

From the Sacramento Business Journal:

<http://www.bizjournals.com/sacramento/print-edition/2011/08/26/sacramento-prescription-discount-cards.html>

Sacramento County offers prescription discount card

Date: Friday, August 26, 2011, 3:00am PDT

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Sacramento County launched a free discount prescription drug program this week designed for people without insurance.

Sac Best Rx offers discounts of up to 75 percent on generic prescriptions — and an overall average savings of more than 40 percent.

With an unemployment rate of 12.9 percent in July — and 86,000 Sacramento County residents out of work — thousands are expected to benefit from the program.

No tax dollars are used to make the savings available. The program is being offered through a public-private partnership between the county and **Envision Pharmaceutical Services**, a growing pharmacy benefit manager with offices in El Dorado Hills.

The company is adding staff in part to manage this contract. The current local workforce of 107 has nearly doubled since January 2010 and is projected to reach 139 in October.

Envision secures volume discounts on prescription drugs for employers, unions and government programs. The company is simply passing on similar savings to consumers through participating pharmacies that agree to take negotiated prices.

"This program is good for the county and for Envision," chief executive officer **Kevin Nagle** said via email.

County residents benefit from discounted prices on medicines they need to remain healthy and out of the hospital. It's a profitable but low-margin business for Envision, which offers

similar programs to businesses that may have eliminated drug benefits in the sour economy.

This is one of several discount drug savings programs nationwide. Competition is stiff and marketing aggressive because the window of opportunity is expected to close when health benefits are extended to millions of Americans in 2014 under federal health care reform.

A different program, dubbed Coast2Coast Rx, is available in Placer and Yolo counties.

Not insurance

Five companies responded to a request for proposals to run the Sacramento County program.

One dropped out before the vetting process began, said **Steve Golka**, county director of pharmacy. Final bidders included Envision, **CVS**, **Walgreens** and Financial **Marketing Concepts** Inc., the Florida company that sponsors Coast2Coast Rx.

A five-pharmacist panel unanimously selected Envision.

"All of these programs offer a little bit of snake oil — it's a mixed bag," Golka said. "Envision is the most honorable."

The programs run on a slim margin, so volume is what they are after, Golka said. Eighty to 90 percent of the time, people without insurance get a break on drug prices, but it pays to consider all options.

Often overlooked are special drug discounts offered by **Target**, Walgreens and others.

"They're going to be pretty competitive," Golka said.

Still, the Sac Best Rx price for the top 11 commonly used medications is 33 percent less than the aggregate cash from for these drugs at Walgreens; 25.6 percent less than the aggregate cash price at CVS.

One bidder for the Sacramento County business put the potential market between 200,000 and 300,000 people, but Envision has a more conservative estimate of 70,000.

"Any (insurance) plan with prescription coverage and a copayment is going to be better than a discount card, Golka said. "This is for folks who find themselves without drug coverage," he said. Those with diabetes or other chronic condition could fall seriously ill if they don't keep up on their medication.

Sac Best Rx provides discounts on insulin and diabetic supplies such as test strips, syringes and glucose supplies but a doctor's prescription is required.

The program is not insurance. Discounts are available only at participating pharmacies.

'A win for the patient'

Envision comes to the program from a different perspective.

It already does big business managing prescription drug costs for employers and others. A pharmacy benefit manager, the company acts as an intermediary that contracts with employers, insurers and others to develop lists of preferred drugs, negotiate prices, track patient compliance and screen for drug interactions.

The company has an approved **Medicare Part D** prescription drug plan, too.

Founded in 2001, Envision handles prescription drug benefits for 6 million members across all lines of business. The company generated revenue "just under \$1.2 billion" in 2010, Nagle said. The net margin is about 2 percent.

Envision collects a professional dispensing fee of \$2.50 per claim under Sac Best Rx if the amount is lower than the pharmacy's "usual and customary charge."

