

Performance and Experience Report

#### **Clackamas County #100112**

Peace Officers Association (POA) Population

Current Incurred Period: 1/1/2024 - 12/31/2024

© 2025 Private and Confidential



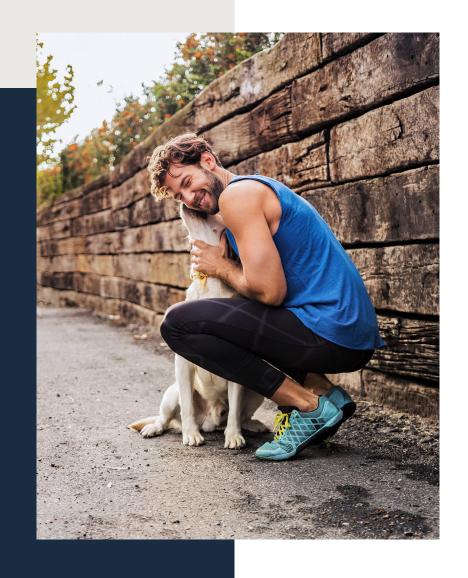
## **Executive Summary**

#### Key Observations

- Continue promotion of importance of building primary care relationships
- Telehealth use remains strong
- Rx utilization remains steady

#### Things to consider

- Promote new behavioral health network options like Talkspace and Behavioral Health Concierge to ensure quick access to care
- Encourage mail order pharmacy
- Ways to promote member engagement programs
- Consider narrowing wellness incentive options to drive targeted activities that make the most health impact (flu shots, preventive care, etc.).





## **Overall Spend**

Total Plan Paid PMPM<sup>1</sup>

\$640.25

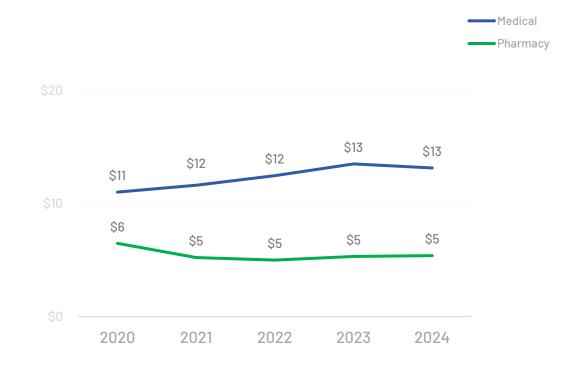
Total Member Paid PMPM<sup>1</sup>

\$18.51

#### Plan Paid PMPM Trend



#### Member Paid PMPM Trend





### **Medical Dashboard**

Members Utilizing Benefit

87%

**Members Met Deductible** 

27.1%

Members Met Out-of-Pocket Maximum

0.5%

#### Plan & Member Paid PMPM



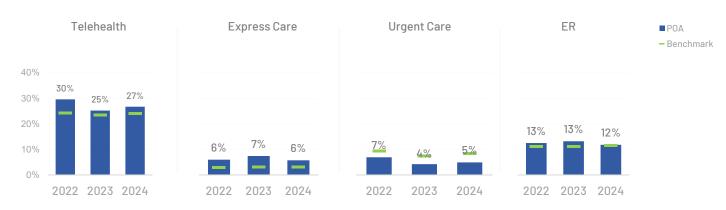
#### Plan Paid PMPM Trend by Site of Service



