

Pharmacy coverage

THAT'S BETTER THAN EVER.

Don't think of your company's pharmacy coverage separately. Behind every pill is a larger medical problem.



Confidence comes with every card.®

Blue Cross Blue Shield of Michigan is uniquely suited to give you the best all-in-one health care coverage package for your employees. Combine the expertise and value of Blue Cross' pharmacy coverage with the strength you depend on for medical coverage, and your health plan gets even better.

Better than ever. Better together. Combine Blue Cross medical and prescription drug coverage for smarter, better personalized health care focused on:

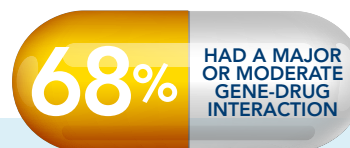
WHOLE-
PERSON
HEALTH

PROVIDER
AND
NETWORK
CHOICES

EASY,
USEFUL,
PERSONAL
COVERAGE

We're constantly working to increase the value of our pharmacy benefits, including more competitive negotiated drug pricing and discounts. And we're continuing to improve our pharmacy programs with creative solutions to bring high-quality care to group customers and members.

Blue Cross Personalized MedicineSM testing results for members showed:



Case study

PRIOR AUTHORIZATION ENSURES SAFETY

A Blue Cross prior authorization pharmacist caught a dosing error that could have been fatal for an infant. The baby needed a specialty drug, Acthar[®] gel, to treat seizures. The case met prior authorization criteria. But the pharmacist noticed the doctor had mistakenly written the prescription for 400 units a day instead of 48. She called the doctor, who agreed, and the prescription was corrected. The baby received the right — and safe — amount of medicine.

The extra medication also would have cost an additional \$537,000 for this specialty drug.



USING DATA TO IMPROVE CARE

Real-time analysis of medical and pharmacy data together enables Blue Cross to help your employees get better care.

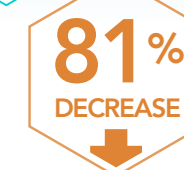
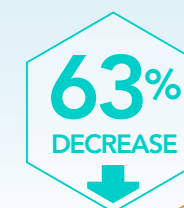
What we do:

- Care management to analyze data and coordinate care, reconcile medications prescribed and better identify members in need, for all customer groups
- Data analysis and sharing with health care providers to identify gaps in care
- Medication management to improve health outcomes
- Safety checks for drug interactions
- Prior authorization and step therapy to ensure effectiveness, safety and cost containment
- Evaluation of the right place and right type of medicine across both pharmacy and medical benefits
- Opioid management to prevent and treat misuse
- Pharmacogenomics testing for certain members to help quickly pinpoint the most effective treatments for them, through Blue Cross Personalized MedicineSM program

Blue Cross is twice as likely to identify members with high-impact cases when medical and pharmacy coverage are combined.

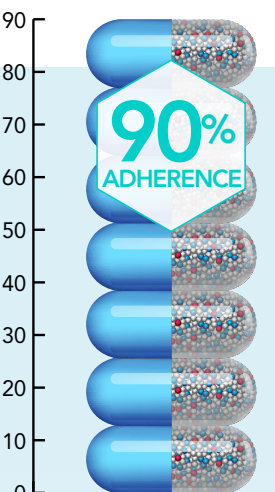


Opioid management efforts are improving safety:



*From 2012 through 2019

Percent of pharmacy members taking expensive specialty drugs to treat cancer, multiple sclerosis, hepatitis C and inflammatory conditions who follow their prescribed medication therapy:



\$9.6 MILLION
IN MEMBER OUT-OF-POCKET SAVINGS

FROM OUR DRUG ADHERENCE DISCOUNT PROGRAM, POWERED BY SEMPRE HEALTH, SINCE 2020

Rx Case study
PRIOR AUTHORIZATION
SAVES THOUSANDS

Asthma medicine Xolair® costs \$47,853 per patient each year. This drug requires prior authorization, to ensure that members are trying a lower-cost alternative that has the same health benefits. The new drug pharmacists recommend when they review the cases costs only \$2,468 per patient each year. That's a savings of \$45,385 per patient every year.