"For example, if the blood pressure medication the patient uses is \$4 for a 30-day supply and is lower than the price negotiated by Envision, the patient gets the lower price and there is no \$2.50 fee added," Nagle said. The price to the consumer "will always be lower than the cash-paying price, so it is a win for the patient."

Envision has other state and municipal contracts for the discount program, including Los Angeles.

The key is aggressive marketing so people are aware of the program when they buy drugs. Pick-up in Los Angeles has been slow, but 475,000 members with savings cards in Ohio have saved a total of a \$24 million in three years; a similar program in Florida saved 230,000 members more than \$20 million over four years.

Keenan & Associates, an independent insurance brokerage, is helping market the program in Sacramento County.

National competitors include CVS-sponsored NACo, short for National Association of Counties, and the Coast2Coast program sponsored by Financial Marketing Concepts.

Coast2Coast is available in 16 California counties, including Yolo and Placer.

"We believe our program offers the greatest discounts," said **Marty Dettelbach**, the company's chief marketing officer. "What separates us from others is we offer discounts on dental, vision, hearing aids, diabetes supplies, lab and imaging services, too."

Kathy Robertson covers health care, labor/workplace issues, law, immigration, medical technology and biotechnology for the Sacramento Business Journal.

From the Sacramento Business Journal:

<http://www.bizjournals.com/sacramento/stories/2009/08/31/daily34.html>

Envision offers discount prescription program to Los Angeles residents

Date: Tuesday, September 1, 2009, 1:50pm PDT

Los Angeles Mayor Antonio Villaraigosa launched a prescription drug discount program for the city's residents Monday with the help of an El Dorado Hills company that will help the city's residents buy the medicines they need at affordable prices.

Envision Pharmaceutical Services Inc. beat out three other companies to win a three-year contract in April to develop and manage the program.

Cardholders are expected to save 5 percent to 40 percent on the regular retail cost of prescription drugs, depending on the type of medication. The discounts are negotiated by Envision and available through the company's network of more than 1,500 participating retail pharmacies.

There are no enrollment fees and the program is open to all Los Angeles city residents with no age, income or other eligibility restrictions.

"We still have a long way to go before we can claim fair, equal and quality health care for all Americans," Villaraigosa said in a news release. "However, I hope that this card makes it easier for Angelenos to get their prescriptions without having to make a difficult decision between buying a medicine that they need and putting food on the table."

Envision has already kicked off similar programs in Ohio and Florida. Many of the calls from cardholders with questions will be answered by 30 Envision employees who work at a multilingual call center in El Dorado Hills. The company has a total of about 50 local employees.

"We are excited for the opportunity to work with the city of Los Angeles to provide as many people as possible the best pharmacy discounts available," Envision chief executive officer Kevin Nagle said. "(This) is an example of the power a community can have over drug pricing when it comes together."

THE SACRAMENTO BEE sacbee.com

Bob Shallit: El Dorado Hills company has growth spurt

Published Saturday, Oct. 01, 2011

An El Dorado Hills health care management company is on an expansion tear, adding new employees and space in response to a spate of new contracts.

Envision Rx Options this week leased an additional 10,000 square feet at its call center and corporate operations facility on Investment Boulevard. That comes less than two years after moving from smaller digs into nearly 27,000 square feet of space at its current site.

And, says CEO **Kevin Nagle**, "I anticipate with current growth we're probably less than 24 months from growing beyond" the existing space.

"They've just exploded," adds commercial broker **Russel Gallaway**, who negotiated the lease deal.

The company, founded in 2001, manages pharmacy benefits for self-insured companies, unions and governmental entities, among others, with contracts covering about 6 million recipients.

Envision now has nearly 150 employees in El Dorado Hills, with another 350 in offices in Ohio and Florida.

Why the recent growth, which has taken annual revenues to about \$1.6 billion?

Nagle attributes it to the company's leadership in bringing "transparency" to the pharmacy benefits management field by, for example, fully disclosing the results of price negotiations it has with drugmakers.

As Nagle puts it, "we wrote the white paper on that."

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