WEBINAR TRANSCRIPT

Prescription for Success: Using Cost Transparency to Control Your Rx Spend

SPEAKERS

Todd Wilkinson: Moderator & Point of Contact twilkinson@healthcarebluebook.com
Samantha McMaster, PharmD: Director of Pharmacy Services, Healthcare Bluebook
Jason Pilote: Director of Client Success, Healthcare Bluebook

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Todd Wilkinson:

Hello, everyone. And thank you for joining us today for the webinar The Prescription for Success: Using Cost Transparency to Control Your Rx Spend. My name is Todd Wilkinson from Healthcare Bluebook, and I will be introducing and moderating today's webinar. A few quick announcements before we start. If you do have any questions during the session, you can submit them through the Q&A feature on the side of the screen. We will try to answer all questions during the webcast. If a fuller answer is needed, or we do run out of time, we will answer the questions later via email. Please know that we do capture all questions that are submitted. The session also will be recorded and after the webinar, you will receive an email with a link to the presentation so that you can view it again.

Todd Wilkinson:

Now I'd like to introduce our speakers for today. Samantha McMaster, PharmD is the Senior Director of pharmacy at Healthcare Bluebook. With more than a decade of experience in both pharmacy and managed healthcare settings. Samantha has a vast knowledge of pharmacy managed healthcare, customer success and business development. She's managed high performing teams for some of the largest pharmacy and healthcare organizations. And prior to joining Healthcare Bluebook, Samantha served as director of client success at AdhereHealth. Now she's a native of Ohio and received her Doctor of Pharmacy degree from Ohio Northern University.

Todd Wilkinson:

We also have Jason Pilote, our director of client success at Healthcare Bluebook joining us for today's session. Jason has more than a decade of experience in account management and has worked at Healthcare Bluebook for six years. He currently leads a team of 10 client success managers and is accountable for the care and retention of our book of business, consistent groups across all sizes and industries. Samantha and Jason, thank you so much for joining us today. I'm really excited about this topic. And for those of you that are joining us, I know you're excited as well.

Todd Wilkinson:

I'm want to start off real quickly, just with a quick overview and backgrounds of Healthcare Bluebook for those that may not be familiar with the organization. Healthcare Bluebook was founded all the way back in 2007. So been in this space for over 14 years now. And was founded with a very simple purpose, to protect patients by exposing the truth and empowering choice. And for those of you that are joining us today, you may think of Bluebook solely as a medical solution. And that was where we started. And we've continued to grow and evolve and are now happy to talk a little bit more about what we're doing and what our capabilities are on the pharmacy side. But going back over those 14 years that we've been

in the space, in total, we have over 9000 clients across the United States, we partner with a number of TPAs and in total protect over 4.8 million lives on the platform.

Todd Wilkinson:

Now thinking more specifically about what we're going to cover today, we have a number of topics that we will make sure to cover and discuss for those that are joining us. First and foremost, we want to talk a little bit about the importance of pharmacy transparency, and why that is such a necessary step in order to help control the rising cost that we're seeing a pharmacy related to total healthcare spend. We also know that the way that you deliver any of those strategies is very critical to the overall success and why using a low friction avenue of less disruption is certainly going to be the best method and how we can help deliver those solutions. Finally understanding the data and using that as a way to help control the rising costs of pharmacy spend will be some additional areas that we cover but most importantly and hopping right into it. Samantha I want to kick things off with you.

Todd Wilkinson:

Prescription drug costs are skyrocketing. And medications, particularly those in the specialty and brand name drug categories have created an unsustainable cost situation for American consumers and businesses. We know that approximately one in four Americans cannot afford their current medications. And for some companies, pharmacy spending consumes more than 30% of their total healthcare spend. Samantha has a PharmD and with your experience, you've seen firsthand the effects that these rising costs have on patients, on end users. Employers are largely at the mercy of their PBMs who have their own interest in profits to protect. Can you start by just giving us a brief overview of the pharmacy landscape and explain where we've been and how we've gotten to such a dire state?

