



Drive greater value and better outcomes through integrated pharmacy and medical benefits

THIS IS HOW

With pharmacy costs projected to significantly increase over the next several years, many employers continue to look for ways to control costs and create a better employee experience. Learn why an integrated pharmacy and medical benefits strategy could be just what the doctor ordered.



By 2022, drug spend in the US is projected to reach **\$847 BILLION** up from \$550 billion in 2017—with specialty drugs accounting for more than 60 percent of that spend.²

Managing total cost of care

Out of nearly 3.8 billion retail prescriptions filled in 2018, 51 percent were covered by commercial payers¹—and drug costs now account for 27 percent of total healthcare costs for employers.³ As pharmacy costs are expected to increase, organizations need proven strategies and solutions to keep costs in check as well as keep their employees healthy.

In fact, according to a recent Business Group on Health survey, large employers indicated numerous pharmacy benefit concerns that were top of mind in 2020, particularly the impact of new million-dollar treatments being approved by the FDA for use in treating complex chronic conditions.⁴ Without a stronger focus on better care management for all of your employees, controlling costs for both your organization and your workforce may become increasingly difficult.

Accessing pharmacy data can help

In an effort to reduce costs, many organizations have opted to carve out pharmacy benefits. Based on our experience, however, we're finding that separating pharmacy benefits from medical often results in more fragmented care, a poor employee experience and higher healthcare costs over time. By carving out pharmacy benefits, your health plan does not have timely access to important prescribing data that is needed to appropriately manage the care of your employees. That's why an integrated pharmacy and medical benefits strategy could be beneficial to the health of your workforce and your organization.

The advantages of integration

Our data suggest that an integrated pharmacy strategy can have a positive impact on total cost of care. It's also clear that lowering healthcare costs is just one of the many potential benefits.



- Improved health
- Greater savings
- Seamless employee experience
- Meaningful value for you

This is how an integrated pharmacy and medical benefits strategy can add significant value for you and your employees:

Improved health

Integrated benefits allow for real-time analysis of more clinical and pharmacy data all at once, which provides insight on how to best optimize care management. From staying on top of chronic conditions and identifying at-risk employees to closing gaps in care and safely monitoring drug use, data integration supports higher-quality care.

Greater savings

Better care management can also lead to more savings. Through evidence-based medication and opioid management best practices, care managers can help ensure your employees are using the most clinically effective and safe prescriptions that support overall employee health and lower costs in the long term. And for employees who need costly specialty drugs, centers of excellence and intensive care management also produce meaningful savings.

Seamless employee experience

In addition to providing value to you, an integrated, well-coordinated plan simplifies things for your employees, too. One member ID card, a single point of contact for customer service, holistic care management, a single digital account, and easy mail-order and retail service all foster a positive experience for your workforce.

Meaningful value for you

When medical and pharmacy benefits are integrated, you work with one carrier—making plan administration less complex for your organization, too.

Data show that pharmacy integration can lower cost and enhance care quality⁵

- ✓ **\$148** PMPY (per member per year) savings
- ✓ **15%** lower hospitalization rate
- ✓ **7%** fewer emergency room visits

HERE'S HOW PHARMACY INTEGRATION IMPACTS YOUR EMPLOYEES:



Fred is diagnosed with diabetes and is prescribed a new drug. He picks up his new prescription at the pharmacy.

WITH INTEGRATED PHARMACY BENEFITS

- Fred's BCBS care manager reaches out to educate him on the new drug.
- When his prescription is refilled, BCBS analysis shows that Fred may be non-adherent based on his refill history.
- His care manager contacts him and learns that Fred has been cutting his dose in half because of the cost. As a result, he's still experiencing high blood sugar.
- Fred's care manager connects with his doctor to suggest a more affordable, equally effective drug and his doctor agrees.
- Fred picks up his new, more affordable prescription.
- Fred is staying adherent with significantly lower blood sugar, feeling better and missing less time at work.

WITH CARVED OUT PHARMACY BENEFITS

- Due to the cost of his prescription, Fred decides to cut his doses in half.
- After experiencing concerning symptoms, Fred calls his doctor.
- Fred's doctor believes he's experiencing a hyperglycemia emergency and suggests going to the ER.
- Fred is admitted to the hospital for treatment of severe hyperglycemia.
- He follows up with his doctor and admits cutting doses in half due to cost; he's prescribed a new drug with a lower cost.
- Fred is on the mend after his ER visit. However, his costly hospital stay, missed work days and poor patient experience could have been prevented with better care management as a result of integrated pharmacy benefits.

EVERY ORGANIZATION HAS ITS OWN UNIQUE NEEDS AND CHALLENGES.

To learn more about managing your organization's total cost of care, visit [smarterbetterhealthcare.com](https://www.smarterbetterhealthcare.com).

¹ Kaiser Family Foundation, Number of Retail Prescription Drugs Filled at Pharmacies by Payer, 2020

² Prime Therapeutics Study, The Inevitable Increase in Specialty Growth, 2017

³ Prime Therapeutics, Spring 2019 Focus on Trend (Commercial), 2019

⁴ Business Group on Health, 2021 Health Care Strategy and Plan Design Survey, 2020

⁵ Journal of Managed Care and Specialty Pharmacy, Medical Costs and Health Care Utilization Among Self-Insured Members with Carve-In Versus Carve-Out Pharmacy Benefits, leveraging Cambia Health Solutions self-insured BCBS Plan member data, June 2020