

blue paper

INSIGHTS+ BRINGS CROSS-BENEFIT DRUG REPORTING AND SAVINGS OPPORTUNITIES INTO FOCUS

**Informed decision making lets health plans focus more on their members.
Prime's web-based platform merges medical and pharmacy data.**

Today, more than ever, a pharmacy benefit manager must be able to see the whole health care picture.

Looking at only the pharmacy costs is like only looking left when you cross the street. Because a lot of specialty drugs are paid for under the medical benefit. It's essential to look for all the costs. Even the costs coming from the right, from the medical benefit.

The Blue + Prime business model was built to look both ways. It's that health plan DNA. Prime has more than 20 years' experience analyzing integrated medical and pharmacy claims. This can create a more accurate picture of total cost of care.



50% OF TOTAL
DRUG COSTS¹
**ARE NOW SPECIALTY, PROJECTED
TO BE 60% OR HIGHER BY 2022.**



\$2.7 MILLION IN COST AVOIDANCE

OVER 12 MONTHS (\$0.15 PMPM) FOR A GROUP OF 1.5 MILLION COMMERCIALY INSURED LIVES¹

Prime uses Insights+ to help its Blue Plan clients analyze total drug spend across pharmacy and medical benefits. Insights+ is a highly visual, web-based tool that uncovers actionable insights by delivering:

- **Capability:** metrics by channel, disease, category, and drug
- **Efficiency:** opportunities for upstream drug management — site of care, utilization management coordination between benefits and identifying instances of fraud, waste and abuse
- **Scrutiny:** clinical rules monitoring for inappropriate drug use — duplicate therapy, dosing, overutilization
- **Opportunity:** impact that can be used in sales to differentiate a regional value proposition

10:1 ROI

FROM SUCCESSFUL INTERVENTIONS ON JUST A FEW CASES¹

Before Insights+ was available, getting reports with even some of this kind of information would take much longer. It would have required gathering information from multiple, separate teams. But now, the push of a button displays data visually on a screen. Now, clients can spend time planning upstream drug management strategies and coordinating cost-effective use of specialty medications with providers and members.

A Blue + Prime legacy bears new fruit

Other PBMs may look at both medical and pharmacy claims to gather data, but they aren't as connected to health plans as we are to our Blue Plan owners. And medical claims are much different from pharmacy claims. Medical claims come with additional complexities that can vary from health plan to health plan. It can be difficult to get detailed, reliable claims information about drugs administered under the medical benefit.

Prime was created by Blue Plans. Our connections run deep. Prime's use of integrated data goes back 20 years. Insights+ is a tangible example of the power and value of truly integrated data. Prime's legacy matches up with the Insights+ platform. The result is an innovative, interactive web-based tool that provides faster, easier access to clear data.

DRUG SPEND BY BENEFIT TYPE





OPTIMIZING SITE OF
CARE CAN GENERATE
AN ESTIMATED
SAVINGS OF

\$1.41 PMPM¹



Making smarter business decisions that lead to better outcomes

Insights+ provides a simplified view of complex data. It helps plans manage the financial side of improving outcomes. It can find very specific trends that might not be evident from a book-of-business perspective. It gives a new window into opportunities for case management to reduce spend of high-cost members, and to optimize outcomes for members with challenging conditions. From a quality perspective, Insights+ identifies inappropriate use and finds opportunities to improve care by looking at:



Site of care—by category and by drug



Channel—best channel for optimal cost and health outcome



Clinical—overutilization and duplicative therapies



Drug utilization—by diagnosis and by provider



Provider coordination—peer to peer benchmarking and prescribing patterns



Claims edits—checking costs against fee schedules and finding leakage

For many specialty conditions, drug costs comprise the majority of the total cost of care—70 to 80 percent¹ and even more. (Those drug costs may fall under the medical or pharmacy benefit, depending on the condition.) Just another reason Insights+ becomes a critical tool for financial management.



SITE OF CARE OPPORTUNITIES



What a savings solution looks like

<p>WHAT DID WE LOOK FOR?</p> <p>DATA NEEDED:</p> <p>INTERVENTION PLAN:</p>	<p>Site of care opportunities</p> <p>Integrated drug claims data, provider information</p> <p>Provider outreach for patients already on therapy</p> <p>Patient profile for interventions on new starts</p>
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Insights+ has robust, built-in site of care analytics. A Prime analyst can help identify the lowest cost delivery options for a ‘new start’ member (for example, which drugs and which conditions).