Samantha McMaster:

Sure Todd, I'd love to. From my perspective, I really think the pharmacy industries is at a crossroads. Pharmacy costs have been rising over the last decade and really are predicted to continue to increase. When we look at current spend and current utilization, brand medications, specifically brands specialty medications are driving 80% of pharmacy costs, although they really only account for about 10% of prescriptions written in the US.

Samantha McMaster:

And I don't want to paint a dire picture here, because not all brand spending is bad. For example, gene therapies for rare diseases, they ultimately decrease overall cost of care by reducing medical spend. But with the increase in specialty medication utilization, now, it's more important than ever, really to ensure that benefit managers are aligning medical and pharmacy benefits and really analyzing their total cost of care. And the lack of transparency of the true medication cost due to multiple middlemen, complexity of drug regimens, really makes tackling this issue very overwhelming for most public and private employers. And Todd if it's okay with you, I think maybe we could jump into what's driving these costs to combat the issue.

Todd Wilkinson:

Yeah, that would be great. Just to chime in real quickly there. Because it's very timely with everything that you just mentioned, Samantha. Just this morning, there was a benefits pro article published that showed that Americans spent nearly twice as much on the top 20 selling prescription drugs worldwide $101 billion, compared to $57 billion for the rest of the world. What are some of the reasons for that level of price disparity?

Samantha McMaster:

Yeah, Todd, I think that's very timely, I saw that article as well. And it's actually one of my talking points in here today. But lack of price regulation, lack of price transparency, and increase in drug utilization, from my perspective is really what's driving this increase in cost. You had mentioned that we pay double. And I think it's important to mention that drug companies generate about three fourths of their profits in US sales alone. So if we're looking at the price regulation and really lack of competition due to the US patent system, Americans pay a much higher price for brand name drugs than people who live in other industrialized nations.

Samantha McMaster:

Regarding lack of price transparency, it's always a surprise. As a consumer, I never know what my medications are going to cost when I walk up to the pharmacy counter. It could be 10 bucks, it could be 150 bucks. And I really don't know until I get to the pharmacy. It's also nearly impossible for employers to really understand the true cost and manage those costs due to multiple rebates and spread pricing. And regarding drug utilization, not only are Americans spending more for brand medications, but they're also taking more medications per capita than any other nation in the world. And specifically, with the increase in specialty medication utilization, it's really rapidly increasing our medication costs more than ever.

Todd Wilkinson:

Really good points. And yet, consumption is certainly one of the components of everything that you just mentioned there Samantha, but there are a number of issues that employers are facing, some of which they may not even have awareness around. One of those specific issues is related to spread pricing. Can you tell us a little bit about spread pricing, just what it is, a brief overview, then also why it's so important for employers and plan sponsors to know what it is and what they can do to help fight it?

Samantha McMaster:

Sure. Thanks Todd, I'm curious for everyone listening, if you know if your PBM is using spread pricing, if you're not sure the answer is most likely, yes. So just to kind of, I know you asked Todd, like what is spread pricing. So spread pricing, it occurs when the PBM charges a plan sponsor more than what they pay the pharmacy for a medication and essentially keeps the spread, or the difference in cost as a profit, meaning that the PBM pays one price for a medication to the pharmacy and then turns around and charges a much higher price back to the plan sponsor. Plan sponsors typically don't know that this practice is occurring unless you've really come to their contracts and you really keep up and audit your invoices as they're coming in.

Samantha McMaster:

Spread pricing can increase overall costs or Rx cost by 15 to 30%. In Ohio, they did an audit of their Medicaid claims and 2017 in 2018. And this is an example here I have on the screen here. And the data reported that on average, the spread pricing was about $6 prescription, meaning that for every scrip filled in the state of Ohio and Ohio Medicaid in 2017, there was an upcharge in addition to the cost of medication dispensing fees of $6 to the state of Ohio. In this specific example that's on the slide here, this is an analysis done by 46 Brooklyn projects. And it highlights that this again is Ohio Medicaid, they paid their PBM CVS Caremark a spread of over $150 per script for omeprazole which is generic Prilosec. It's a common medication taken for heartburn.

