Managing Rising Costs of Pharmacy Drugs

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Lowering Costs, Improving Care
Driving the right care, at the right price, at the right place

Network management & reimbursement administration
Utilization management
Medical/pharmacy policy
Payment optimization

Value-based contracting
Shared accountability for total cost of care

Achieve Better Health • Achieve Well-being
Digital Engagement

Employer

Engage
Drive financial and organizational alignment

Enable
Transform provider behavior

Empower
Offer IBX cross-functional support

Data
Proprietary Predictive Models and Algorithms
Health Plan Optimization
Medical and Prescription Drug & Utilization Management Solutions

**Current Programs**
- Most Cost-Effective Programs
- Top Brand Medications Report
- Excluded Medications
- Expansion of Short IP Stays to Observation Policy
- Expansion of Readmission Policy
- Reimbursement Policy

**Recently Implemented**
- Comprehensive Musculoskeletal Solution
- Expanded Cardiology
- Enhanced Sleep Solution

**On the Horizon**
- Radiation Oncology Management
- Genetic/Genome Testing
Reducing Specialty Pharmacy Costs
IBX Most Cost-Effective Setting (MCES) Program

- Directs members to receive certain injectable/infusion drugs in safer, more cost-effective settings
- Preferred specialty drug distribution through BriovaRx
- Clinically appropriate drugs

2x-3x Cost savings
Doctor's office or home setting vs. outpatient hospital setting

Specialty Drugs Nationally by 2020
$400B estimated spend
9%+ of national health care spend
Specialty Drug Management Strategies

Multiple solutions to manage benefits, spend and member care

• Channel Flexibility

• Value Base Contracting

• Traditional Medical Management

• Medical Solutions/Service Suite:
  – Analysis
  – Process Support
  – Interventions

• Consideration of Benefit-Type Disruption/Coverage Determination based upon:
  – Cost
  – Clinical Needs
  – Network
  – Member

• Split Fill

• Establish Partnerships:
  – For Ongoing Support
  – Optimize Connections
Whole Patient Care

Nurse Support
Ongoing patient outreach/personalized care

Specialty care team
Specialty Disease focused

EHR Integration
~90% of EHRs in U.S. are connected to Epic

Choice and Access

Medication access
Choice of drop-off and delivery location for specialty medications

Infusion Services
Home infusion can provide savings and patient convenience

Digital tools
Connected devices

Comprehensive management creates opportunities to help manage cost while improving outcomes
Emerging Technology: CAR T/Gene Therapy

Controlling process, drug, and cost

Member Prescribed:
• Kymriah
• Yescarta

Pricing & outcomes-based contracts with drug manufacturers

1. Pre-Therapy
   • Precertification
   • Treatment Plan Established
   • Hospital admission/intake required

2. CAR T Therapy
   Drug formulated/produced with patient cells

3. Post-Therapy
   • Drug infused into patient
   • Hospital stay required
   • Follow up, after care plan begins
The Perfect Combination
Together, We Excel at Managing Specialty Drug Costs

Addressing 100% of health care spend drives lower total cost of care