



# The secret to lowering the total cost of care



**Cost: The heart of the matter**



**Combine services for more power**



**Implement clinical programs that work - this is why**



**Leveling up your strategy is easier than you think**



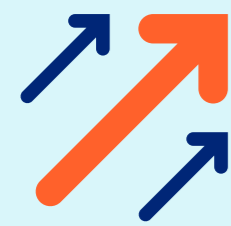
**Your pharmacy partner**

# Cost: The heart of the matter

Rising pharmacy costs concern everyone: patients, providers, health plans and employers. And for good reason: the numbers are staggering.

In the search for solutions, it's easy to get tangled in specifics such as rebates, formularies, networks and exclusions.

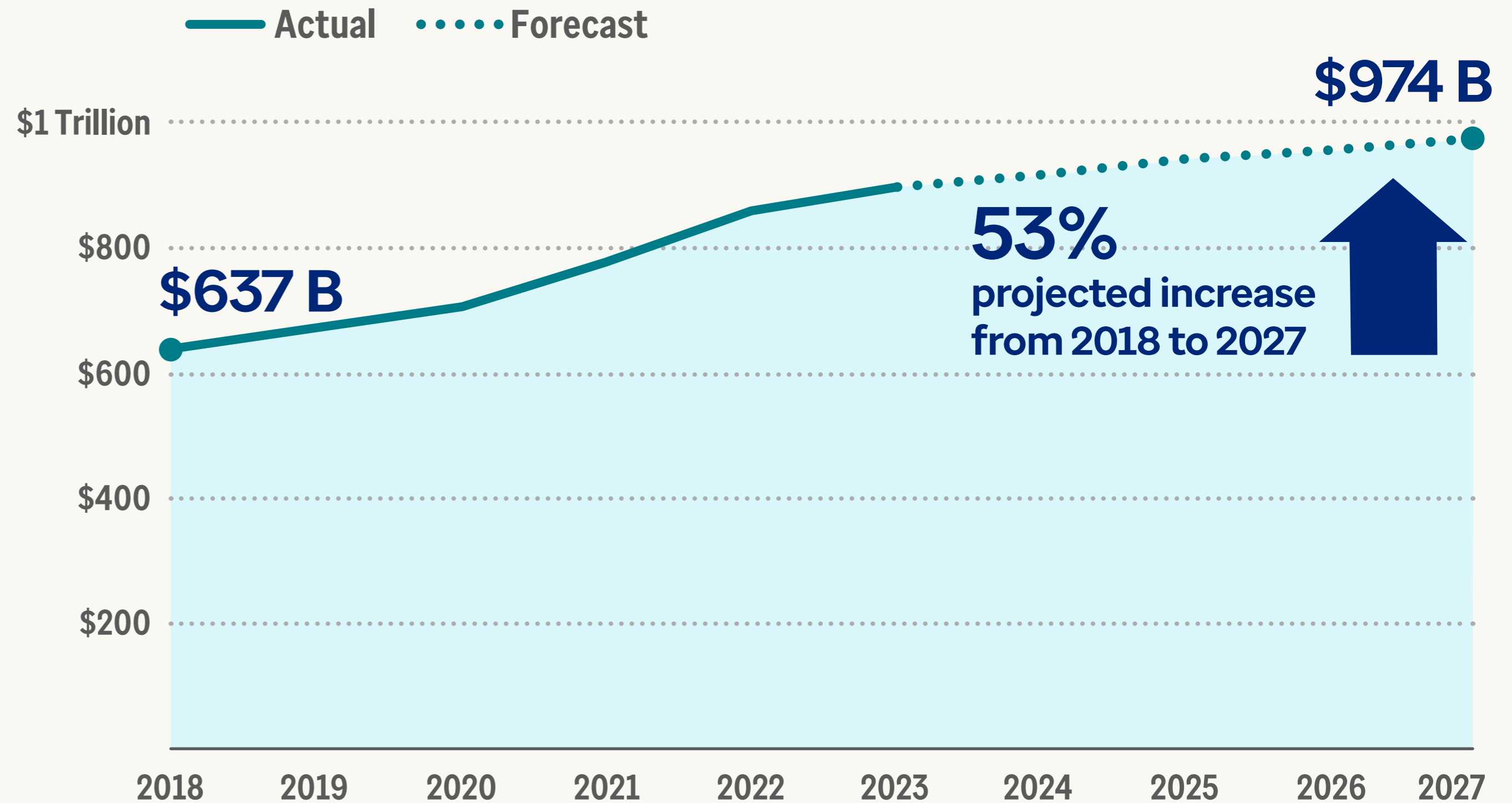
But if we focus too much on the specifics, we're missing the heart of the matter. Behind every prescription filled, there is an underlying medical issue. With nearly 6 billion prescriptions filled per year, that's a lot of medical issues.<sup>3</sup>