Samantha McMaster:

In this upcharge, an increase in $150 per script resulted in an additional over a million dollar charges back to the state of Ohio for one medication alone. And this is just one of all the medications dispensed in the state of Ohio. And I think the most disheartening part about this example is that the medication this medication particularly can be purchased over the counter for about $15. I mean, I understand $15 is likely not feasible for a Medicaid recipient. But I think it still does a great job of highlighting the opportunity to reduce waste within your pharmacy benefit.

Todd Wilkinson:

Absolutely significant opportunities for saving and in multiple different aspects. And I know this study that you mentioned, Samantha and your own background, a lot of that is related to the state of Ohio. And along those same lines, a former Ohio State Senator Dave Berg, had a great quote about this. And it really highlights the mystery behind these costs. And it's great to see the amount of legislation, the amount of attention that this is getting to both the federal and state levels, which we'll talk about a little bit more later on. But it highlights exactly some of the problems that you've already addressed that it's incredibly hard to know how you can get control of the costs, if you don't know what all components of the cost are. And the pharmacy spend is unfortunately, one of those areas where there can be a bit of a black box effect where you're not exactly sure what's happening or where those costs are coming from.

Todd Wilkinson:

Now, another avenue of where there is a growing amount of opportunity to drive some savings, and because of the increased proportion of the costs associated with them, is specialty medications. Samantha can you again highlight that specialty medications just as a general overview and then also talk a little bit about how much of an increase we've seen in total pharmacy spend that are driven or that I guess the percentage of that that is driven entirely by specialty medications?

Samantha McMaster:

Yeah, I think to start off with in 2022, specialty medications are predicted to account for 50% of total pharmacy spend. So if nothing else has caught your attention today, I think it's really important to understand that going into 2022, everyone should be focused on how we can solve the issue of the increasing rise of cost of specialty medication in the administration of them. It's really important to understand the specialty medication distribution channel and really where the opportunities are to

optimize benefits and reduce overall cost. PBM or pharmacy benefit managers oftentimes own the specialty pharmacy, and they typically complete their own prior authorizations for specialty medication.

Samantha McMaster:

And it may be a conflict of interest because for the PBM, should they approve the PA or the prior authorization to increase the profit for the specialty pharmacy or do they follow clinical guidelines and deny access to the medication when appropriate to ensure fiduciary control for the plan sponsor. On average 90% of prior authorizations are approved anyways, in an addition to the high cost of the medication that the plan sponsor is required to pay for their members. They also have to pay typically around 100 to $150 admin fee for the processing of the prior authorization.

Samantha McMaster:

Employers putting the bill should be really concerned about this, what I consider a clear conflict of interest. One way to look at this and potentially solve this issue is to really ensure that the special medication prior authorizations are carved out, or that a third party is at a minimum reviewing the PA request for specialty medication. At Bluebook, we view the specialty medication prior authorization process, really the same as employers requiring a pre cert for surgeries on the medical benefit. On the medical benefit employers typically use an independent pre certification strategy, really for two reasons. One to make sure patient protection from unnecessary surgeries and procedures and two, again for that fiduciary responsibility to the plan assets. I think this methodology applies to the pharmacy benefit just as same as it does on the medical benefit.

Todd Wilkinson:

Really, really helpful information Samantha, thank you and some great ideas and ways that you can help strategize and control some of the growing costs associated with that. Jason, I want to switch things up a little bit and get the next question over to you. You have a tremendous amount of experience speaking directly with clients, with employers and hearing about the challenges that they face. Currently, about 73% of employees have an employer provided health benefits plan that includes prescription drug coverage, but 80% of them said that it's more important that their current or future plan covers the cost of their and their family members specialty medications. Based on the conversations that you have in market. What are the biggest pain points for clients when it comes to pharmacy? We know that there are solutions out there, but what are they doing to help employers understand the opportunity to save and support employees and their family members in making those lower costs but higher value choices?

Jason Pilote:

Yeah, thanks, Todd. And, as Samantha alluded earlier, over the past six years pharmacy spend has actually become the biggest pain point for our clients. Total pharmacy has gone from a point where we were seeing it at 16, 17% of total benefits to a point now, where we are regularly seeing it between 25 to 30% of the total cost. The biggest issue is the rising cost of specialty medications. Just the other day, we were reviewing client data, in which specialty meds represented only 1.5% of the Rx volume, but actually 48% of their total costs. So really out of balance there. The immediate options for addressing these challenges are limited, employers can try to adjust the formulary to remove low value drugs. But that is typically a long drawn out process, if they're able to actually make those changes at all. They can

also try to remove overpriced in effective drugs, but that could cause disruption for members and consequently burden the benefit managers themselves.