#### Plan Paid PMPM Trend



#### Telehealth & Other Sites of Care







## **Membership Overview**

Average Membership 1,010

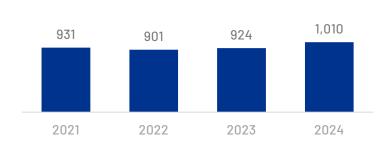
Average Contract Size

2.7

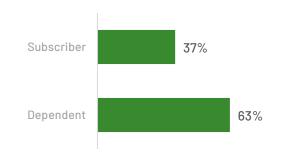
Average Age

32

#### Average Membership Trend



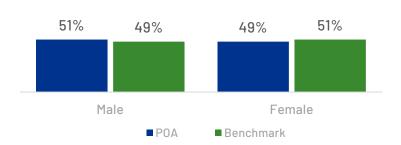
#### Membership by Type



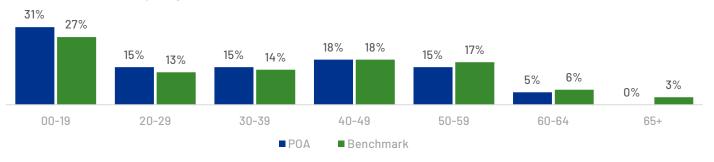
#### Subscriber by Contract Type



#### Membership by Gender



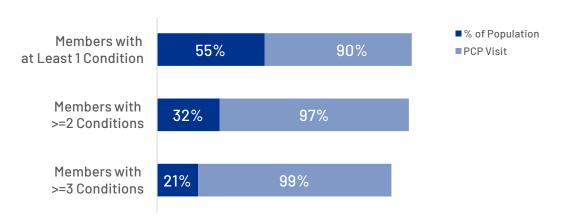
#### Membership by Age





### **Chronic Conditions Prevalence**

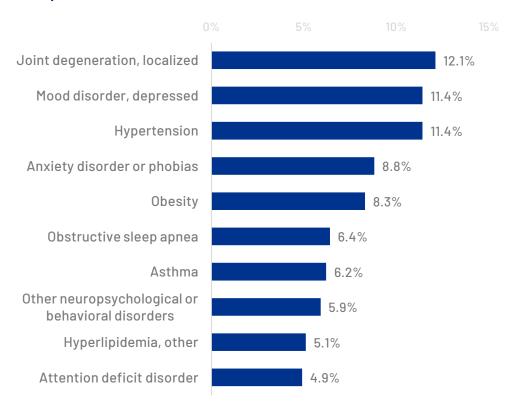
#### Chronic Conditions Prevalence<sup>1</sup>



#### Chronic Member 90-day Medication Fill Rate <sup>2</sup>



#### Top 10 Chronic Conditions<sup>1</sup>





## **Mental Well-being**

Behavioral Health Plan Paid<sup>1</sup> \$524,572

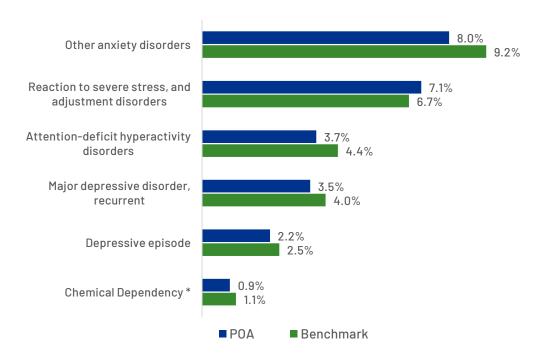
Plan Paid PMPM<sup>1</sup> \$43.29 Benchmark: \$44.63 Members with BH Claims<sup>2</sup> 22%

Benchmark: 23%

BH Members using virtual providers<sup>3</sup> 2.1%

Benchmark: 3.0%

#### Top BH Diagnoses by Member Utilization<sup>2</sup>



#### Plan Paid PMPM by Service Category



Providence
Health Plan

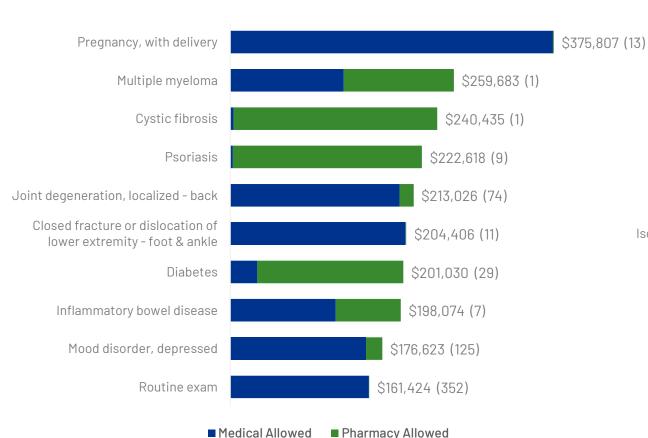
<sup>&</sup>lt;sup>1</sup> Based on behavioral health (BH) claims

