

The value of integrated benefits

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

The health care landscape continues to evolve, with employees, employers and health plans alike experiencing more complexity and higher costs. Managing these costs while helping employees realize the best experience and manage their health can be incredibly challenging.

Health care costs are expected to keep rising

5.8% Total benefit costs per employee are expected to rise by 5.8% on average in 2025.¹

54% Specialty drugs are driving much of that increase, accounting for 54% of total drug spend.²

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

Integration offers proven savings and improved health outcomes

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

Overall savings and outcomes³

8% lower medical costs = \$402 savings per member per year (PMPY)

8% lower rate of hospitalization

Using the same data, a subanalysis focused on members diagnosed with one or more of eight chronic conditions that specialty drugs are key to controlling (e.g., diabetes, multiple sclerosis).⁴ The results proved even greater benefits from integration when considering these high-cost, complex conditions.

Savings and outcomes by drug type for people with chronic conditions³

	Nonspecialty	Specialty**
Lower medical costs PMPY	11%	18%
Average savings on medical costs PMPY	\$1,189	\$3,448
Lower hospitalization rates	8%	9%

* 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 pharmacy benefit manager (PBM) integrate data to understand the full scope and journey of a patient's health.

** 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 on costs, you can consider some key questions:

- How does your pharmacy strategy drive to lowest net cost and prepare for anticipated health care cost increases?
- Could your benefit solution be easier to administer?
- Would your members prefer 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?



Other key benefits of integration

- Simplified process due to a single point of contact for medical and pharmacy benefits
- Better insights into potential care gaps through a holistic view of medical and pharmacy data
- Better results from Prime's clinical programs, including more timely, targeted interventions, a more holistic picture of a member's health status, and improved drug adherence and health outcomes

Questions?

To learn more about the value of integration with Prime, contact your representative.

¹ Mercer. (2024, September 12). *Employers expect third consecutive year of health benefit cost increases above 5% in 2025, according to Mercer.* Mercer.com/En-US/About/Newsroom/Employers-Expect-Third-Consecutive-Year-Of-Health-Benefit-Cost-Increases-Above-5-Percent-In-2025/

² IQVIA Institute for Human Data Science. (2024, April). *The use of medicines in the U.S. 2024.* IQVIA.com/Insights/The-IQVIA-Institute/Reports/The-Use-Of-Medicines-In-The-US-2024

³ Prime and Blue Cross and Blue Shield of Alabama internal study, 2024

⁴ Chronic conditions analyzed are asthma, coronary artery disease, chronic obstructive pulmonary disease, congestive heart failure, depression, diabetes mellitus, multiple sclerosis and rheumatoid arthritis