contract guarantees the following:

- The administrative fee is the only revenue that HealthPartners collects for its work serving the employer/ plan.
- There are no hidden, consulting or consortium fees.
- HealthPartners does not earn revenue by marking up the price of drugs ("spread pricing").
- All rebates and any drug manufacturer revenues are returned to the employer/plan.

In addition, HealthPartners' offers clients attestation by its Chief Financial Officer that no fees are earned aside from direct fees charged to the plan sponsor.

HealthPartners' method for estimating client savings has also been validated.



# Method / Calculation / Examples

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HealthPartners' contract was reviewed by a PharmD. The model contract standards address definitions of terms, access to data, and payment arrangements. Each contract provision was assessed for its adherence to transparency principles. As needed, HealthPartners updated its contract language to meet the standards.





# Findings & Validation

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HealthPartners' contract as revised in September 2021 meets Validation Institute standards for transparent pharmacy benefit management, subject to the Limitations shown.



# Limitations

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Individual HealthPartners' clients as of the review date may have contracts that differ from the validated contract. Adoption of the validated contract will occur as plan sponsors renew their services.

HealthPartners' contract includes services from a retail network subcontractor, who has contractually agreed to "pass through/transparent" contract structure with HealthPartners. The subcontractor has both transparent and traditional pricing structures within its full book of business. It is conceivable that the subcontractor could leverage transparent blocks of business (like HealthPartners) to subsidize traditionally priced business. Neither the Validation Institute nor any other third party could truly confirm if this practice were happening without having full audit rights of the subcontractor's book of business.

HealthPartners' definition of brand and generic drugs is aligned with First Databank. If First Databank reclassifies a drug, for example from generic to brand, these changes could affect overall effective rate or performance by drug type. However the commitment to deliver the lowest net cost and its not-for-profit status keeps HealthPartners vigilant for the employer's best interest.



# Validation and Credibility Guarantee

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**HealthPartners' Rx Revealed program** achieved Level 4 validation for Contractual Integrity. Validation Institute is willing to provide up to a \$10,000 guarantee as part of their Credibility Guarantee Program. To learn more, visit <https://validationinstitute.com/credibility-guarantee/>

## Level 1 – Savings

Can reduce health care spending per case/participant or for the plan/purchaser overall.

## Level 2 – Outcomes

Product/solution has measurably moved the needle on an outcome (risk, hba1c, events, employee retention, etc.) of importance.

## Level 3 – Metrics

Credible sources and valid assumptions create a reasonable estimate of a program's impact.

## Level 4 - Contractual Integrity

Vendor is willing to put a part of their fees "at risk" as a guarantee.





**Validation Expiration: August 2022**

# CERTIFICATE OF VALIDATION

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**Applicant:** HealthPartners  
8170 33rd Ave S, Bloomington, Minnesota 55425,  
US

**Product:** Rx Revealed Program

**Claim:** HealthPartners service contract meets Validation Institute's standards for transparency.

**Validation Achieved:** Level 4 - Validated for Contractual Integrity

**Validation Award Date:** November 2021

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**Linda K. Riddell, MS**  
**VP, Population Health Scientist**  
**Validation Institute**

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**Benny DiCecca**  
**Chief Executive Officer**  
**Validation Institute**





# About Validation Institute

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**Validation Institute** is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of health care.

