

3 Step Process To Prepare For Medical Fiduciary

Establish, Analyze and Execute



Innovative
BENEFIT PLANNING

Overview Of The Fiduciary Process

Establish:

Create fiduciary charter for health and wellness plan, and develop governance practice through the establishment and implementation of a fiduciary committee.



Analyze:

Review agreements, arrangements, and fee scheduling. Conduct required reporting and attestations.



Execute:

The fiduciary committee should assess and execute the strategy based on the committee charter.





Establish

Define Your Strategy

- ☐ Adopt a fiduciary committee for health and welfare benefits to set the strategy for prudent decision making.
- ☐ Delegate fiduciary duties and responsibilities to the committee to ensure impartiality.
- ☐ Establish fiduciary/governance practices to align with those used for retirement plans.
- ☐ Address and document any potential conflicts of interest between carriers, vendors, and brokers and consultants.



Analyze

Assess Your Risk

- ☐ Engage qualified consultants to assess medical and prescription drug carrier and vendor arrangements, ensuring impartiality.
- ☐ Review PBM and TPA agreements, fee and rebate arrangements, formularies, and negotiate reasonable terms.
- ☐ Request and document RxDC Reporting and Gag Clause Prohibition Compliance Attestation process.
- ☐ Conduct Non-Quantitative Treatment Limitations (NQTL) analysis using the DOL self-compliance tool or a third-party vendor. Document the approach and plan changes, if applicable.
- ☐ Review compensation arrangements with brokers and consultants to ensure no conflicts of interest exist.

Analyze Your Data

- ☐ Review plan documents and compare the language of the plan documents to how fiduciary activities are performed.
- ☐ Collect benchmark information from other plans and pharmacies and compare plan internal fees, discounts, and revenue streams to current and prospective vendor agreements or proposals.
- ☐ Exercise discretion fairly when approving or denying benefit claims.



Execute

Execute Your Strategy

- ☐ Follow the defined strategy to make prudent decisions and maintain a written record of all policies, procedures, and decisions regarding carrier/vendor selection and performance monitoring to demonstrate procedural prudence.
 - ☐ Periodically solicit proposals from TPAs, PBMs, and vendors to reassess and measure market competitiveness.

Measure Success

- ☐ Continuously monitor the success of the committee and process and make adjustments as needed.
- ☐ Evaluate results and deliverables for accuracy and reasonability.

