



BlueCross BlueShield
of Texas

WHITE PAPER

Health is **holistic**.
So why aren't
your health **care**
benefits? It's
time to remove
all the silos.

**Connect pharmacy benefits
for more connected care.**

We're Here With Clear, Concise, Measurable Advice

An integrated pharmacy approach coordinates care around employees' full journeys — their health, their work, their lives and how it all connects. This equips care management teams with a real-time, holistic picture of employees' current and emerging health needs so they can help them understand how to best use their benefits and make cost-effective health care decisions. This results in creating better member, client and broker experiences, and improved clinical outcomes — all while lowering medical spend.

The Integrated Pharmacy Model at Blue Cross and Blue Shield of Texas

What it Provides

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

What it Creates

- Reduced medical costs
- Better clinical outcomes
- Improved member experiences — easier to navigate, one-stop shop for services
- Improved broker and client experiences — easier to administer

When you **carve** out, all sorts of challenges come **in** like higher costs, data loss **and** uninformed care. What can you **do**? How can you spend less while supporting **more**?

HealthScape Study Overview

A 2022 HealthScape Advisors study¹ found that connected pharmacy benefits led to more efficient medical benefits spending.

HealthScape followed up in 2023² and found that connected benefits and our strong Pharmacy Care Management Outreach programs continue to help bend the medical cost curve.

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, led by HealthScape Advisors, 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, **members with connected benefits had a 5% lower outpatient utilization rate in year 1 and an 8% lower rate in year 2.** This decrease in utilization 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. The year-one study concluded that BCBSTX was able to **engage 29% more members with integrated pharmacy than those with medical only.** Engagement grew in the subsequent year, with some members reaching an average engagement of 42%.

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. **The 2023 study² on Condition-Specific Integration Results examined the impact across more than 10 chronic conditions and discovered savings across all categories.** Conditions related to cardiovascular disease, diabetes, Crohn's Disease and chronic kidney disease all had significantly lower medical cost findings.

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



**11% LOWER
INPATIENT
UTILIZATION
IN YEAR 1**



**AND
15% LOWER
INPATIENT
UTILIZATION
IN YEAR 2**

Study Findings Continued



Crohn's Disease

Across all markets, members with Crohn's Disease cost their employers **26% (\$121 PMPM/\$1,452 PMPY) less** when they had connected pharmacy benefits.



Depression

Members with carved-in pharmacy benefits cost employers **13% (\$73 PMPM/\$876 PMPY) less** than members with medical-only benefits.



High Cholesterol

Members with conditions related to cardiovascular disease, including high cholesterol, showed **15% savings (\$55 PMPM/\$660 PMPY)**.



Chronic Kidney Disease

Members diagnosed with CKD experienced **23% (\$92 PMPM/\$1,104 PMPY) savings** when carving in pharmacy benefits.



Diabetes

In aggregate, members with diabetes diagnoses who had connected pharmacy benefits cost their employers **19% less, or an average of \$70 PMPM/\$840 PMPY savings**.



High Blood Pressure

Across the study population, groups that had connected benefits realized **17% savings, or \$68 PMPM/\$816 PMPY, among members diagnosed with high blood pressure**.

Won't **lowering** benefits **costs** leave employees **without** the care they need? No. Carving in leads to **lowering** excess costs while elevating **quality** of care.



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 allows BCBSTX partners to experience lower premiums and see more optimal medication utilization, avoiding costly medical services.

With drug spend representing **26%³**



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

Pharmaceutical Care Management Outreach

This program uses medical and pharmacy claims data to analyze members' prescription drug usage and overall treatment to support them in taking medications as prescribed, identifying possible harmful 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 identify causes of medication gaps and contact members to ensure their medications are safe, cost-effective and work well, while our Customer Advocates assist members 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 pharmacy 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.

Better care. Deeper
insights. Healthier
outcomes, for you
and your employees.
Where do you **start**?
We're **here** to help.



For more information
call your account
representative today.

¹ Integrated pharmacy study, "Unlocking the Secret: Connecting Medical and Pharmacy," HealthScape Advisors, 2022; results of the integrated pharmacy study are the product of a robust analytical exercise. The study was conducted across the five markets: Illinois, Montana, New Mexico, Oklahoma, and Texas. Over 2,500 hypotheses were tested across five markets. In aggregate, 545 findings were identified as statistically significant and favorable for carve-in groups. The study population consisted of 1,530 carve-in groups and 514 carve-out groups, with 2.6M and 4.5M members within each population, respectively, in 2021.

² "Condition-Specific Integration Results," HealthScape Advisors, 2023; the study reviewed integration value metrics and analyzed condition-specific 2022 claims data.

The methodologies and results of the 2022 integrated pharmacy study and the 2023 study on condition-specific integration results by HealthScape Advisors 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

Results may vary and performance may be driven by client-specific benefit design and program engagement. PMPY reflects total allowed amounts studied.

³ 2020 National Health Expenditures study