At wholesale acquisition cost (WAC) prices, employers spent \$637 billion (net) in 2018 for prescription drugs.<sup>1</sup> And payer net spending increased 30% from 2018-2022.<sup>2</sup>

**Nearly a trillion dollars gets your attention.**

## Employer net spending, U.S. \$ Billion (WAC)



IQVIA. The Use of Medicines in the U.S. 2023: Usage and Spending Trends and Outlook to 2027. Published April 2023.



# Combine services for more power

We need to do everything we can to control pharmacy costs. While traditional steps such as effective formularies and rebates help, we also need to manage the underlying health conditions behind each prescription – the root cause of these high costs.

By implementing effective clinical programs in diabetes care, medication adherence and orphan drugs, employers can save costs and improve overall health outcomes.



Savvy employers look for carefully designed programs that seamlessly **combine clinical and pharmacy services** for their employees.







# Implement clinical programs that work – this is why

## Diabetes care

Treating diabetes adds more than \$400 billion in direct medical costs each year in the U.S.<sup>4</sup> Type 2 diabetes (the most common kind) is highly dependent on patient self-management. Some people with type 2 diabetes can manage their diabetes with healthy eating and exercise. In other cases, doctors may also prescribe medications to help the patient meet their target glucose levels.<sup>5</sup>

Patients who don't stay adherent to treatment incur increased costs, sickness and death.<sup>6</sup>



Treating diabetes adds **more than \$400 billion** in direct medical costs each year in the U.S.



A recent study showed that only 25% of people with diabetes who use insulin were able to maintain their target A1c goals.<sup>7</sup>





## Dig deeper

Controlling diabetes reduces disease complications and overall health care costs. Approximately 25% of total U.S. health care spending is for people with diabetes. Annual medical costs for diabetics average 2.6 times higher than for non-diabetics.<sup>8</sup>



### People with diabetes<sup>9</sup>

**Average cost: \$17,180 per member per year**

- Use more prescriptions
- Experience more emergency room and physician office visits
- Risk: cardiovascular, kidney/eye disease, cancer, obesity, hypertension, fractures, amputations



### Management programs work

The Optum Rx<sup>®</sup> Diabetes Management program uses machine learning to engage members through consults, education and coaching.

Clients enrolled in the full program for a minimum of 12 months saw savings of \$1.40 per member per month – more than \$1,000 per counseled member.<sup>9</sup>





## How a diabetes care program works

The model relies on fully integrated data and clinical skills extending far beyond pharmacy – including medical, ancillary care and lab results. Machine learning and artificial intelligence help identify risk levels of each person. The program then provides highly targeted guidance and services.