<sup>&</sup>lt;sup>2</sup> % of eliaible members with BH claims

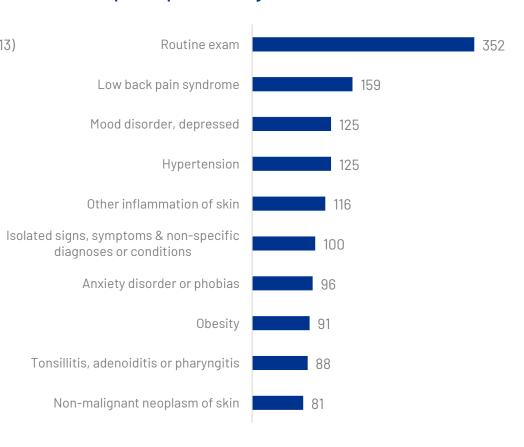
<sup>&</sup>lt;sup>3</sup> % BH members using Talkspace or BH Concierge providers

## **Top Episodes of Care**

#### Top 10 Episodes by Allowed Amount<sup>1</sup>



#### Top 10 Episodes by Member Utilization





## **High-cost Claims**

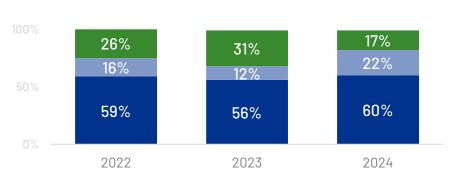
#### Claims Overview

Claimant Category	2023		2024	
	Members	Plan Paid	Members	Plan Paid
\$0-\$49,999	97.2%	\$4,148,578	96.8%	\$4,693,093
\$50,000-\$99,999	1.4%	\$919,945	2.4%	\$1,718,516
\$100,000+	1.3%	\$2,322,524	0.8%	\$1,347,097
Total	100.0%	\$7,391,047	100.0%	\$7,758,706

**Total Plan Paid change from 2023** 

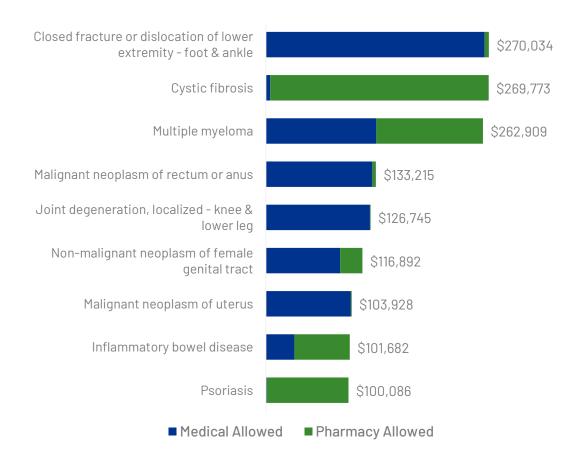
\$367,659

#### Distribution of Plan Paid by Claimant Category



■\$100,000+ ■\$50,000-\$99,999 ■\$0-\$49,999

#### Top Claimants by Allowed Amount\* (Claimants >= \$100K)





# Pharmacy Cost and Utilization



## FTC to sue three largest PBMs over drug price practices: WSJ

Antitrust regulators are set to file suit against CVS Caremark, Express Scripts and Optum Rx over how they negotiate discounts for drugs, including insulin.

Published July 10, 2024

NEWS HEALTH & MEDICINE

Young people's use of diabetes and weight loss drugs is up 600 percent

GLP-1 drug dispensing has rapidly increased since 2020

February 12, 2025 | 7 min read

## Addiction, depression, cognition: How GLP-1s may benefit the brain



formulary watch

Global Spending on Cancer Drugs to Increase to \$409 Billion

Biosimilars Drive Cost Savings and Achieve 53% Market Share Across Treatment Areas

January 16, 2025



## **Hot Pharmacy Topics**& Trends

#### **PBM Scrutiny & Policy Changes**

- Proposed legislation to ban spread pricing
- Lawsuit involving three largest PBMs
- Traditional versus transparent PBM models

#### **Expansion of GLP1s**

- Current approvals: Type 2 diabetes, weight loss, reduction of CV events, obstructive sleep apnea
- Research: heart failure, liver disease, Alzheimer's, Parkinson's, epilepsy, prediabetes, polycystic ovarian syndrome, and possibly more

