



BlueCross BlueShield
of Texas



Connected Pharmacy Benefits for Connected Care

The Value of Bringing Medical and Pharmacy Together

No one's health happens in silos. We can't compartmentalize how we take care of ourselves. Why should health care, benefits or how we approach investing in employee and organizational health be any different? An integrated pharmacy approach coordinates care around employees – their health, their work, their lives and how the challenges, stresses, demands and successes of them all, connect. This equips care management teams with a real-time, holistic picture of employees' current and emerging health needs. So, they can work together with employees – helping them understand how to effectively use their benefits to improve health outcomes and make smart, cost-effective health care decisions.

We've seen that employers who integrate pharmacy and medical benefits are creating better member experiences, delivering better client and broker experiences, and driving better clinical outcomes for members – all while lowering medical spending.

The Benefits of BCBSTX's Integrated Pharmacy Model

- Real-time Pharmacy data combined with deep clinical data
- 360-degree member profile for holistic member health management
- Care management solutions that combine high-touch member advocacy and clinical innovation
- An unrivaled member experience

The Payoff

A recent BCBSTX study of commercial ASO groups with and without connected pharmacy benefits, performed and validated by HealthScape Advisors, shows significant improvements across medical cost, member engagement and clinical outcomes, including:

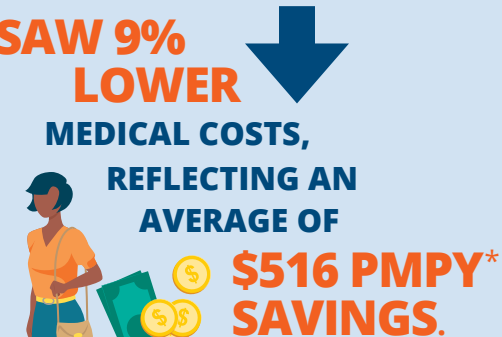
- 9% lower medical costs for groups with connected benefits, compared to those with medical-only
- Member experience – easier to navigate, one-stop-shop for member services
- Better broker and client experience – easier to administer
- Improved clinical outcomes

Study Overview

In a recent study performed by HealthScape Advisors (HealthScape), BCBSTX's medical costs and key utilization and engagement metrics for ASO groups throughout 2021 were assessed.

The study found in aggregate, ASO groups that connected their medical and pharmacy benefits

SAW 9% LOWER MEDICAL COSTS, REFLECTING AN AVERAGE OF \$516 PMPY* SAVINGS.



* Per Member Per Year

Study Findings

Care and cost are inextricably connected. So, when you approach care in a well-rounded, fully-integrated way, you see advantages like better overall cost and spend that are directly related to better care – such as better utilization and enhanced care management. Our study reviewed inpatient utilization as one of the primary drivers of savings and revealed increased member engagement for integrated employer groups. This led to significant overall savings. We further examined more than 10 chronic conditions to better understand the impact that integrated pharmacy had on BCBSTX’s ability to manage those conditions.

Reduced Inpatient Utilization

By connecting pharmacy and medical data, we can minimize avoidable inpatient admissions and guide members to more convenient and lower cost sites of care. Reduced inpatient utilization for those members who have combined pharmacy benefits is likely a key driver of medical cost savings.

Additionally, when controlling for member-level risk, **expected readmission rates for members with integrated pharmacy were 4.5% lower than for members with medical-only benefits.** This decrease in utilization and subsequent decrease in readmission rates implies that with holistic member information at their fingertips, BCBSTX is able to anticipate and address member needs before hospitalization is required.

Better Care Management Engagement

One of the primary drivers of decreased cost and utilization can be attributed to enhanced care management engagement experienced by integrated plan members. HealthScape’s recent study concluded that BCBSTX was able to **engage 29% more members with integrated pharmacy benefits than those with medical-only.**

Lower Cost of Care for Chronic Conditions

The study also examined the impact that connected pharmacy had on specific conditions. Findings showed that, for chronic conditions, the impact of connected pharmacy benefits (i.e., medical cost spend and utilization) would be significant. **HealthScape examined the impact across more than 10 chronic conditions and discovered savings across all categories.** Notably, Asthma, Behavioral Health, Cardiac, Chronic Kidney Disease, Diabetes and Liver Disease all had significant lower medical cost findings.