**Lower-risk diabetics need proactive care**

**High-risk diabetics need higher-touch care**

### Standard solution for all members

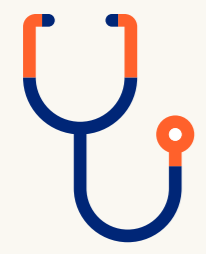
- ✔ **Educate** – Diabetes literacy ✔
- ✔ **Monitor** – Medication adherence ✔
- ✔ **Resolve** – Close gaps in care ✔

### High-risk receives standard and enhanced engagement

- Connected devices** – Cloud meter and digital ✔
- Counseling** – One-on-one ✔
- ✔ **Providers** – Engaged for therapy changes ✔
- Incentives** – Free supplies (no copay) ✔







# Implement clinical programs that work – this is why

## Medication adherence

Medication nonadherence is when a medicine isn't taken, or if it's not taken as directed.

People who don't take their medication can face severe clinical consequences. Not only is medication wasted, but these individuals face a far greater likelihood of serious complications and hospitalization. In the U.S., medication nonadherence contributes to 125,000 preventable and 10% of all hospitalizations each year.<sup>10</sup>

## Nonadherence widespread and common

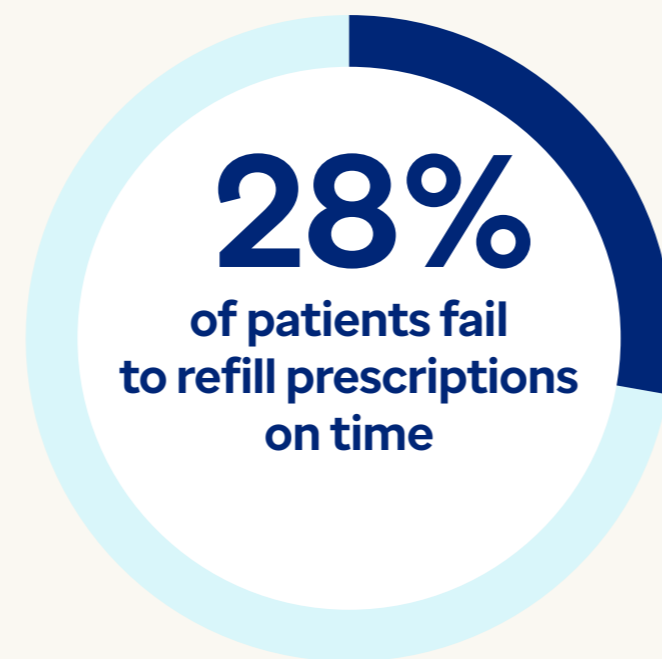
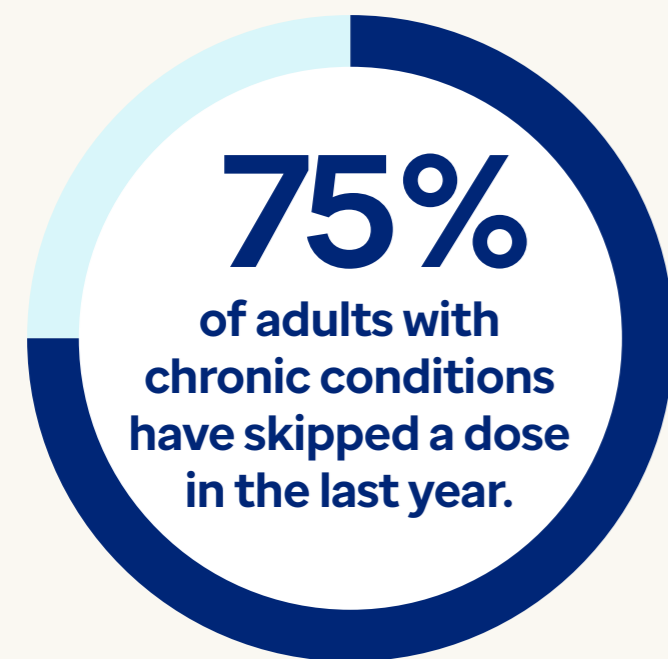


Image adapted from Expert Review of Ophthalmology. [Medication adherence in patients with ocular hypertension or glaucoma](#). Published July 2019.





