2026

Integrated Pharmacy Benefits Reduce Total Cost of Care — Not Just Drug Spend

Employers who integrate medical and pharmacy benefits with Blue Cross Blue Shield of Michigan see measurable reductions in total cost trend, avoidable utilization and administrative complexity.

Integrating pharmacy and medical benefits helps reduce costs, improve outcomes, and alleviate administrative burdens by coordinating your members' care in one place.

In fact, among members with at least one of 11 chronic conditions — which affect about a quarter of our members — we have observed about **two percent lower cost trend**, equating to approximately $265 in savings per member per year. Included in the analysis were common chronic conditions such as diabetes, hypertension and asthma. Among members living with these conditions, we also found a three percent lower trend in acute inpatient stays and one percent lower trend in outpatient procedures and testing when compared to members with only our medical coverage.[1]

These savings indicate that integrating medical and pharmacy benefits with BCBSM allows for better control of the comorbidity with adverted testing,

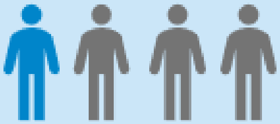
For employers whose employees have one of 11 chronic conditions — accounting for about 25% of members — we've observed approximately:

- **$265 in savings per member per year**
- **2% lower total cost trend**
- **3% fewer inpatient stays**
- **1% fewer outpatient procedures**

when integrating pharmacy and medical benefits when compared to members with only medical coverage. [1]

READY TO HELP

MICHIGAN



On average, chronic disease affects

1 in 4 members[1]

procedures, and acute inpatient stays. That translates to healthier members and lower overall costs for employers.

Integrating pharmacy and medical benefits also adds convenience. Members can seamlessly access both benefits in our mobile app and member portal and can use the same ID card. Employers need only work with Blue Cross to administer both benefits.

Ultimately, an integrated experience reduces friction, improves adherence and drives better outcomes — directly impacting employer cost trend.

Supporting members' physical and behavioral health

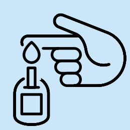
Integration of the pharmacy and medical benefit provides a seamless member experience, prevents gaps in care, promotes affordability and transparency, and prioritizes whole member health, especially for members with high-acuity, chronic disease states like COPD, chronic asthma, rheumatoid arthritis, multiple sclerosis and more.

Many medications for these conditions require intravenous loading dose infusions covered on the medical benefit, while the maintenance dose and all other medications are self-administered on the pharmacy benefit. Through integrated pharmacy and medical benefits, Blue Cross directs members to the most cost-effective, convenient site of care and promotes medication access.

Additionally, people living with a chronic condition are at higher risk of developing behavioral health issues such as depression. Similarly, people with depression are more likely to develop a chronic condition.[2] Because of the strong connection between physical and behavioral health, it's critical that care can be seamlessly coordinated for better member care. Our innovative **behavioral health program** — part of our medical benefit — incorporates in-person and virtual support and treatment, through a whole-person health lens for complex disease states like depression.

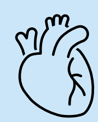
With integrated pharmacy and medical benefits, we have visibility to members' medical and prescription claims. Together, that information allows us to help ensure members understand the importance of filling and taking their medications as prescribed to support their mental and behavioral health.

Chronic disease and behavioral health are closely linked. In fact:



27%

of diabetes patients



17%

of cardiovascular patients

also have depression.[3]

Specialty drug management

Specialty drug costs are the among the fastest-growing parts of total healthcare spend. Splitting medical and pharmacy benefit plans creates a lack of visibility across the full treatment pathway, making it hard to identify gaps or improve care coordination that could help address this steep cost driver. Blue Cross offers several cross-benefit utilization management strategies to curb the increasing costs of specialty drugs and promote transparency between members and their health plan, including:

The **site-of-care program**, which redirects members from receiving their injectable or infusible drug at a high cost-of-care delivery setting to a lower cost-of-care treatment site or home. This both improves the member experience as well as medication adherence.

Case Study:
Site-of-care program saves time and money

A Blue Cross® member drove five hours roundtrip to receive his medication infusions at a hospital outpatient facility each month. Through the site-of-care program, Blue Cross coordinated a referral to a local home infusion provider. The member expressed reservations at first, but after receiving the first dose at home, he expressed overall satisfaction, as he no longer had to drive five hours to get his infusion.

The member was happy to spend more time at home and get some rest before and after his infusion, while also gaining more time to enjoy his hobbies.

Site-of-care cost savings

The average cost for an infusion in a hospital outpatient department is $9,600, but the **average cost in other settings is nearly half**, at $4,500.

Our site-of-care program **saved $131.5 million in 2024** by managing care for nearly 100 drugs.

Our **cross-benefit utilization management strategy** ensures members obtain appropriate care at the right setting. When an employer integrates pharmacy and medical with Blue Cross, we align utilization management across both benefits. Prior authorization, step therapy and quantity-limit programs ensure members receive the correct medication in the appropriate quantity and strength. At the same time, Blue Cross also reviews the treatment setting. If clinically appropriate, we redirect care to a lower-acuity setting to ensure member safety and avoid unnecessary cost.

Biosimilars are FDA-approved drugs that are not chemically identical but clinically equivalent to the original biologic agent. The Blue Cross biosimilar strategy prioritizes affordability and offers the lowest-net-cost for biologic products to our members and group customers. In fact, our robust strategy **saved employers $80 million in 2025** alone.

Finally, **Walgreens Specialty Network** offers members 24/7 access to a pharmacist, side effect management support, monthly member touchpoints, refill reminders, injection training, and more for members filling specialty medications.

Our biosimilar program is **saving members more than 90% off the list price** of high-cost drugs such as Humira and Stelara, **reducing monthly costs from roughly $10,400 to less than $1,000.**

Drug adherence

We also provide resources to adherence programs that enable and encourage members to follow their prescription drug medication therapy as prescribed, targeting several common, chronic conditions like hypertension, dyslipidemia, asthma, diabetes, heart failure, chronic kidney disease, depression, and more. The **Drug Adherence Discount Program**, **Price Edge**, **HelpScript**, and **High-Cost Drug Discount Optimization** programs focus on **lowering out of pocket costs for members** and encourage timely prescription refills across these key disease states.

Commitment to Affordability:
Adherence Programs Save Members Millions

To more effectivley manage their health, members need to be able to afford their medication. That's why we connect members with medication adherence programs designed to help them save on out-of-pocket costs. These programs have already put millions of dollars back into members' hands.

Blue Cross Blue Shield of Michigan and Blue Care Network's four discount programs saved members more than $100.3 million in out-of-pocket costs in 2025, helping prevent prescription non-adherence caused by cost.

Conclusion

Employers can no longer manage pharmacy and medical costs in isolation. As these costs continue to increase, it's imperative to integrate pharmacy and medical benefits with one administrator. Doing so can lead to cost savings, better health outcomes, and greater member convenience, especially among members with chronic diseases. At Blue Cross, our integrated benefits prioritize affordability and transparency through programs that focus on whole member health and promote drug adherence, which means healthier members and lower costs.

Questions? Reach out to your Blue Cross sales representative or agent to learn more about integrating your pharmacy and medical benefits.

1. BcBSM internal analysis based on 2024 adn 2025 claims data
2.National Institute of Mental Health, Understanding the Link Between Chronic Disease and Depression, 2026
3. John's Hopkins Bloomberg School of Public Health, The Intersection of Mental Health and Chronic Disease 2021