Across all markets, BCBSTX members with connected medical and pharmacy benefits experienced year over year improvement, with



**11% LOWER
INPATIENT
UTILIZATION**



**AND 28% LOWER
AVOIDABLE INPATIENT
UTILIZATION IN 2021
SPECIFICALLY**

Study Findings continued



Asthma

Across all markets, **members with asthma cost 7% less when they have connected pharmacy benefits.**



Chronic Kidney Disease (CKD)

Members diagnosed with CKD experienced **21% savings when they had integrated pharmacy benefits.**



Behavioral Health

Behavioral Health includes a variety of conditions including depression. **Members with connected medical and pharmacy benefits cost employers 5% less than members with medical-only benefits.**



Diabetes

In aggregate, members with diabetes diagnoses who had connected pharmacy benefits cost their employers **14% less, or an average of \$737 PMPY savings.**



Cardiac

Cardiac conditions, including Hypertension, Cholesterol, and Congestive Heart Failure, among others, showed **14% savings or an average of \$887 PMPY in savings.**



Liver Disease

Across the study population, groups that had connected benefits realized **36% savings, or \$3,161 PMPY**, among members diagnosed with liver disease.



A Premier Approach to Member Management

Member Health is Priority #1

BCBSTX works hard to provide members with the most innovative, cost-efficient and helpful tools to manage their health. Meanwhile, our fully aligned operations, data, and policies allow delivery of enhanced outcomes. Our whole-person approach to care and operating model allow BCBSTX partners to experience lower premiums and see more optimal medication utilization, avoiding costly medical services.

With drug spend representing **26%***

OF TOTAL HEALTH CARE COSTS

and only **HALF OF PEOPLE** in the U.S. taking their drugs as prescribed, BCBSTX's connected approach includes programs that address these challenges head on.



Innovative Programs Include:

Pharmaceutical Care Management Outreach (PCM)

This program uses medical and pharmacy claims data to analyze members' prescription drug usage and overall treatment to support members in taking medications as prescribed, identifying possible harmful drug interactions, and leveraging evidence-based guidelines while aligning member regimen to the client's drug list where possible.

BCBSTX uses automated processes and tools to execute a proactive and streamlined approach to managing the inbound and outbound engagement between the member, provider and our care team.

Our clinical pharmacists help identify causes of medication gaps and reach out to members to help make sure their medications are safe, work well and are cost effective, while our Customer Advocates provide member assistance across the care continuum including finding providers, making appointments, finding a pharmacy, understanding benefits, estimating costs, and connecting with clinicians or pharmacists on both medical and Rx benefits.

Diabetes Drug Management

BCBSTX's collective offering aims to support the member journey from diagnosis to daily care management helping reduce care gaps and promoting long-lasting behavioral changes through tools, education, and support. Our outreach encourages proactive member and provider partnerships and use of BCBSTX provided tools for self-management.

The structure of our benefit designs is intended to improve adherence and reduce financial burden for those experiencing this disease.

Here for you. Here for them.

BCBSTX is here for your team and your organization, with a connected benefits model that provides a holistic view of employees' health, expanding beyond medical conditions to include deeper insights about patient medications, behaviors and even preferences. Through this enriched view, we're able to help you be here for each employee, supporting them through their care journey, regardless of length or complexity.

BCBSTX IS HERE TO HELP.



For more information
call your account
representative today.

Study Summary

The results of BCBSTX's Integrated Pharmacy study are the product of a robust analytical exercise. The study was conducted across the five markets: Illinois, Texas, Oklahoma, New Mexico, and Montana. Over 2,500 hypotheses were tested across five markets and in aggregate with 545 findings identified as statistically significant and favorable for groups with connected benefits.

The study population consisted of 1,530 groups with connected benefits and 514 groups with medical-only benefits, and 2.6M and 4.5M members within each population, respectively, in 2021.

The methodology and results of this study have been reviewed and validated by Scott Allen, a credentialed health care actuary who is a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries.

*Source: 2020 National Health Expenditures study

Results may vary and performance may be driven by client-specific benefit design and program engagements.

