News Release

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Blue Cross Blue Shield Association and Prime Therapeutics Study Demonstrates Health Benefits and Cost Savings of Pharmacy Benefit Integration within Insurance Plans

‘Carve-in’ Rx benefit model provides integrated data allowing better coordinated care

CHICAGO – Blue Cross Blue Shield Association (BCBSA) and Prime Therapeutics LLC (Prime) today released a study demonstrating clear health benefits and cost savings of including pharmacy benefits as part of an employer’s total health insurance benefit package, often referred to as a “carve-in” model.

The study examined yearly medical costs of 1.8 million members of Blue Cross® and Blue Shield® (BCBS) independent companies, whose pharmacy benefit services were divided between “carve-in” and “carve-out,” which is the term used when an employer chooses a pharmacy benefit manager to manage prescription benefits separately from the insurance company administering medical benefits.

Blue System members covered under insurance plans that integrate pharmacy benefits within their overall product offering had nine percent fewer hospitalizations and four percent fewer emergency room visits than members with a pharmacy benefit administered separately from the insurer. Those with integrated pharmacy benefits also incurred 11 percent lower medical costs, with an average
savings of $330 in yearly medical costs. The study, conducted with data spanning 2010 and 2011, showed patients with integrated pharmacy benefits incurred total medical costs of $3,176 versus $3,506 for members with a separate pharmacy benefit.*

“Blue Cross and Blue Shield companies work with employers across the country who utilize both integrated and separate pharmacy benefit models,” said Dr. Trent Haywood, senior vice president and chief medical officer of BCBSA. “Integrating pharmacy benefits into a consumer’s overall medical coverage allows for improved healthcare coordination, resulting in more timely and targeted health interventions by medical practitioners. These interventions enhance drug compliance and care and enable more effective disease management programs.”

The report, Economic and Event Outcomes of Members with Carve-in versus Carve-out Pharmacy Benefits: A 2 year Cohort Study, will be published as an abstract in the Journal of Managed Care Pharmacy and presented at the Academy of Managed Care Pharmacy 2014 Nexus conference in Boston on Oct. 10.

The study, which is believed to be the largest of its kind, utilized unidentifiable data from patients covered by 25 BCBS companies and the Federal Employee Program (FEP®) spanning the 48 contiguous states. There were 814,000 Blue members who had insurance plans with integrated pharmacy benefits and a million with a pharmacy benefit separate from the broader health insurance plan.

Pharmacy spending reached $325.8 billion last year in the United States according to the IMS Institute for Healthcare Informatics. As these costs continue to rise, it is becoming increasingly important for health plan decision makers to proactively manage their pharmacy benefits.

“The carve-in pharmacy benefit model allows for the integration of pharmacy and medical benefits, a truly holistic, coordinated approach to every aspect of care,” said Peter Wickersham, senior vice president of integrated care and specialty at Prime. “As a result, health plan decision makers are better equipped to manage their healthcare expenses and improve the overall health outcomes of their members.”

To view the study, visit Prime Therapeutics Industry Insights. For more information about the conference, visit www.amcpmeetings.org.

About BCBSA
The Blue Cross Blue Shield Association is a national federation of 37 independent, community-based and locally-operated Blue Cross and Blue Shield companies that collectively provide healthcare coverage for more than 105 million members – one-in-three Americans. For more information on the Blue Cross and Blue Shield Association and its member companies, please visit bcbs.com. We encourage you to connect with us on Facebook, check out our videos on YouTube, follow us on Twitter and check out The BCBS Blog, for up-to-date information about BCBSA.

About Prime Therapeutics
Prime Therapeutics LLC (Prime) helps people get the medicine they need to feel better and live well. Prime manages pharmacy benefits for health plans, employers, and government programs including Medicare and Medicaid. The company
processes claims and delivers medicine to members, offering clinical services for people with complex medical conditions. Headquartered in St. Paul, Minn., Prime is a privately held pharmacy benefit manager that serves more than 25 million people. Prime has been recognized as one of the fastest-growing private companies in the nation.

" Adjusted for baseline population differences and severity of illness among groups studied."