#### **Cancer treatment breakthroughs**

- 16 or more novel oncology approvals in 2024
- Continued expansion in 2025

#### **Biosimilar expansion**

Cost savings for key categories like anti-inflammatory agents



## Pharmacy Strategies Crafted For Impact



**Providence Benefit Solutions & Partnership** 



### **Pharmacy Dashboard**

Plan Paid \$1,572,295

Plan Paid PMPM

\$129.75

**Members Utilizing Benefit** 

64%

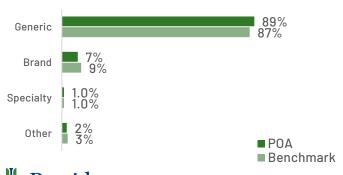




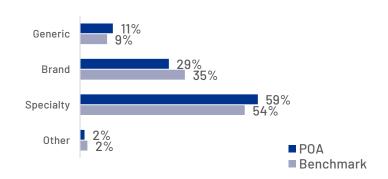
#### Pharmacy Insights:

- Specialty drug spend remains above benchmark but has decreased from 2023, driven primarily by biologics for immune system disorders
- Non-specialty drug spend is below benchmark, driven primarily by diabetes spend
- Mail order use is above benchmark, continue to encourage use

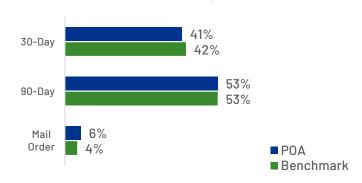
#### Prescriptions Filled by Drug Type



#### Plan Paid by Drug Type



#### Prescriptions Filled by Channel



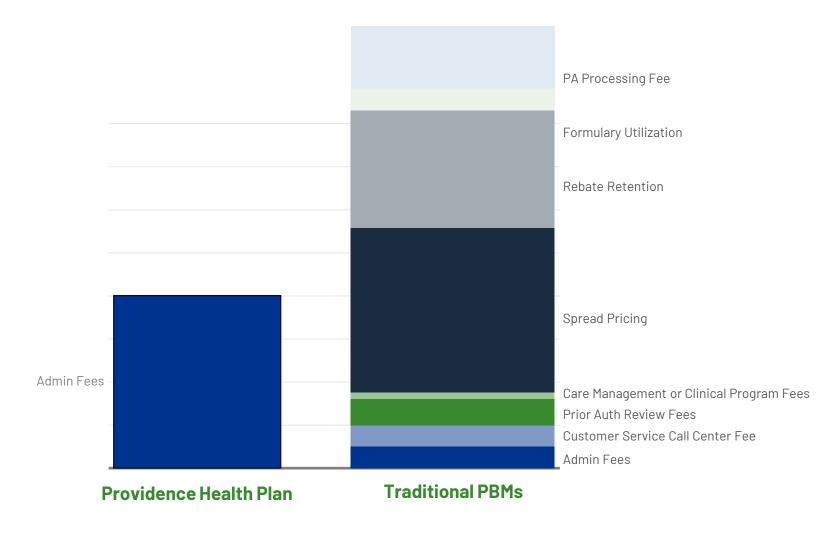


## Providence has always had a Pass-Through & Transparency Model

#### Low administration fee

Then use the following types of things:

- Spread pricing
- Rebate retention
- Clinical programs fees
- Prior authorization review fees
- Call center fees
- Formulary use fees





## Highlighting Rx Programs & Initiatives Designed to Manage Costs

\$138K Savings in 2024\*: Innovative solutions to ensure sa and effective therapy at lowest-net cost

Saved 6% of Total Rx Spend\*

#### **Proactive Drug Savings**

#### **Real Time Benefit Check Tool**

- Cost and coverage information available to provider at time of prescribing.
- Improves member experience by reducing denials and delays at the pharmacy.
- Reduces need for prior authorizations by 20% and lowers cost overall.

#### Rx Savings Solution (optional offering)

- Digital platform that proactively identifies prescription savings opportunities for members.
- Proactive texts to members who enroll when savings opportunity greater than \$40.
- Concierge service simplifies member transitions to more affordable prescriptions.

#### **Lower Infusion Costs**

#### Site of Care (SOC) Program

- Establishes network of infusion providers offering high-quality care at market-aligned rates.
- Enhances member experience by often moving care into the home.
- 2025 Expanding program into oncology/cancer medication offerings, including 25 additional medications for home infusion.

#### **Maximum Discount Programs**

#### **Copay Max Program**

 Leverages manufacturer discounts to ensure zero-cost specialty drugs for members.

#### **Credena Health Pharmacy**

- Provides comprehensive support for members on high-cost specialty medications.
- Enhances adherence, improves outcomes, and reduces waste.
- Assess patients for financial assistance options.