Todd Wilkinson:

Great insights. And yet, to re-emphasize again what you just said there, Jason, because it's shocking to me every time that I hear it, but a specific client conversation that you had, specialty meds represented 1.5% of the overall pharmacy volume, but that 1.5% of specialty medications accounted for 48% of the total cost, which is just wild to think about the disparity there.

Todd Wilkinson:

Samantha, we've talked a lot already about challenges, what are things that employers are facing? Why do they need to have awareness around these things? Let's talk a little bit now about support, what options do they have? What can they do to help control some of these costs? And specifically Healthcare Bluebook launched Bluebook Rx just a few weeks ago to try and better understand and optimize overall prescription drug spending. We've expanded on what we've been known for, for years, our core quality and cost transparency solution to tackle pharmacy spend and provides substantial savings and improved health outcomes for members. You were heavily involved in the conception and implementation of Bluebook Rx. What makes this a different solution compared to other solutions that may exist in the market already? And why is now the time to not only consider but launch Bluebook Rx as a pharmacy solution?

Samantha McMaster:

Sure, Todd, I think with Bluebook Rx, we're working really to meet our clients where they are right now, in terms of their existing formularies, their benefit design, and any other programs they have in place, either external programs or with their PBM. Much like the medical side, we were really looking at how we can improve cost and clinical efficacy based on what the members are currently taking, what medications they're currently taking, and what alternatives are available that are clinically just as effective, but lower cost.

Samantha McMaster:

And we know there are countless challenges in lowering pharmacy costs, and therefore there are different tools to help solve the problem. But Bluebook Rx is really designed to be complimentary to all the strategies that might be already in place, again, by the PBM or external folks through fire off or step therapy is there anything else, we really consider Bluebook Rx is an extremely low friction solution that's about really about empowering the member and helping raise awareness of what choices they have within their pharmacy benefit, really specific to medications they're taking, and helping to really just empower that member to make better choices, choosing more cost effective medication. Bluebook Rx, it helps analyze and manage the total cost of care with a combination of pharmacy and medical claim information. And I know you asked why now, I think the better question is why not now, we've been tackling medical costs for really over the last decade, and with pharmacy costs skyrocketing more than ever, it was just a natural evolution for Bluebook to extend into the pharmacy space.

Todd Wilkinson:

Yeah, I know that Jason has an opinion on this as well. But I think more often than not will be been hearing is, the question of what took you so long to enter into this, you've done so much on the medical side. Why is it taken this long to enter into the pharmacy landscape? But, Jason, all of this sounds great. In theory, it sounds like something that would be tremendously beneficial. But we know that it's not always easy to navigate a very complicated healthcare system, it becomes even harder to navigate the pharmacy space when you've gotten comfortable using a certain drug, a specific drug, regardless of what it costs, you trust your doctor and their advice. But with the amount of generics that are available in the market now, it's unlikely that there are other options with the same or better efficacy that costs a significant amount less, how can we help members navigate the space and not only decrease organizational spend, but ensure that we take care of individual employees and their health and wellbeing?

Jason Pilote:

Absolutely. And in terms of member navigation, Bluebook Rx is actually an extension of Bluebook CareConnect. That's our member concierge program in which members in need of complex inpatient and outpatient medical procedures are held by our concierge team. Over four years, we've consistently seen that members want to make sure that they're using cost effective and high quality providers, but either don't have the time, or they're frustrated by the efforts of moving side of care. And that's completely understandable. Our member concierge team works closely and compassionately with members throughout their medical journey, as well as diligently with providers to set up appointments, transfer medical records, or any other necessary services. The result is a group that has literally never received anything less than a five star review over the last four years, is incredible the work that they do.

Jason Pilote:

From there, we've built directly off that platform of compassion and expertise. With a caring group of clinicians and pharmacists that are really eager to guide members to high value medications. Every patient has the support they need with Bluebook Rx.

