

If truth be told about pharmacy benefits...



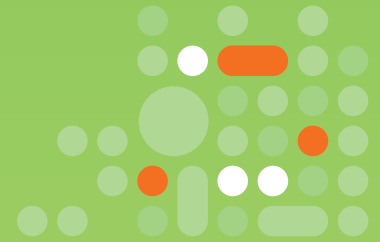
Prescription drugs drive most of the cost for pharmacy benefits. Although tempting, big drug rebates won't effectively cut this expense. Rebates are attached to costly, often medically unnecessary, brand drugs. And rebates alone are not enough to drive real savings. You'll get more value, in terms of dollars and care, when you have checkpoints, processes and strategies working together across your pharmacy and medical benefits.

Integrated pharmacy and medical benefits that incorporate the following elements drive the greatest prescription drug savings and more. Employers should know what they are and how to track their effectiveness.

- ✓ **Preferred drug list**, prioritizing the most clinically sound, cost-effective drugs (usually generics)
- ✓ **Prior authorization**, gatekeeping to ensure preferred drugs are dispensed
- ✓ **Medication therapy management**, helping members manage multiple prescriptions
- ✓ **Savings on manufacturer coupons**, smart optimizing of significant potential discounts
- ✓ **Site-of-care savings**, negotiating the most convenient, affordable places to get care

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Critical cost-saving elements every pharmacy benefit plan should leverage



Cost-saving element	How to measure it	Why it matters
Preferred drugs/Generic use rate (GUR) <p>Brand drugs almost always have a lower-cost generic equivalent that is just as effective. Your preferred drug list, or formulary, should prioritize generic use wherever possible. The higher the GUR, the better. It means more cost-effective generic drugs are replacing high-cost, potentially wasteful, brand drugs in members' medicine cabinets.</p>	GUR of leading PBMs <p>Leading PBMs achieve a GUR of around 86%. The market average is lower. Our GUR is typically around 93%.</p>	Average savings formula <p>A 1% increase in generic use leads to 5% savings. We see savings of \$2.10 - \$3.15 per member per month (PMPM).</p>
Prior authorization (PA) steps <p>PA steps have a huge impact on the value of your pharmacy benefit. They're like gatekeepers, making sure that only preferred drugs, such as clinically-effective, low-cost generics, are dispensed to members. Some PBMs circumvent them to chase rebates on higher-cost drugs. Rebates may be high, but the vastly higher overall drug costs you pay will dwarf them.</p>	PA criteria matter <p>PA steps are all about ensuring that members get the right drugs safely and affordably. Good PA processes go beyond checking whether a drug has FDA approval before allowing it to be dispensed. If very few drugs are denied under your program, you may want to ask how your PBM manages PA.</p>	PA best practices <p>HealthPartners PA criteria are among the most robust in the market. For instance, many PBMs would rubber stamp use of the \$60,000-a-year drug specialty, Humira, for chronic inflammatory disease. Instead, we work with patients and providers to follow clinically appropriate protocols using far less costly treatments. This saves tens of thousands of dollars per patient. But you need deep clinical expertise to do it well.</p>
Number of members receiving medication therapy management (MTM)/navigation support <p>Managing multiple medications can be complex. Members often need help to get it right and non-adherence costs thousands in wasted medications. In an MTM program, pharmacists can review all drugs, catch issues, fix problems and work with physicians to make improvements. Be cautious – many MTM programs just check boxes.</p>	Number of engaged members <p>Our research shows that a high percentage of patients often require dose adjustments for their medications to work well. Good MTM programs should proactively identify and prioritize the patients most likely to need help, and reach out to them with full clinical understanding of their situation to get them back on track.</p>	Higher savings and satisfaction <p>Savings result from improved medication use that helps prevent costly events such as hospitalizations or ER visits, and often leads to reduced pharmacy costs. Total cost of care is reduced as overall health improves. HealthPartners' proactive MTM programs drive high member satisfaction and savings. What savings are your PBM's MTM programs driving and how do your members rate them?</p>
Claims with coupon savings <p>Smart use of manufacturer coupons can have a dramatic effect on your savings. These discounts make drugs much more affordable for members and the plan.</p>	Tracking of coupon savings <p>Partners should provide reports to show PMPM savings from these programs.</p>	Coupon savings (PMPM) <p>We use powerful coupon optimizers to make sure we always get the best deals for our customers. And we track closely. We see savings of up to \$9 PMPM, amounting to thousands of dollars overall.</p>
Claims with site-of-care savings <p>Where a drug is administered can have a huge impact on convenience and cost. For example, infusion drugs given at hospitals can cost up to four times more than they do at other sites of care, such as home IV or clinics.</p>	Number of members impacted <p>Pharmacy partners should proactively identify members taking specialty drugs and seek the most convenient, and cost-effective sites of care for them. This can reduce stress, help members continue working, and dramatically reduce costs for employers.</p>	Site-of-care savings (PMPM) <p>Site-of-care savings can amount to on average \$15,000 per impacted member annually. And for some members, there can even be six-figure savings. HealthPartners has won awards for its industry-leading site-of-care program. How impactful is your PBM's approach?</p>