

# Case Study:

## How a Premise Health onsite pharmacy decreased medical and prescription costs by \$13.8 million

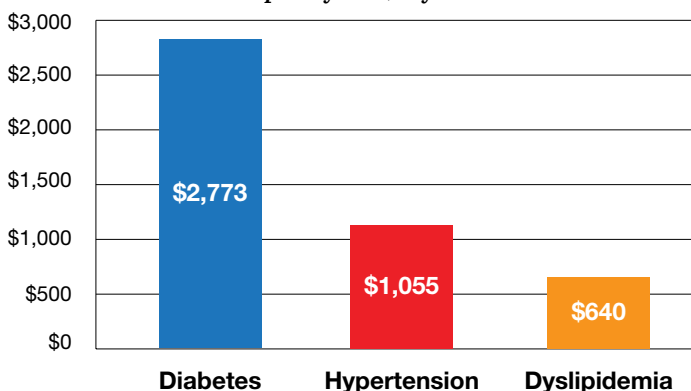
In the face of rising prescription drug costs, self-insured employers must make tough decisions, balancing expenses with the need to offer top-tier benefits that keep people at their best. A dedicated pharmacy strategy offers the best of both worlds.

**One Premise Health client realized nearly \$14 million in cost savings by:**

- > Promoting medication adherence
- > Increasing direct access to pharmacists
- > Leveraging Premise Health's national drug purchasing power

### Medical cost savings

Per member per year, by disease state



### The Challenge

Our client, an internet networking pioneer based in San Jose, California, was looking for ways to control benefit costs, while at the same time solidifying its place as an employer of choice. In an industry where unlimited vacation, free transportation, and daily meals are standard issue, this was no easy task.

### The Solution

Premise Health identified the opportunity to reduce costs through a dedicated pharmacy model. In accessible, value-based care, our client's leadership recognized the chance to increase ownership and quality of employee health benefits, drive an innovative wellness experience, and provide better access to care.

In 2008, Premise Health built an integrated pharmacy solution that made it easier for employees to access care and obtain necessary medication. This onsite, dedicated solution was staffed with two full-time pharmacists and three technicians.

In contrast to typical retail pharmacies that decrease headcount in order to achieve profitability, Premise Health's pharmacy solutions emphasize personalized service. Our pharmacists and technicians are motivated to build member relationships in order to improve health and medication adherence.

For our client, this approach gave employees the opportunity to fully engage with an onsite pharmacy to manage chronic conditions like diabetes, hypertension, and high cholesterol. At the same time, it helped employees get to the root cause of their health conditions – all to realize true value and cost savings.

The program delivered additional value through pharmacist-facilitated counseling, drug monitoring, member education, and care coordination to drive effective self-management practices and boost medication adherence. Other benefits included:

- > Free generic prescriptions for enrolled PPO members
- > 15% discount for health savings plan participants
- > Reduced copays for 90-day vs. 30-day refills
- > Over-the-counter drug discounts for all pharmacy users

## The Outcome

The integration of pharmacy services into a primary care model that emphasized personalized, patient-centered care was the first step. Combined with real-time utilization reports and analytics, our client was able to realize a return on investment of \$12 million in medical savings and \$1.8 million in pharmacy savings over three years – a combined value of \$13.8 million.

The results of this case study were calculated by an independent, third-party vendor.

## Members with increased days' supply led to improved adherence, better health, and lower medical costs

### Savings, per member per year

<b>Diabetes Medical</b>	<b>Diabetes Rx</b>
\$2,773	\$221
<b>Hypertension Medical</b>	<b>Hypertension Rx</b>
\$1,055	\$297
<b>Dyslipidemia Medical</b>	<b>Dyslipidemia Rx</b>
\$640	\$58



### Medication cost comparison\*

<b>Generic .....</b>	<b>\$30</b>
<b>Brand .....</b>	<b>\$510</b>
<b>Specialty .....</b>	<b>\$4,500</b>

\*30-day generic, brand and specialty drug supply

It's important to note that the same pharmacists who launched the program continue to operate the pharmacy. This stability has enabled the pharmacists to build closer relationships with employees, leading to improved employee participation and retention in the program – and improved overall health and quality of life.

Let's talk about what you need, and how we can help.

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