Jason Pilote:

In addition to outreach from this team, we proactively educate members on the savings that they have available through the communication channel of their choice. If they wish to receive a mailer, a text message, email, or just to talk to someone on the phone, that like to do, our communications will be catered to that preference. Our goal with Rx is to provide a simple, hassle free experience that both encourages the utilization of high value drugs, and saves money for the member and the plan.

Todd Wilkinson:

Thank you, Jason. Yeah, it's never an easy situation. If a member is presented with the intimidating situation that they still routinely encounter in the overall healthcare space, whether it's medical decision or pharmaceutical decision. But that decision point of actually swapping drugs can be very daunting, if it's something they're already accustomed to. So having that level of concierge support to assist them through that process is certainly something that will be very advantageous for them. And the initial

feedback that we've gotten that as we can see, one example here has been overwhelmingly positive, just to be that helping hand in a tough scenario.

Todd Wilkinson:

Samantha, let's talk a little bit about what the future holds. Admittedly Bluebook Rx was only launched a few weeks ago. The organization itself has been around for 14 years, but we are still fairly new into this aspect of the healthcare landscape. So what's next on the roadmap for global cornerbacks? We know that as an example incentivizing members for care has been very successful for the core solution on cost and quality transparency, is something similar to that or like that in the works for Bluebook Rx? And what does the future state of Rx look like?

Samantha McMaster:

Sure, I think launching Bluebook Rx really moved us towards achieving our vision of having both medical and pharmacy on one convenient platform. For most of our clients, they still think separately about medical benefit and PBM benefit, the pharmacy benefits, they think of two different entities versus thinking about the total cost of care. But given all we've seen with the rising cost, especially medications, it can be really challenging for employers to estimate their spending on specialty drugs, mostly because these drugs are sometimes billed to the medical benefit and other times they're billed through the PBM. And sometimes they're billed through both. Sometimes the medication will be billed to the PBM. And then the administration is built through the medical benefits and this inconsistency and how these medications and the administration billed makes it difficult really to forecast how much is being spent on specialty medications.

Samantha McMaster:

I think that we present a unique and unified picture of pharmacy costs and opportunities to save across both medical and PBM spend. And that's an area where we are really focused in on in the near term. In addition to that, we're also focused on applying our award winning shared savings incentive program across both medical and pharmacy benefit. For example, shared savings back to the members should be consistent, whether it happens through moving to a lower cost site of care. For example, the example that's displayed here on the screen for a Remicade infusion, such as moving from a hospital infusion to a home infusion, typically can save a plan several $1,000, or switching from a brand name specialty medication to a biologic alternative defense to the pharmacy.

Todd Wilkinson:

Thanks, Samantha, really good concept to think about the overall healthcare spent holistically, both on the medical side and the pharmacy side, and the importance of aligning the two of those within one non disruptive or as least disruptive as possible member facing platform. So really exciting to hear a little bit about that. I wanted to-

Samantha McMaster:

If you want to go back for a second, I wanted to add one other thought there. And thinking about managing specialty medication costs, there's different ways to approach this, of whether you're going to do formulary control side of care control, you're managing or optimizing the therapy or the vial size

that's utilized. And when you look at specialty spend, typically you can save about 25% just by managing the site of care. So I just wanted to mention that because I feel like that's what we've really illustrated on the screen here is that site of care, there's typically a vast difference depending especially for your infuse specialty medications of where you receive that.

Samantha McMaster:

Typically getting the infusion through a hospital is the most expensive option and getting it at the doctor's office or at home, which right now during COVID, who wouldn't want to get an infusion at home, who wants to go to the hospital. But oftentimes members just don't know that, know the convenience of getting something at home, oftentimes is the cheapest way to receive their medication. So I just wanted to call it out. I don't know if I had spoke to that very well, that so thanks for letting me about in there.

Todd Wilkinson:

Yeah, no, that's great. And again, highlights the importance of aligning both the medical side of the equation with the pharmaceutical side, and that critical cost component of site of care that really drives a massive amounts of the overall spend, or overall cost rather.