#### **Lowest Net Cost**

#### **Biosimilar Strategy**

- Thoughtful approach to drive the adoption of biosimilars.
- Reduce costs without compromising quality.
- Maximize rebates to achieve lowest net cost in a classification and pass savings to clients.

Savings: \$14K\*

Savings:

\$19K\*

Savings:

\$79K\*

Savings:

\$26K\*

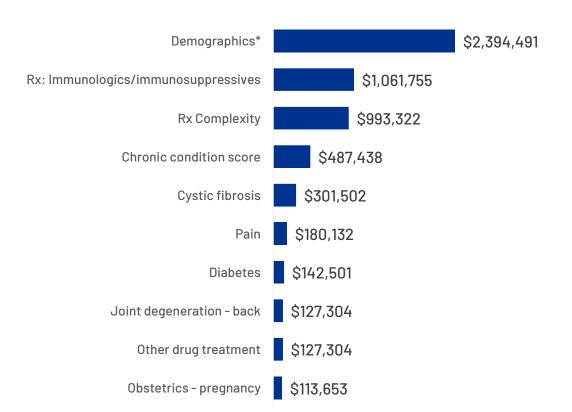


Predictive
Analytics &
Quality
Improvements

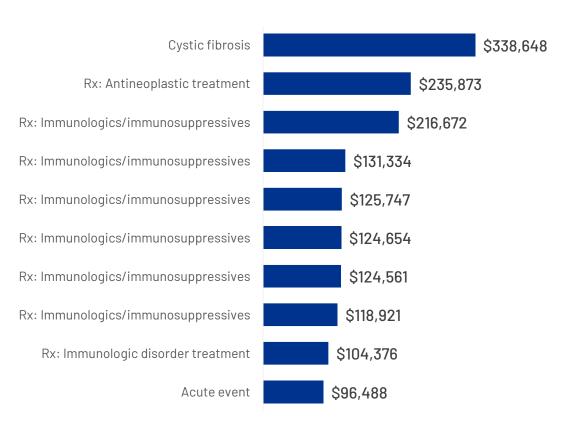


### **Predictive Analytics to Identify Drivers of Future Costs**

#### Top 10 Predicted Primary Risk Drivers by Cost<sup>1</sup>



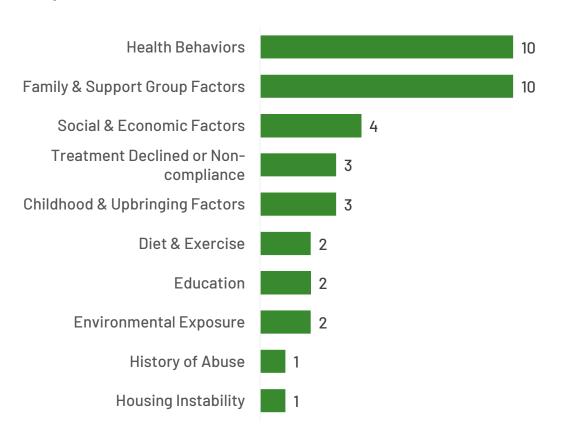
#### Top 10 Predicted High-risk Members by Cost<sup>2</sup>





## Identifying and addressing Social Determinants of Health (SDOH)

#### Top 10 Social Determinants of Health<sup>1</sup>



#### Impact on health outcomes:

 Social factors such as poverty, lack of access to healthy food, unsafe living conditions, and limited education can severely impact health outcomes, despite the availability of medical care.

#### Lowering costs:

 Addressing social determinants can help lower healthcare costs by preventing chronic disease complications and reducing unnecessary hospital readmissions.

#### Ways PHP is working to address SDOH:

- Screening for social needs
- Referrals to community resources
- Patient education and advocacy



## **Care Management Services and Results**

Providence Care Management is a suite of Case Management, Disease Management, Behavioral Health, and other services including identification, stratification, assessment, care plan coordination and intervention related to members' health care needs.

