

Pharmacy Transparency Points the Way to Engagement, Savings and Trust

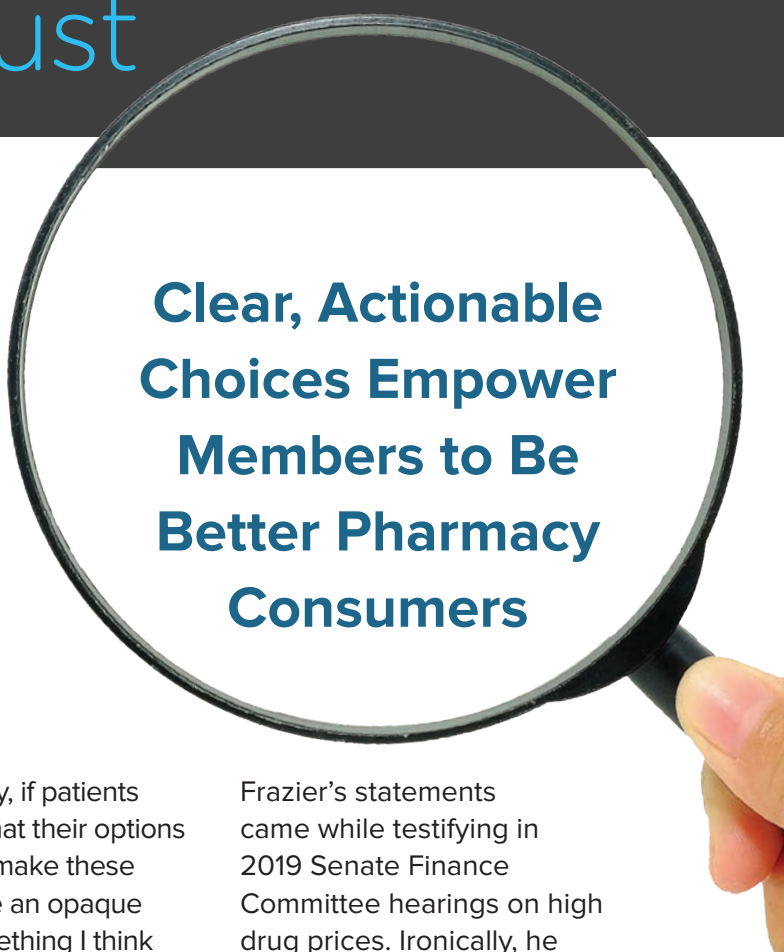
THE PROBLEM IS OPACITY. We've all heard about MRI's that cost \$2,500 at one diagnostic imaging center and \$250 at another a few blocks away. For all the talk about price transparency in healthcare over the past decade, insured members still have very little insight into what their options and costs are, even as they shoulder more of the cost burden in high-deductible plans.

Pharmacy is the most consumed and repeated health benefit, yet the landscape is opaque and overwhelmingly complex. Most consumers lack full knowledge of all available clinical and fulfillment options and the costs associated with them, and thus habitually spend more than necessary.

Similar to the MRI example, a common prescription medication can cost a member \$100 in one health plan and \$10 in another. Even within the same formulary, the same drug can be \$100 in capsule form or \$10 for tablets of the same dose.

"At the end of the day, if patients really understood what their options were, they wouldn't make these choices, but we have an opaque system which is something I think we've got to change. We've got to empower patients to be able to choose the cheapest medication," said Kenneth Frazier, CEO of Merck.

Frazier's statements came while testifying in 2019 Senate Finance Committee hearings on high drug prices. Ironically, he agreed transparency would help solve a problem the industry is largely responsible for creating.



**Clear, Actionable
Choices Empower
Members to Be
Better Pharmacy
Consumers**

“ We've got to empower patients to be able to choose the cheapest medication. ”

KENNETH FRAZIER
CEO, MERCK

Often Overlooked Options

MORE OFTEN THAN NOT, there are one or more lower-cost alternatives to commonly prescribed medications.