Todd Wilkinson:

Well, great. Well, I want to shift gears a little bit now, Samantha. We mentioned earlier that there has been a significant amount already of government intervention, both at the federal and state levels. And I want to talk a little bit about those regulations. According to CMS, the spin on prescription drugs is predicted to grow to five [inaudible 00:33:17] from $3.6 trillion by 2024, which is a shocking increase in costs. Do you expect government to continue to step in and regulate these prices? Or begin to regulate these prices, rather? And what changes do you foresee coming from the government?

Samantha McMaster:

Sure, I think right now is really a very exciting time in pharmacy, especially as a pharmacist. I think there's really a reasonable chance that 2022 is shaping up to be the year of pharmacy, regarding transparency, and pricing. And really, we've been building toward this for several years. On the regulatory front, we've seen two major initiatives to increase transparency in both medical and pharmacy pricing on the federal level. First, the final 2020, transparency and coverage regulation, really required plans and self insured employers to create machine readable files that lists the price for each drug, and the price net of allocated rebates.

Samantha McMaster:

And pharmaceutical companies have been very, very, very protective and considering that rebate information, proprietary information. And that act really would be the first time that provides a very clear public picture of the net cost to a plan. Something again, it's been a well kept secret. However, the pharmacy industry issued a legal challenge and the requirement is been withdrawn and really pending additional guidance at this time. In addition to that, the 2020 No Surprises Act includes a requirement for employers to report drugs specific prices in the allocated rebates, so at a minimum

employees will be able to see essentially the real cost of medication. This has been codified in law and is awaiting regulatory guidance.

Samantha McMaster:

For a number of years, there's been broad bipartisan support to act on drug prices and a number of bills that have circulated through the house. In 2020 there was even an effort by the prior administration via executive order to set Medicare Part B drug acquisition cost on par with the lowest price offered to other countries. The element that's a little bit different right now in the political climate is that the current administration and Congress have aggressive budget priorities. And they're looking to pay for these priorities through pharmacy savings. So they've definitely got something up their sleeve in order to fund everything that they have and plan for us for the future. And I just want to add, in addition to the federal regulation, the last time I looked there were about 44 state regulatory bills and process regarding pharmacy price transparency, in addition to the federal regulation.

Todd Wilkinson:

That's right. Yeah, and certainly good to see the amount of attention that it's getting. Samantha you mentioned the No Surprises Act, and Bluebook has been involved, all the way back in 2018, when a co founder of our organization actually testified to the Senate, and helped write the legislation that ultimately became that No Surprises Act. So being able to, again, align assistance for our clients, for our members on both the medical side as well as the pharmaceutical side for not only a member facing solution, but also to be compliant with certain regulations is certainly something that we're very proud of and happy to have discussions about.

Todd Wilkinson:

I want to open it up to Jason, Samantha here for just some final thoughts here. Samantha will we'll start with you, you've already provided us a ton of great information really insightful info thus far, but anything addition that either we didn't cover today, or that you would like to share with those that have joined us as they think about addressing the pharmaceutical problem?

Samantha McMaster:

Sure, I think we have taken the last half hour to talk about the pharmacy problems that's currently facing all of us and really discussed our industry leading solution to illustrate how to reduce cost and improve employee outcome by, again, empowering the employee to shop for high value prescription, low cost effective medications. And as the end the session, really my question is, back to the audience of, what's the price of inaction for you, your clients, your organization, as Rx costs, continue to climb with no instance sight. My perspective now is the time to get your Rx spend under control by really, at a minimum, understanding your opportunity to save. And then once you understand what that opportunity is, really supporting your employees and their families in making smarter prescription drug choices.

Samantha McMaster:

Now Jason, if you have any thoughts.

Todd Wilkinson:

Yeah, Jason, we'd be interested in hearing your perspective, just again, with the number of conversations that you have with frontline employees, with HR teams, and anything additional you'd like to add.

Jason Pilote:

Yeah, and my final thought is derived directly from those conversations. We've been asked, why Healthcare Bluebook? Why should we utilize your platform to help lower our pharmacy spend? And our response to this. Today, we support your members in navigating their medical network and the system and finding high quality lower cost providers.

Jason Pilote:

We do the equivalent with Rx by decreasing employer pharmacy spend and guiding members to comparatively effective lower cost medications. We provide a holistic solution for both the medical and pharmaceutical sides of the equation. So really all in on one.

