

Managing the Rising Cost of Prescription Drug Benefits

Pharmacy use is a major driver of member and group plan expenses. With more than 25 dedicated Pharmacy staff with extensive experience in managed care, retail pharmacy and pharmacy benefit management, Medical Mutual has the expertise and resources to develop and implement innovative programs that help employers and employees better manage healthcare and costs.

Moving Beyond Discounts

Negotiating deep discounts for mail and retail claims with drug manufacturers and Express Scripts, our pharmacy benefit manager, is only part of what we do. Since first quarter 2016, Medical Mutual's prescription drug spend Per Member Per Month (PMPM) has decreased month over month and is now significantly better than our commercial health plan peers with Express Scripts. For 2017:

Our PMPM plan cost was
19% LOWER

Our generic fill rate was
1.3% HIGHER

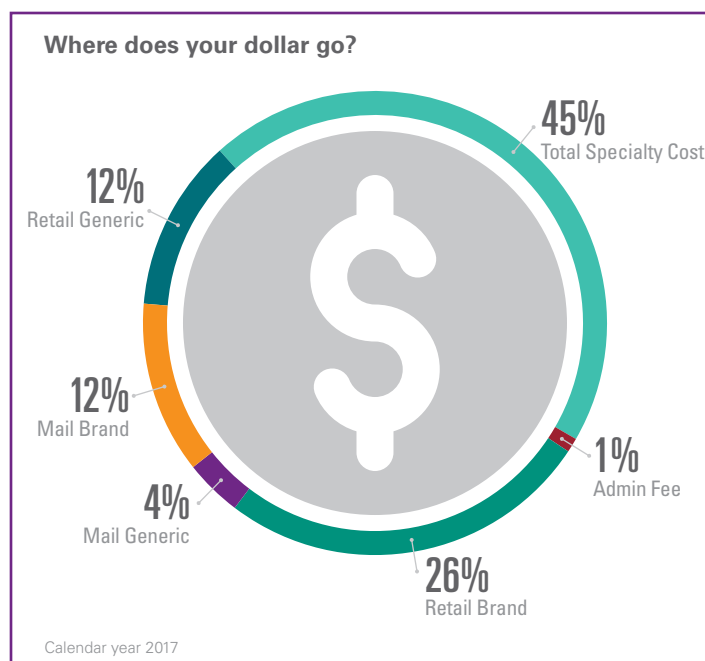
Our cost per specialty Rx was
21% LOWER

Our home delivery utilization was
12% HIGHER

Our Programs Help Manage Outcomes and Decrease Costs

Through our innovative pharmacy programs, we are driving members to use clinically appropriate, lower-cost medications at lower-cost, in-network pharmacies. These programs include:

- Specialty Drug Solution
- Drug Surveillance
- True Payment Processing
- Coverage Management
- Pain Management Medication Medical Policy
- Enhanced Fraud, Waste and Abuse
- Compound Management
- Generic and Home Delivery Incentives
- Medical Drug Management
- Advanced Adherence Program
- Integrated Retrospective Drug Utilization Review
- Flexible Network Choices
- Formulary Options



Our Pharmacy Programs Help Save Plans Up to 20% Every Year

Specialty Drug Solution

Improves member safety, closes gaps in care, eliminates waste and lowers costs through improved discounts.

Drug Surveillance

Monitors price changes and new drugs weekly and takes immediate action to control costs and maintain access to clinically effective alternative drugs.

True Payment Processing

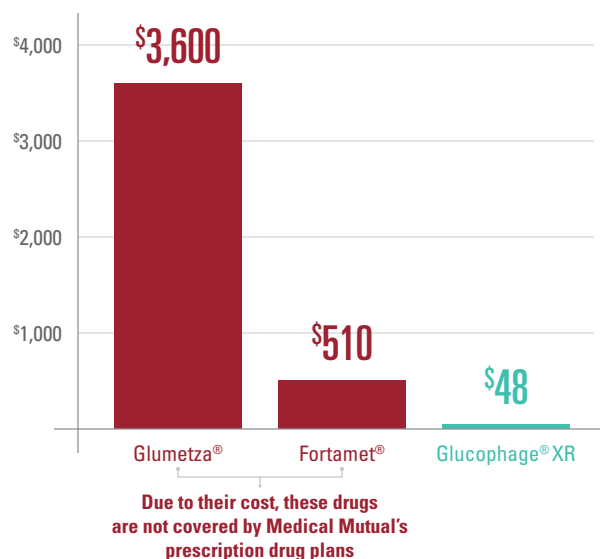
Ensures only what members truly pay for their medications accumulates to their deductibles or maximum out-of-pocket amounts, preventing groups from over-paying on members' claims.

Coverage Management

Establishes rules for coverage of specific drugs built on evidence-based clinical studies and U.S. Food and Drug Administration (FDA)-approved indications. Ensures members' access to the right drug for the right condition at the right cost.

Estimated Monthly Costs for Metformin ER Products

Three brand-name versions of metformin ER—a medication for type 2 diabetes—exist, all with wildly different prices for no additional clinical benefit. We look out for our members and groups by providing coverage for generic Glucophage® XR only.



Pain Medication Management

Combats the opioid crisis with a unique, comprehensive program that emphasizes appropriate use, coordination of care and connecting members with helpful resources.

Enhanced Fraud, Waste and Abuse

Uses advanced analytics to detect and prevent fraudulent member or provider behavior.

Compound Management

Eliminates coverage of compound drugs that pose significant safety risks, are not clinically appropriate and/or are high in cost.

Generic and Home Delivery Incentives

Incentivizes members to use generic drugs when available and mail order for long-term prescriptions. Realizes cost savings for groups through improved discounts.

Medical Drug Management

Manages provider-administered drugs through advanced claim editing and in-depth prior authorization processes.

Advanced Adherence Program

Identifies members at risk for non-adherence and provides tailored interventions to help close gaps in care.

Advanced Retrospective Drug Utilization Program

Improves outcomes by detecting safety and health issues from medical, lab and pharmacy data. Helps prevent adverse events while addressing gaps in essential care.

Flexible Network Choices

Groups have network choices, from broad networks to narrower options that improve discounts by excluding a major chain. Includes options for 90 days' supply at retail as well as home delivery.

Formulary Options

Offers groups both broad formularies, which provide members with more choices, or narrow formularies to take advantage of additional savings opportunities.