THERAPEUTIC ALTERNATIVE

Different drug, same treatment



GENERIC SUBSTITUTION

Same active ingredient, lower price



COMBINATION SPLIT

Same ingredients, different pills



DOSE OPTIMIZATION

Same drug, split (or multiply) the pill



DOSE FORM CHANGE

Same drug, different form



FULFILLMENT

Same drug, different pharmacy



What Does Transparency Look Like?

In an ideal world, health plan members would know exactly what their medications cost before the drugs are prescribed. This doesn't mean seeing advertised wholesale prices for name-brand drugs on TV. Rather, what their individual out-of-pocket costs are given the variability between plan designs, formularies and deductibles.

Equally important to out-of-pocket cost is knowing whether other, potentially lower-cost options exist. Many consumers know that generics, mail-order or 90-day supplies can be more cost-effective, but that's largely the extent of their knowledge. What else is there to know? Quite a bit, actually.

- *Is the drug available in another form (capsule, tablet, liquid, etc.)?*
 - *Can a larger dose be split in half (or a smaller dose multiplied)?*
 - *If the drug is a combination of active ingredients, can they be purchased separately?*
 - *Does the price vary from one pharmacy to another?*
 - *Will a discount card/network (aka: coupon) beat the price with insurance?*
- For most common prescription drugs, the answer is “yes” to one or more of the above—and it usually represents an opportunity to save money for the member and/or the plan. It's the kind of information any consumer would want when making a buying decision. However, the current lack of transparency in pharmacy leads to largely uninformed decisions—
- *Is more than one generic available?*
 - *Is another drug clinically equivalent or effective?*

or no decision at all, i.e. simply purchasing what is prescribed, regardless of cost.

Transparency Creates Trust

A summer 2019 poll of registered voters asked to what degree they trust various entities to keep healthcare costs low. Private insurers and the pharmaceutical industry ranked at the bottom of the list.¹

What can health plans do to engender a stronger sense of empathy for members and gain more of their trust? Given the frequency of member interaction,

and the mounting out-of-pocket pain, two leading regional plans decided the pharmacy benefit was a good place to start.

Community Health Options (CHO) and **Blue Cross and Blue Shield of Kansas City (Blue KC)** both implemented an innovative pharmacy transparency solution that delivers comprehensive, unbiased information and decision support for members and their prescription needs. While each is at a different stage post-implementation, CHO and Blue KC both have seen success in lowering member and plan costs, and driving member engagement.



How It Works

RX SAVINGS SOLUTIONS is a cloud-based transparency solution that analyzes a plan's pharmacy claims and maps individual prescriptions to clinical cost-saving alternatives available within the formulary and plan design.

Knowing that virtually no member—nor their provider—could be aware of those savings opportunities on their own, Rx Savings Solutions utilizes proactive notification to drive awareness and behavior change.

Members receive email, text or direct-mail Savings Notifications whenever savings opportunities exist for them. The notifications prompt a member to register or log in to the Rx Savings Solutions portal, where each savings opportunity is represented by a “Savings Alert” on the member’s dashboard, along with next steps on how to capture the available savings.

CLAIMS,
FORMULARY and
ACCUMULATOR

CLOUD-BASED
DATA
ANALYSIS

MEMBER
SAVINGS
NOTIFICATIONS



1. Morning Consult®, July 8-10, 2019, poll of 1,988 registered voters, +/-2% margin of error.

Doing More and Spending Less

COMMUNITY HEALTH OPTIONS (CHO) is a consumer-operated and -oriented plan (CO-OP) formed in 2012 to provide comprehensive health insurance benefits to individuals, families and businesses throughout the state of Maine. Five years after inception, CHO's membership doubled to more than 34,000 primary members. With 39% of those primary members and 44% of households with a member on maintenance medications, CHO's annual pharmacy spend swelled to over \$52 million.

The plan sought ways to reverse the upward trend in pharmacy costs without shifting more of the

burden to members. Rx Savings Solutions focuses primarily on members on maintenance medications, people with the most to gain from visibility into lower-cost options, and who also account for the bulk of every health plan's pharmacy spend.

Proactive and Pro-Member

Anytime a prescription claim matches with one or more of the solution's 26,000-plus clinical savings suggestions, a Savings Alert is generated for the member. When the notification arrives, the member knows it comes courtesy of Community Health Options.