## Dig deeper

Many factors can affect someone's ability to stay on track with their treatment. These factors include social and economic, therapy, patient, condition and health care system-related factors.<sup>11</sup> Language issues, system access barriers, complications and other health conditions can also disrupt adherence.

Addressing any or all of these would make a difference. But with so many variables, how can we reach the right person with the right message?



### Adherence factors

- Social and economic factors
- Therapy-related factors
- Patient-related factors
- Condition-related factors
- Health care system-related factors





## How a medication adherence program works

An effective medication adherence program can help employees improve health outcomes, limit wasted drug spending and lower health benefit costs for employers.

Using artificial intelligence systems to combine patient demographics, prescriber data and pharmacy claims provides a highly personalized patient portrait.

That portrait can isolate individual patterns of behavior to **identify low adherence individuals and predict potential future nonadherence.**

Now the program can automatically perform many kinds of interventions. It may remind someone to properly refill their medications or trigger a real-time alert to both patients and providers that nonadherence may be occurring.

Predictive analytics can drive timely interventions throughout the patient care journey. Steps include predictive analytics, first prescription fill, refill review and low adherence review.



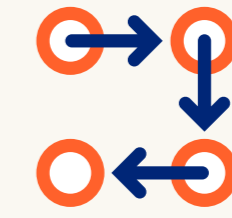
### Predictive analytics

- Power by machine learning
- Predicts members likely to become nonadherent
- Provides proactive early intervention



### First fill and beyond

- Member outreach and education
- Provider notification of primary nonadherence



### Refill review

- For early or late to refill
- Member outreach
- Refill reminders
- Pharmacy transfers



### Low adherence review

- Member outreach and education
- Provider engagement
- Identifies barriers to care
- Clinical pharmacist consults



Once a medication adherence program is in place, employers need to carefully track how it performs. A meaningful program demonstrates a track record of proven results.

## Medication adherence program proven results<sup>12</sup>

**\$15.43**

per intervened member  
per month (PIMPM)  
average plan sponsor  
total health care savings

- For the top 5 therapy classes: **42%** increase in medication refills
- **63%** of members moved from nonadherent to adherent in 6 months

**23%** reduction in  
primary medication  
nonadherence

**\$260 million**  
total plan sponsor  
health care savings





# Implement clinical programs that cut pharmacy costs

## Focusing on high-cost claimants

Building targeted clinical interventions around high-cost claimants such as those who are polychronic or prescribed ultra-highcost specialty medications rounds out an effective cost containment strategy. Combining clinical analytics to pinpoint high-impact medications with multiple savings levers enables a targeted strategy.

Specially trained pharmacists can provide patient counseling to help them manage complex dosing regimens, detect potentially dangerous side effects, and make sure the patient is still tolerating treatment. If not, the pharmacist will speak with the prescribing physician to see if a different treatment might be better.





## Dig deeper: Orphan drugs

Orphan drugs treat diseases so rare that drug makers hesitated to develop these medications without special treatment by regulators. While orphan drugs are good news for the people who now have treatments for the first time, many come at a tremendous cost.

Of the top 10 most expensive drugs in the U.S. in 2023, **all were designated orphan drugs.**

- **7 of 10 cost \$1 million or more per patient.**
- **All exceeded \$800,000 per patient.**<sup>13</sup>

Precisely because orphan conditions are so rare and so little understood, developing the drugs to treat them is challenging. Too often, orphan drugs come to market with high treatment costs and questions around the clinical benefit.<sup>14</sup>

Drug spending in the U.S. has increasingly shifted to orphan drugs over the past 20 years. The graphic on the right shows how the prices of orphan drugs at launch are now **more than 1,600% higher** than for non-orphans.