Rx Case study
INFUSION PROGRAM OFFERS
SAVINGS, CONVENIENCE

Our infusion site of care program is moving infusions of certain specialty drugs from outpatient hospitals to lower-cost sites of care. The average cost for a hospital outpatient infusion is \$9,600. The average cost in other settings is only \$4,500.

The change saves money, but it gives members high-quality care conveniently, in the comfort of their homes, eliminating transportation and parking hassles and the possibilities for exposure to illnesses for compromised patients.

One member told us, "This is an amazing thing for us. ... Our family loves home infusion." Her middle school-age son needed to get up early for his hospital infusions, and then spend 90 minutes getting to school from there. Now, he can sleep later and nap or eat breakfast during his infusion, and he misses less school.

INTEGRATED PROGRAMS PROVIDE VALUE

Blue Cross manages drug utilization overall, across both pharmacy and medical benefits, to provide savings on drug costs for customers.

What we do:

- Robust prior authorization and step therapy criteria
- Electronic prior authorization for drugs requiring it, improving efficiency and response times
- Required high-cost specialty and off-label drug reviews
- Robust site of care program for infusion medications
- Effective medical drug management across multiple complex conditions
- Proven and aggressive integrated fraud, waste and abuse programs
- Highly effective specialty drug management
- Increased rebates, while maintaining our commitment to lowest net cost
- Improved pricing on brand-name and generic prescription drugs

HEALTH CARE SIMPLIFIED

Pharmacy is the most widely used benefit. We make managing health care easier for members with one card for all care — and all the benefits that come with it.

What we do:

- One out-of-pocket maximum
- One deductible
- One online member account and password
- One customer service team
- One welcome experience
- Simple and convenient mail-order and 90-day retail service
- Broad access through a large pharmacy network

EXTENSIVE PROGRAMS BALANCE COST WITH CARE

Blue Cross' robust pharmacy programs balance cost with care.

What we do:

- Solutions in four critical areas to help group customers and members:
 - Low net cost clinical care
 - Utilization management
 - Specialty pharmacy care
 - Medication adherence
- Proven biosimilars strategy for management of specialty drugs with biosimilar options
- Cellular and Gene Therapies Management Program
- One point of contact for all your health benefits
- Easier plan administration
- Fewer vendors to manage
- Outstanding customer experience for your employees
- Unparalleled pharmacy and clinical expertise
- Benefit structure options
- Competitive rebates
- Large national pharmacy network
- Drug pipeline monitoring for high-cost therapies
- Improved pricing

CREATIVE SOLUTIONS IMPROVE CARE

Blue Cross is creating innovative solutions to help group customers manage pharmacy costs and help members afford their medicine and stay healthier.

CIVICA RX

A partnership with Civica Rx and 17 other Blue plans will develop lower cost generic drugs for distribution starting in 2024.

EVIO PHARMACY SOLUTIONS

This partnership with four other Blue plans will improve affordability and access to medications through value-based care and innovative collaborations.

MEDICATION ADHERENCE AND DISCOUNT PROGRAMS

We've added new medication adherence programs since 2020 to improve member health, ultimately lowering medical and drug costs. The programs encourage members to follow their medication therapy as their doctors prescribed.

