



ValidationInstitute

2021 Validation Report

Review for: HealthPartners® UnityPoint Health

Validation Achieved: Level 1 - Savings

Valid through: August 2022



Company Profile



Category:	Pharmacy Benefit Management
Website:	https://www.healthpartnersunitypointhealth.com/hpuph/index.html
Public or Private:	Private
Year Established:	1957
CEO:	Andrea Walsh
Company contact:	InstituteCommunications@healthpartners.com

Description:

UnityPoint Health and **HealthPartners®** joined forces to offer a new health care and insurance option in Iowa. **HealthPartners® UnityPoint Health** combines a local leader in health care and a proven insurance leader, working together to deliver the **HealthPartners® UnityPoint Health** vision of health as is should be, affordability as it must be, through relationships built on trust.





Claim Assertion for Validation

HealthPartners® UnityPoint Health pharmacy cost is lower than industry benchmarks due to its integrated clinical programming, high generic utilization, and low net cost approach to pharmacy benefit management. For additional details on this approach, please see [HealthPartners UnityPoint Health Contractual Integrity Report](#).





Method / Calculation / Examples

HealthPartners® UnityPoint Health calculated pharmacy costs for its nearly 600,000 commercial members for calendar year 2020. HealthPartners® UnityPoint Health cost was then compared to published industry data, including the Evernorth 2020 Drug Trend Report (Drug Trend Report, 2020); the 2021 CMS Actuarial Value Calculator tables for Platinum, Gold, Silver, and Bronze plans (CMS, 2021); and a HealthPartners® UnityPoint Health-commissioned IBM Watson report comparing HealthPartners® UnityPoint Health-managed pharmacy cost to an IBM Watson benchmark pharmacy cost for plans administered by others.

IBM Watson analyzed HealthPartners® UnityPoint Health pharmacy costs and compared them to the IBM Watson 17 million member MarketScan benchmark. Data was risk adjusted using Johns Hopkins Adjusted Clinical Groups (ACG), and the analysis focused on members in the Midwest.





Findings & Validation

HealthPartners® UnityPoint Health’s net pharmacy costs was found to be:

- 20% lower than Evernorth’s commercial 2020 benchmark;
- 16% lower than the CMS actuarial value for Bronze* health plans;
- 31% lower than Evernorth’s Medicare benchmark;
- 19% lower than Evernorth’s Medicaid benchmark, and;
- 20% lower than IBM Watson’s regional commercial benchmark.

* Bronze is the lowest-cost of the health plan tiers. Therefore, HealthPartners® UnityPoint Health would generate even more savings on the higher-value plans. See Chart 1 below.

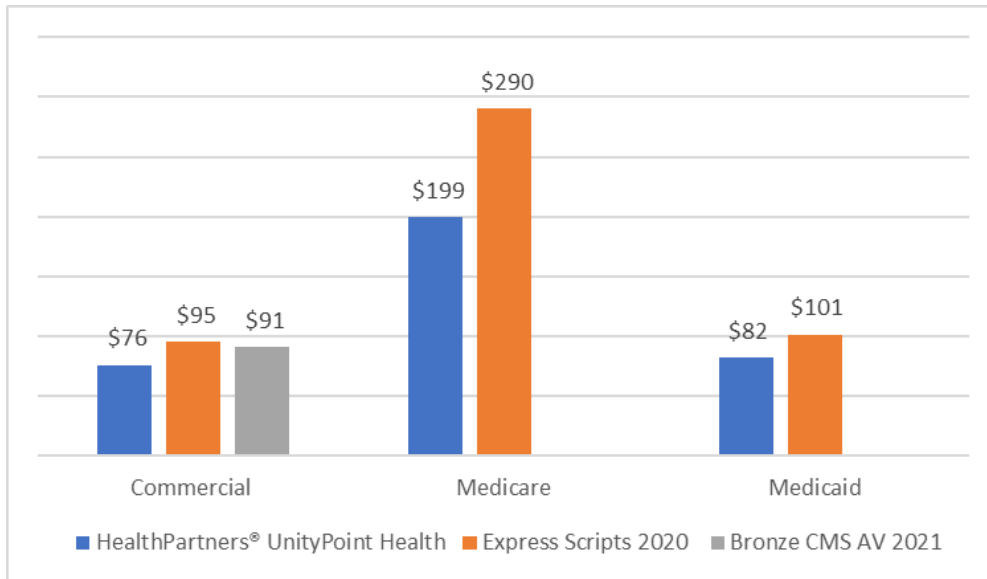


Chart 1: Per Member Per Month Cost Comparison





Findings & Validation

HealthPartners® UnityPoint Health risk adjusted pharmacy cost was 20% lower for Midwest members than the MarketScan benchmark for the same region. Table 1 below summarizes the comparison between HealthPartners® UnityPoint Health and MarketScan benchmarks.

Market Segment	% that HealthPartners is lower than benchmark
Midwest	20.3%
Minnesota	19.1%
Wisconsin	23.4%

Table 1: Comparison of Health Partners Average PMPM Cost to MarketScan Regional and State Averages





Limitations

The industry benchmarks reflect a wide range of employers and members. A single employer's per member per month cost for pharmacy benefits may be higher or lower than the benchmark, or than HealthPartners® UnityPoint Health average. However, HealthPartners® UnityPoint Health's and Evernorth's costs and trends do reflect a return of manufacturer rebates to group purchasers. [HealthPartners® UnityPoint Health traditionally self-insured customers always have the opportunity to choose how they receive manufacturer revenue, such as rebates.](#)

The IBM Watson MarketScan analysis was conducted on a pre-rebate basis. The final net costs would be lower for both the MarketScan and HealthPartners® UnityPoint Health's members. Therefore, the difference between HealthPartners® UnityPoint Health and the benchmark would also change.





Works Cited

- CMS. (2021, September). Actuarial Value Calculator . Retrieved from Center for Medicare and Medicaid Services :
<https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/Final-2021-AV-Calculator.xlsm>
- Drug Trend Report. (2021, September). Retrieved from Evernorth :
<https://www.evernorth.com/drug-trend-report>





Validation and Credibility Guarantee

HealthPartners® UnityPoint Health achieved Level 1 validation for Savings. Validation Institute is willing to provide up to a \$25,000 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

Applicant:	HealthPartners® UnityPoint Health 8170 33rd Ave S, Bloomington, Minnesota 55425, US
Claim:	HealthPartners® UnityPoint Health-administered pharmacy cost is lower than industry benchmarks.
Validation Achieved:	Level 1 - Validated for Savings
Validation Award Date:	December 2021

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About Validation Institute

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.

