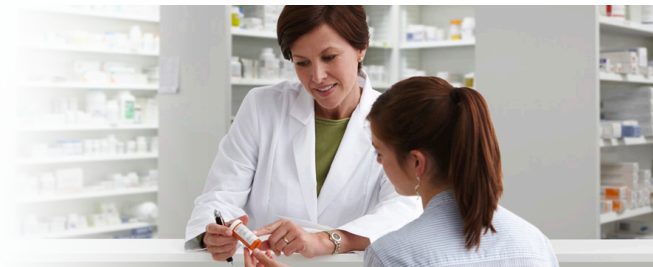


# Integrated benefits

Medical and pharmacy benefits work together to drive savings and improve health outcomes



The health care landscape continues to evolve, with costs rapidly rising for members, employers and health plans alike. Managing these costs while delivering the best health outcomes can be incredibly challenging.

## HEALTH CARE COSTS ARE EXPECTED TO KEEP RISING

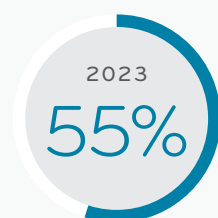
↑ **10%** PRESCRIPTION COSTS

are expected to increase by 10% in 2023<sup>1</sup>

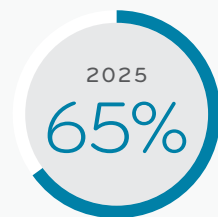
↑ **7%** INSURANCE PREMIUMS

are expected to increase by 7% in 2023<sup>1</sup>

### Specialty drugs are driving much of that increase



55% of total drug spend is specialty drug spend...



...which is predicted to grow to 65% by 2025<sup>2</sup>

○ **68%**

Autoimmune and oncology drugs account for 68% of total specialty drug spend<sup>3</sup>

↑ **9%**

Specialty drug spend is expected to grow 9% annually<sup>4</sup>



Specialty drugs can fall under the medical or pharmacy benefit, increasing costs and complexities on both sides

### Offering proven savings and improved health outcomes

A recent analysis by Prime Therapeutics (Prime) and Blue Cross® and Blue Shield® of Minnesota showed how an integrated (carve-in) solution can lower costs and improve health outcomes compared to carve-out models.\*

#### Overall savings and outcomes

↓ 9% = \$422

LOWER MEDICAL COSTS      AVERAGE SAVINGS

on medical costs per member per year (PMPY)<sup>6</sup>

↓ 17%

lower hospitalization rates<sup>6</sup>

↓ 13%

lower emergency room visits<sup>6</sup>

\* In a carve-out model, pharmacy benefits and medical benefits are managed separately by two different companies. In a carve-in model, the medical insurer and PBM integrate data to understand the full scope and journey of a patient's health.

Using the same data, a sub-analysis focused on members diagnosed with one or more of 10 chronic conditions that medications are key to controlling (e.g., diabetes, multiple sclerosis).<sup>5</sup> The results proved even greater benefits from integration when considering these high-cost, complex conditions.

#### Outcomes by drug type for people with chronic conditions

NON SPECIALTY      SPECIALTY\*\*

↓ Lower medical costs PMPY      14%      21%

↓ Lower hospitalization rates      18%      22%

↓ Lower emergency room visits      15%      13%

\*\* Includes the autoimmune conditions rheumatoid arthritis and multiple sclerosis.

### Maximizing the value of integration

To ensure you have an approach that will help you unlock the best experience for members and save costs, you can consider some key questions:

- How does your pharmacy strategy drive to lowest net cost and prepare for the expected health care cost increases?
- Could your benefit solution be easier to administer?
- Would your members like working with a single source for medical and pharmacy benefit support, with one service team and one insurance card?
- Can your PBM show the total cost of your medical and pharmacy benefits for a full picture of your spend, trend and savings opportunities?
- Does your PBM have deep experience in integrated drug management?

#### Learn more about Prime's approach

Prime is focused on providing next-generation solutions that meet people and our clients where they are in their care journey. By integrating medical and pharmacy benefits, we help close gaps in care and promote the most affordable, clinically effective treatments to members.

Connect with your Prime representative or learn more at [primetherapeutics.com](https://www.primetherapeutics.com)

1 Payne, D. (2022, August 15). "What will happen with health costs in 2023." Kiplinger. <https://www.kiplinger.com/personal-finance/inflation/605084/what-will-happen-with-health-costs-in-2023>

2 IQVIA Institute for Human Data Science. (2022, April). "The use of medicines in the U.S." 2022. <https://www.iqvia.com/insights/the-iqvia-institute/reports/the-use-of-medicines-in-the-us-2022>

3 Prime Commercial book of business, pharmacy and medical claims incurred 1/1/2018–9/30/2022; excludes Capital Blue Cross due to implementation timing

4 Nephron Research, Evaluate Pharma

5 Chronic conditions analyzed are asthma, coronary artery disease, chronic obstructive pulmonary disease, congestive heart failure, diabetes mellitus, hypertension, hyperlipidemia, depression, rheumatoid arthritis and multiple sclerosis

6 Prime and Blue Cross Blue Shield of Minnesota internal analysis, 2022