For site-of-care savings, research shows that a member who gets a drug at a hospital incurs costs that are often 200–500 percent¹ more than a member who gets a drug infused at a doctor’s office.

Starting a new member at a lower cost channel is the least disruptive. A plan may also consider approaching providers about moving the site of care for patients already on a therapy at a higher cost site of care. Lower cost sites include home infusion, ambulatory infusion centers and physician offices.

REIMBURSEMENT OPPORTUNITIES



<p>WHAT DID WE LOOK FOR?</p> <p>DATA NEEDED:</p> <p>INTERVENTION PLAN:</p>	<p>Reimbursement opportunities</p> <p>Integrated drug claims data, provider information</p> <p>Examine mark-up in physician contracts; renegotiate to remove excess reimbursements on high-cost drugs</p>
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Insights+ analyzes physician office reimbursement rates by drug and by state and identifies outliers – rates outside the norm.

Physician office reimbursement rates vary widely across the country. It’s often a percentage of the wholesale acquisition cost (WAC), or list price of the drug. For specialty drugs, that runs into the hundreds of thousands of dollars. This may result in unreasonable reimbursements.

Prime analysts can provide recommendations for new reimbursement guidelines. Often, disincentives can be written into policies and contracts if high cost drugs are used.

	ADMIN COST PER CLAIM		
Drug class	Physician office	Home infusion	Outpatient hospital
Oncology	\$135	\$107	\$289
Inflammatory	\$142	\$25	\$489
Blood cell	\$155	\$220	\$201
Immunological	\$104	\$102	\$293
Enzyme def	\$130	\$97	\$398
Overall	\$109	\$99	\$259



FOR MORE INFORMATION, VISIT:

PRIMETHERAPEUTICS.COM

A single change to treatment can drive millions in savings

The value in Insights+ findings is only achieved if changes are seen through to implementation. Prime collaborates with our clients to design and execute on changes that drive value.

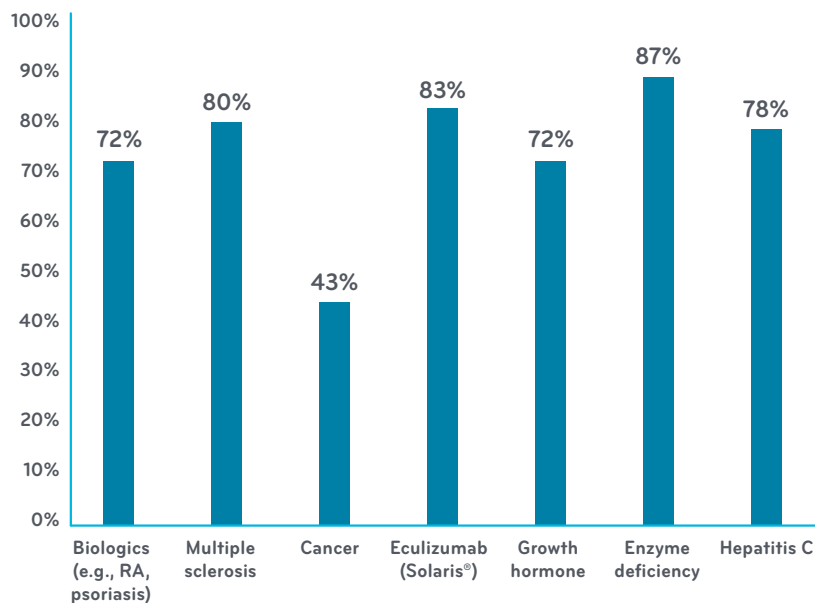
- Verify contracted rates are billed correctly
- Review site-of-care opportunities
- Quantify utilization outside of expectations
- Control for claims outside of network
- Adhere to negotiated fee schedules
- Benchmark provider/physician fees for regional parity

Once these changes are implemented, together, we can measure impact using the Insights+ platform.

Insights+ provides an automated way to access data that replaces previously manual processes. Prime leads the industry in providing clients the ability to truly use integrated data to make smarter business decisions. We don't just have the data, we know what to do with it. We understand how to look at total drug spend across medical and pharmacy. We know how drug spend impacts total cost of care.

Total drug management is the next big opportunity to make a difference in improving health care cost management. And it can be done while improving health outcomes. Our partnership with you makes health care work better.

Drug costs as a percentage of total care for some specialty conditions¹



REFERENCES

¹ Data presented here are from Prime and Blue Plan internal sources. 6971-14