Todd Wilkinson:

Great. Thank you, Jason. And thank you, Samantha. We've already had a number of questions that had been submitted. So I want to go ahead and hop right into Q&A. Again, reminder, if you do have any questions, you can use the Q&A feature, the chat feature, and we will make sure to get to those questions. Samantha, I want to start off with you asking this first question.

Todd Wilkinson:

Thinking about an individual client, and that's who I presume ask this question, when can they expect to see the impact of total benefits and related to Rx. If they were to implement a solution, when can they start to see the results and the savings to the bottom line?

Jason Pilote:

Well, Todd, I think it depends on what solution you implement. But assuming they implemented Bluebook Rx, I think that the savings would be immediate. I think we would do savings within the first six months. And we really see 10% savings across the board in that first year to 18 months. But it really is table stakes that there's so much waste within a formulary and just the unknown and prescribing habits of prescribers, not because they want their patients to take the most expensive medication, but oftentimes, they just don't know it's the most expensive medication. And patients really will follow what their doctor says, and typically don't know to ask, is there something cheaper I can take that works just as well. And I think our solution does a good job of helping the members navigate that, that we're able to find, again, that waste right off the top pretty immediately.

Todd Wilkinson:

Thank you. Another question that's come in, when you look at pharmacy, are there any broader market trends that are on deck for 2022? I know we talked a little bit already about some of the federal regulations, the No Surprises Act, but what are the top things that come to mind that could be perceived as a blind spot to employer, something that they may not have current awareness around?

Jason Pilote:

I think each employer is a little bit different, based on the demographics have their employees, what region of the country they live in, the economic status of their members. But one thing, it's really exciting time in healthcare, because there's a lot of new therapies for rare diseases, sometimes less than 200,000 cases a year of diagnosis. But if you have one employee that has one of these rare diagnosis, and a new medication comes to market. One, it's amazing, it could change their life, but it helps a bankrupt your pharmacy spend. So I think just really understanding and looking at all the medications that are in the pipeline, again, really, really exciting, a lot of good is going to come to members and impact their family and their livelihood and their quality of life. But also, on the flip side, really trying to manage the cost of that, and really ensuring if these very costly medications are the best choice for your employees, what is the best way they can receive it? Where can they receive good quality of care at the lowest cost? And really just trying to predict that as best we can about each of the populations we're managing.

Jason Pilote:

But again, I think coming back to the specialty medications, there's a lot of medications that are about to come to market. And again, back to patent law in the US, there's not any competition. So the pharmaceutical companies can charge really whatever they want. And you got to be prepared to pay double but Canadians are paying for the medication. So from my perspective, I think that's the blind spot is just the unknown regarding the medications coming to market, how much they're going to cost, and how do we manage that cost once they come to market. And like you said, the regulation is a kind of a curveball, because we've never seen this amount of regulation by the federal or state governments. I think everyone has good intentions in helping reduce the cost of care. It's going to impact everyone. And I think that's a little bit of an unknown for all of us.

Todd Wilkinson:

Absolutely is. Samantha we had another question come in. And this is a great one, this actually sounds like it's from a current Bluebook user. But we already use engagement rewards with our population, what would be different with our Rx rewards. And just for those that are listening today, a quick overview of our engagement rewards program. This is the shared savings incentive model that Samantha alluded to earlier, within our core medical solution. And for certain procedures when a member shops for care utilizing Healthcare Bluebook goes to a high value provider, meaning a cost effective high quality option, and they are then able to receive an incentive as some of the savings shared back to them in the form of a reward for making that appropriate decision. So with that, understanding Samantha, what would be different if anything with the pharmacy rewards.

Samantha McMaster:

Honestly, I think it'll be consistent that what we've seen is that rewarding someone for changing their behavior is very effective and driving change. So their rewards on the pharmacy side aligned with what they are on the medical side. So if there's a lower cost to the plan sponsor for high quality medications, we will reward that member for making that choice.