Rx Savings Solutions focuses primarily on members on maintenance medications, people with the most to gain from visibility into lower-cost options. **For CHO, that's 39% of primary members.**

39%

CHO Member Savings Sample



Female
64 years old
DISEASE STATE
Glaucoma

SAVINGS NOTIFICATION
Email Savings Notification

ACTION TAKEN
Emailed Pharmacy Support and initiated Contact Prescriber

SAVINGS SUGGESTION
Combination Split

	PRESCRIPTION	MEMBER PAID	PLAN PAID	TOTAL PAID
ORIGINAL	Combigan (brimonidine, timolol maleate) 0.2-0.5% (10mL bottle)	\$60.30	\$542.74	\$603.04
SUGGESTION	Brimonidine 0.2% (5mL bottle) Timolol 0.5% (5mL bottle)	\$10.00 \$10.00	\$1.20 \$1.83	\$11.20 \$11.83
	SAVINGS PER FILL	\$40.30	\$539.71	\$580.01



“ This is the most comprehensive solution that I’ve seen when it comes to driving safe, easy and personalized prescription savings suggestions.

KEVIN LEWIS
CEO, COMMUNITY HEALTH OPTIONS ”

Focused Outreach

The fact that CHO had email addresses for only half of its primary policy holders made it challenging to notify every member with a savings opportunity.

Lack of an established communication channel caused registration to lag in the first few months after implementation. However, direct-mail engagement and calling campaigns with Rx Savings Solutions helped CHO increase member registration by 220% by month 11. The following month, a direct-mail campaign was aimed at the 2,500 highest utilizers

on the plan. The campaign achieved a 4% response rate from this group with a combined savings opportunity of \$310,000 on the next fill.

Engaging the Right Members

In 2018, the value of each savings opportunity for CHO members averaged \$85 per fill. Today, the plan and member save a combined \$193 per fill for every behavior change. While total member registration is less than 5%, CHO proved that by engaging the right members, a 1:1 monthly ROI from the solution could be achieved within 12 months.

Switching Prescriptions, Simplified

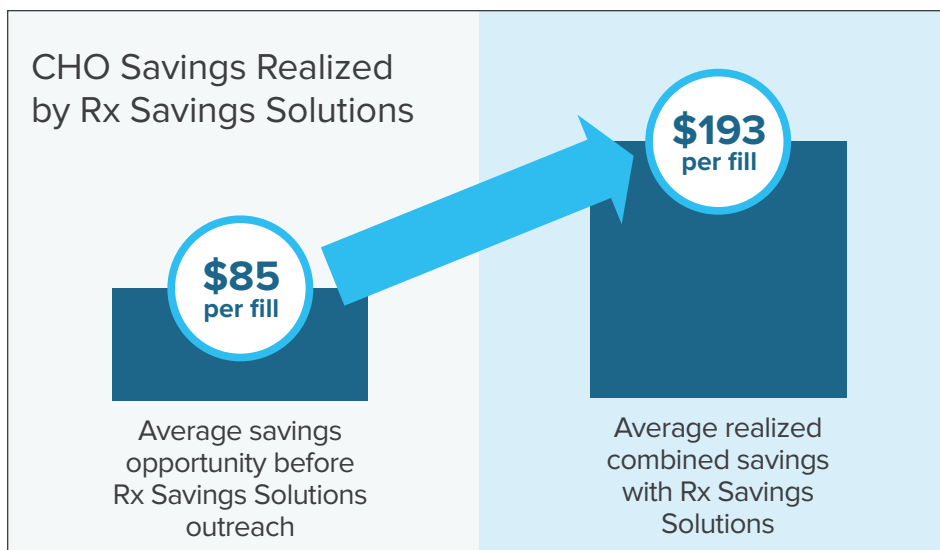
A MAJORITY OF SAVINGS opportunities require a prescription change or transfer. This barrier to behavior change is lifted by the solution’s ability to automate prescription change requests for the member through “Contact My Prescriber.”

65%

Contact Prescriber requests completed successfully

Since CHO enabled the product feature, more than 65% of automated requests have been successfully completed by Rx Savings Solutions, with an average member savings of \$106 per fill.