## New drugs treatment cost at US market entry

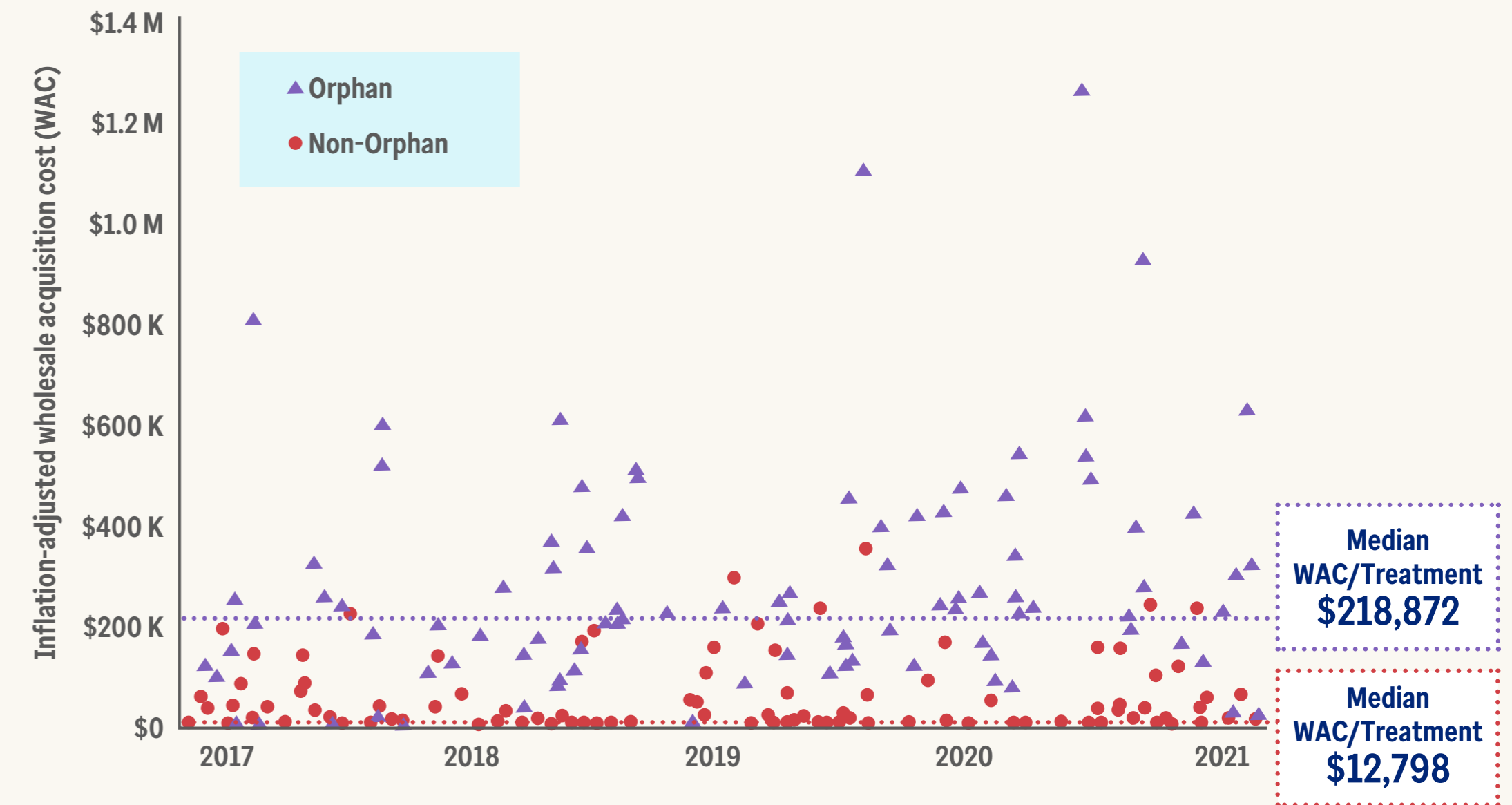


Image adapted from: Healthcare (Basel). *Disentangling the Cost of Orphan Drugs Marketed in the United States*. Published February 13, 2023.