Todd Wilkinson:

And, Jason, I know from your perspective you're very close to this, but Samantha had mentioned that really the design of the incentive itself is to encourage members to make the appropriate decision, the decision that will ultimately benefit them. And subsequently it will also benefit the plan sponsor. Can you just talk briefly about thinking about the impact that engagement rewards has had for some of our current clients? What we've seen in terms of additional savings for groups that utilize that program?

Jason Pilote:

Absolutely. And engagement rewards adds the level of attestation, if you will, and which a member, do either Healthcare Bluebook for an outpatient or inpatient procedure, that's rewardable, then has it done at a high quality low cost facility, and that higher dollar incentive that they receive subsequently speaks volumes, it's great word of mouth marketing. Usually they speak to their benefit manager about it, like is this real, this is amazing, we get all kinds of positive feedback about it. And we love it. So along those lines, I'd like to touch a little bit too on the communication plan that will be rolled out that's essential for Bluebook Rx, as well, in which we're getting that word out to the members so that they know to utilize Bluebook Rx. And again, we communicate to them in the channel of their choice. So they're getting the information, the savings that they could have on the Rx side, and whatever channel they prefer.

Todd Wilkinson:

Thanks, Jason. Yeah, good perspective. And, yeah, the success stories that we've heard have been overwhelmingly positive about the impact of engagement awards and getting members to better value care. Had a question come in here in Samantha, I'll throw this one over to you. There's concern around getting people to switch their prescription. Naturally, we talked about this briefly. But can you talk a little bit about that process within Bluebook Rx? How do you get a member to switch from a prescription that they're currently using that they possibly been using for years? And thinking about the intimidating aspect of making a transition to a new drug that they haven't used before? Can you talk about how that works?

Samantha McMaster:

Yeah, sure. And I think it's really again, about empowering the employee or the member with information. So first, just that awareness, as Jason mentioned, the multi channel engagement with a member just to make sure that the member is aware of the opportunity to save. So I think that's the biggest thing is raising awareness and what the opportunities are. If you're not familiar with pharmacy, or have a medical background, oftentimes, you can't even pronounce your medications, let alone know that there's an alternative, how to treat that medication at a lower cost.

Samantha McMaster:

So number one, is awareness. And once a member is aware, oftentimes, you see members are empowered to call up their doctor and say, "Hey, Dr. Jones, I got this letter from Bluebook Rx, what do you think about this," and some members need some additional handholding or additional support. And as Jason mentioned, we have a concierges team that will help members through that. So essentially, our concierges team is hitting the easy button of Bluebook, I don't know what to do here,

help me out. And we will walk the member through that, to make sure that they're able to get their medications switched.

Todd Wilkinson:

So it meets them where they're most comfortable, let's say are proactive and comfortable enough to make that switch on their own. They have that option. If they need some additional help via the support structure is there as well.

Samantha McMaster:

Absolutely, we will do whatever is needed, whatever the member needs to to get them their medication at a lower cost.

Todd Wilkinson:

Thanks. We've got one last question here. Again, if there are any additional questions from the audience, please feel free to submit them. But the last question that we have thus far, there was a brief mention about implementation and ease of implementation. Naturally, most people get a little bit nervous around that word, especially when you say it's going to be easy. Can you go over the timeline of implementation and what is the lift required for an off cycle implementation specifically?

Jason Pilote:

Sure. And I'll hop on here. It's very similar on the Rx side, as it is on the Bluebook side today, it's typically 90 to 120 days, we set up an eligibility file, we set up a claims feed. And honestly once we walked through the communication plan and get everything set up, how best to reach your members, we're ready for go live. It really is low lift. And we have an incredible team of implementation managers every year to help walk everyone through the process.

Todd Wilkinson:

Great. Well, that was the final question that we've had submitted. So we wrapped up a little bit ahead of schedule. I don't think that meetings ending early typically upsets anybody. But we are going to go ahead and conclude the session for today. A big thank you to Jason and Samantha for joining us, a really good insightful information. As we mentioned at the beginning of the call if you do have additional questions, or if you would like to go back and revisit this, we will follow up with the recording of the presentation today. And also please do not hesitate to reach out to us with any questions that you may have. We are here to help. Thank you all so much for joining us this afternoon. I hope you all have a wonderful day. And that will now conclude today's webcast. Thank you so much.