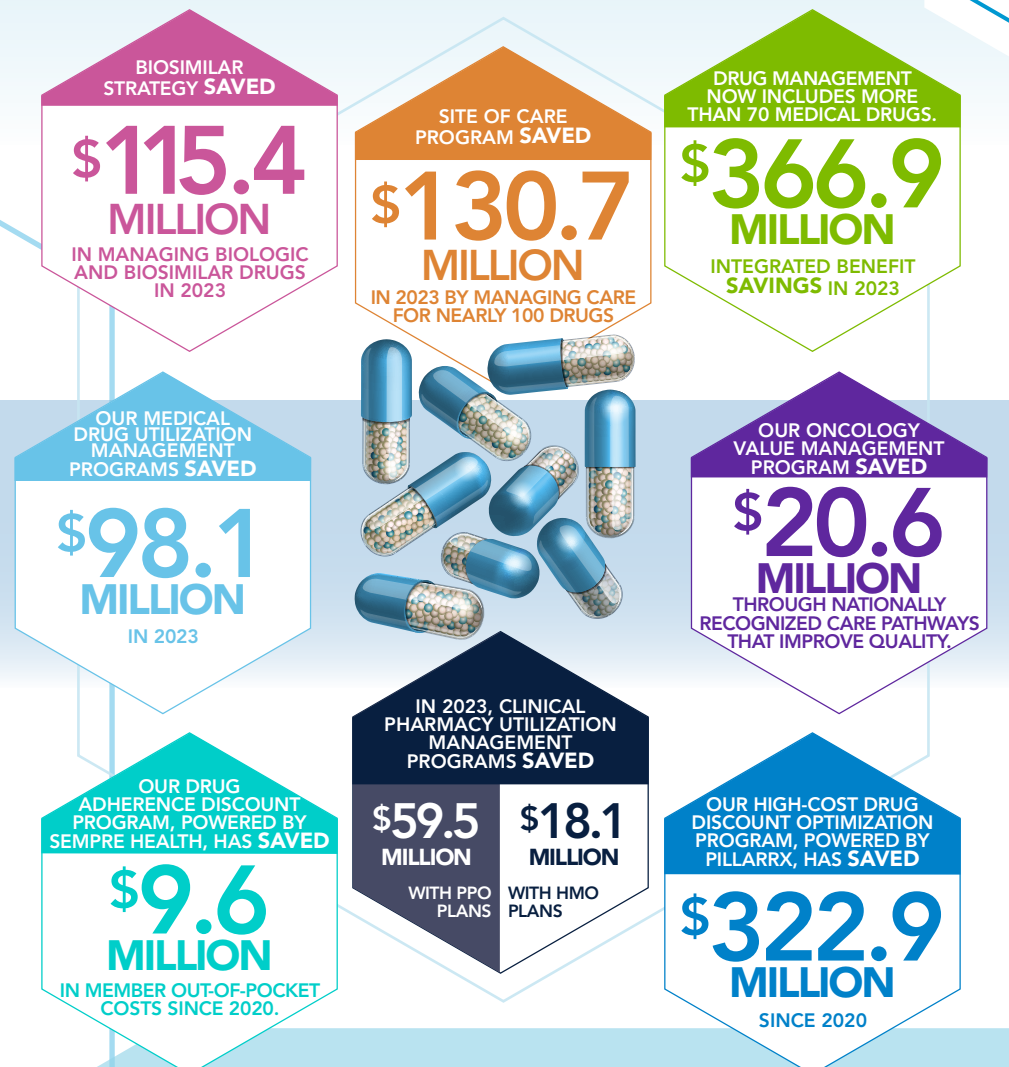
- **Drug Adherence Discount Program, powered by Sempre Health**
Members receive bigger discounts each time they refill their prescriptions on time for certain medicines treating chronic conditions.
- **High-Cost Drug Discount Optimization Program, powered by PillarRx**
Members benefit from manufacturer coupons to save on their out-of-pocket costs for specialty and other high-cost drugs. Self-funded group customers also see significant savings that average 25% of the cost of the drugs included.
- **Generics Advantage Program**
Members save on certain generic medications to treat chronic conditions, like high blood pressure and high cholesterol. They receive bigger discounts each time they refill their prescriptions on time.
- **Price Edge**
Members save by getting the lowest price available for eligible medications. Price Edge finds savings through drug discount cards and other programs, then gives members the lowest price. The program includes some cost plus medications.

CELLULAR AND GENE THERAPIES MANAGEMENT PROGRAM

We use a multi-disciplined approach to manage these drugs that can range in cost from \$100,000 to \$3 million for one treatment. The result is providing access to life-changing care for members while protecting group customers from unexpected high costs.

Here's how we do it:

- Closely monitor the drug pipeline
- Proactively manage costs through manufacturer and provider negotiations, caps on fees and value-based provider contracting
- Continuously align medical policies and guidelines
- Provide pathways for personal member experiences and care
- Include cellular and gene therapies in stop-loss coverage



For more information, check out bcbsm.com/groupRx.