While there are myriad reasons why a request might be denied, the most common is that the member has not seen the prescribing doctor recently enough and would need to be seen before a new prescription could be written. In many cases, members end up scheduling an appointment, which the solution anecdotally tracks as new claims enter the system for the requested drug.



A New Way to Stay Engaged

COST SAVINGS WAS A PRIORITY for Blue Cross and Blue Shield of Kansas City (Blue KC), given that 80% of Blue KC members use their pharmacy benefit. However, Kansas City’s largest health plan placed equal importance on helping members, driving engagement and elevating the member experience.

Blue KC implemented Rx Savings Solutions in summer 2016 and opted for an off-cycle “soft” launch to their own employees in July. Full rollout to approximately 500,000 members took place in December.

As with CHO, the proactive Savings Notifications are the critical engagement component. Because Blue KC had email addresses for more of its membership, it was easier to promote awareness of the solution and educate members on its value.

Today, over 16% of eligible Blue KC members are registered with Rx Savings Solutions. The average value of each Savings Alert generated by the system is \$81.26 per fill. Members who make a behavior change as a result of the solution’s clinical suggestions are saving an average of \$408 annually.



Across the first 12 months post-launch, **22 percent of visitors to MyBlueKC.com** went there to access Rx Savings Solutions.

Blue KC Member Savings Sample



Male
50 years old

DISEASE STATE
Heartburn,

Gastroesophageal Reflux Disease (GERD), or Esophageal Damage

SAVINGS NOTIFICATION
Direct Mail with Rx Rewards incentive

ACTION TAKEN
Called Pharmacy Support and initiated Contact Prescriber

SAVINGS SUGGESTION
Therapeutic Alternative

	PRESCRIPTION	MEMBER PAID	PLAN PAID	TOTAL PAID
ORIGINAL	Dexilant 60mg Delayed-Release Capsule	\$40.00	\$241.91	\$281.91
SUGGESTION	Pantoprazole Sodium 40mg Delayed-Release Tablet	\$5.08	\$0	\$5.08
	SAVINGS PER FILL	\$34.92	\$241.91	\$276.83



“ Rx Savings Solutions knows the health plan world well, but more importantly, they know prescription benefits and how to help our members make the best choices for their lives and their budgets.

ERIN STUCKY ”
 PRESIDENT AND CEO, BLUE KC

Seamless Experience Drives Engagement

Blue KC elected to white-label the solution and enable single sign-on (SSO) access through its own member portal for a seamless user experience. Members who normally might not visit MyBlueKC.com now had a compelling reason to log in, which extended the reach of Blue

KC’s messaging and exposed more members to other benefit programs.

Because Rx Savings Solutions drove all engagement traffic through MyBlueKC.com, there was significant positive effect on general portal traffic. Across the first 12 months post-launch, more than one in five visitors to MyBlueKC.com went there to access Rx Savings Solutions.



Contact My Prescriber Success

BLUE KC HAS EXPANDED its use of the solution as new features are rolled out to enhance member experience. Case in point: “Contact My Prescriber” gives members the ability to automate a prescription change request if required for a savings opportunity. With one click or call, the member can let Rx Savings Solutions handle all interaction with the prescriber and pharmacist. Each completed request has resulted in an average member savings of \$49 per

fill. (More than two-thirds of all changes are based on clinical suggestions, rather than simple generics or fulfillment changes.)

In summer 2019, Blue KC began leveraging an API connection

to Rx Savings Solutions that communicates savings information directly to the member’s My Blue KC homepage. This improves transparency and access, helping members view their health plan as a partner and advocate for them.

\$640,000

Total annualized savings from completed and in-progress Contact Prescriber requests



Transparency Alone Isn't Enough

AS COMMUNITY HEALTH OPTIONS AND BLUE CROSS AND BLUE SHIELD OF KANSAS CITY EXPERIENCED, adding a transparency solution on top of the pharmacy benefit can open members' eyes to lower-cost options that were previously unknown. But like many benefits, the value of a transparency solution—to both the member and the plan—is commensurate to the level at which members engage in it. Finding a solution that can provide transparency and actively engage members makes success much more achievable.



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