## Enabling clinical cost containment strategies

The key is to focus on polychronic members and those who utilize costly drugs that are typically self-managed at home. Our proprietary analytics reveal unique interventions that help pharmacists make a decisive difference.

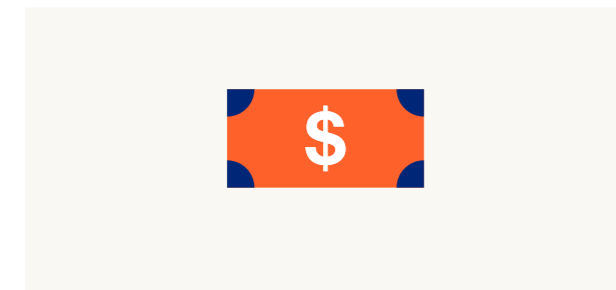
### An analytics-informed approach



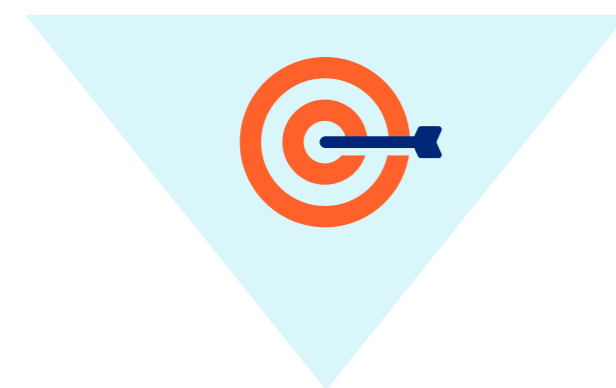
Polychronic members taking more than five medications



Specialty medications mostly self-managed at home



Ultra-high cost and orphan (more than \$50,000/year)



**Targeted medications**

### Cost savings could be significant.<sup>15</sup>

A member taking multiple medications to treat diabetes experienced hypoglycemia. We recommended the member stop taking glimepiride and adjust their Toujeo® dose.

**This saved \$8,400 per year.**

A member had been taking Taltz® for six months to treat plaque psoriasis but was experiencing negative side effects. We recommended adjusting the dose.

**This saved \$76,000 per year.**

A member taking Xyrem® and modafinil to treat narcolepsy told our pharmacist she had stopped taking Xyrem due to side effects. Working closely with her providers, her Xyrem treatment was discontinued.

**This saved \$232,800 per year in pharmacy costs.**





# Leveling up your strategy is easier than you think

High pharmacy costs are just one element of the much larger issue of overall health care costs.

In order to address these high costs, we need to broaden our perspective. While we still need to aggressively manage the pharmacy side of the equation, there

are also tremendous opportunities to attack high drug costs by addressing their underlying medical conditions.

Optum Rx® offers many innovative clinical care programs that help employers lower their pharmacy and medical costs with confidence.

The **Optum Rx® Diabetes Management program** uses advanced analytics to target people who need clinical intervention. This keeps patients on track for improved health outcomes and lower costs.

The **Optum Rx® Medication Adherence program** uses machine learning analytics to predict nonadherence before it happens. Patients get support when and how they need it, so their costly medicines can work effectively without waste.

The **Optum Rx® Review My Care program** helps patients make the best use of these ultra-high-cost medications with personalized pharmacist counseling.







# Your pharmacy partner

## We deliver proven results for employers

Getting to the heart of the issue – underlying health conditions – gives you a better chance of not only improving health outcomes but lowering prescription costs. The good news: Implementing clinical programs that work is easier than you think.



## Explore more

**Reach out to us.** We'll help you see the big picture and implement solutions that combine clinical and pharmacy services for your employees. We're with you every step of the way.

Stay informed on [pharmacy trends, industry news and Optum Rx innovations.](#)

Visit [optum.com/optumrx](https://optum.com/optumrx).





# About Optum Rx

Optum Rx is a pharmacy care services company helping clients and more than 60 million members achieve better health outcomes and lower overall costs through innovative prescription drug benefits services.

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