#### Case Management

- High Acuity: Transplants, Cancer, Complex
- Trans-Health
- Kidney Care
- High-Risk Maternity, Post-Partum, Fertility Health
- Rare Diseases
- Pain Management

#### Disease Management

- Heart Failure
- Coronary Artery Disease
- Chronic
   Obstructive
   Pulmonary
   Disease
- Diabetes
- Asthma

#### Behavioral Health

- Behavioral Health Navigation
- Eating Disorders
- Autism
- Substance Use Disorders
- ED and IP Follow-up
- Mental Health Crisis Support

## Coordination and Navigation Support

- Care Coordination
- Post hospital follow up
- High ED utilization
- High expense
- Transition of care
- Targeted initiatives and programs; Optimal Aging, Food Disparity, Complex SNF RN



#### \$6.38 PMPM

Savings generated from our Disease Management program



#### 96%

All Clackamas County Members who met care plan goals while working with Care Management



#### **87**%

Members in Diabetes Care Management with an A1c<9



94%

Members who are pleased their health plan offers Care Management services

10% of Clackamas County (POA) members are identified for Care Management services.

**58**% of *all* Clackamas Country members loaded for outreach, engaged in Care Management services.



### **Behavioral Health Suite of Services**

Giving members more choice in how they want and need, to access services and care











Resources for improved well-being Self-management & mindfulness tools

Telehealth/Virtual

**Broad Clinical Network** 

**Crisis Care** 

Low Severity



Savings on massage therapy, yoga, meditation, and more

Providence Health Coaching

Personalized support from a Providence Health Coach to help reduce stress

**©** learntolive

Self-guided virtual therapy using Cognitive Behavior Therapy (CBT) to help manage mental well-being Behavioral Health Concierge®

Virtual appointments with Providence licensed behavioral health clinicians within 7 days

Available to members in OR, WA, CA, ID, MT, and TX

**Talkspace** 

Virtual psychotherapy through text, call, or video for ages 13+

- Access to therapy and psychiatry\*
- · Get help within 48 hours

Equip

Virtual eating disorder treatment using Family-Based Treatment (FBT) matched with a multi-disciplinary team, for ages 6+

**⊗** charlie health Virtual Intensive Outpatient Program (vIOP) for ages 11-30

 Group, family, and individual therapy

sioon 😍

Virtual therapy and support for suicidal thoughts for ages 13-26 Available to members in OR, WA, CA, TX, PA, DE, and NY

NOCD

Specialized treatment for Obsessive Compulsive Disorder (OCD) for all ages, using CBT

- Effective Exposure and Response Prevention (ERP)
- Self-help tools within the app

3

vita health 12-week virtual therapy program for

those with suicidal thoughts

- Support for depression, anxiety, PTSD, and more
- Get help within 2 days

Behavioral Health Network Behavioral Health Hub

- Local and nationwide access
- In-person and virtual services
- Coverage from low acuity to emergency
- · Age specific care for children, teens, adults
- Access to specialty behavioral health network

- Immediate access 24/7
- Team trained in crisis triage care

Most Severe

Real-time referrals

Urgent Care

- In-patient and residential care
- Partial hospital care



Visit replacement and engagement

Lower cost for virtual/in-network care

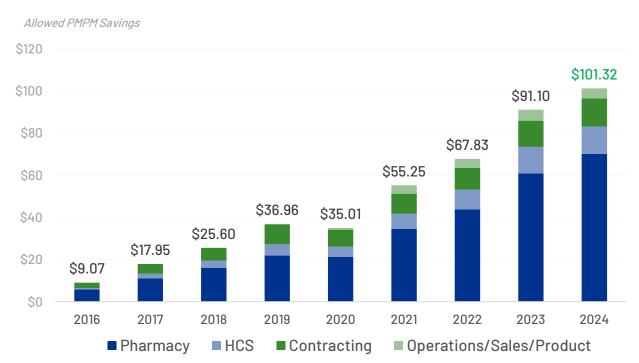
ER Avoidance



## **Ensuring Quality Optimization through Cost Management**

### Over \$1.2M of Net Savings to Lower Total Health Care Costs for our Members

#### Savings by Functional Area



#### Notable Initiatives

- Surgery lower cost site of service shift
- Biosimilar
- Specialty pharmacy rebates
- Infusion site neutral payments
- Network improvements
- Readmission reductions



## Health Coaching\*

#### **Our Programs**

## Standard Health Coaching Program

- Use of evidence-based coaching techniques to provide personalized support to identify and take action towards healthier lifestyle and behavior choices.
- Designed to empower members to lose weight, improve diet, manage stress, exercise or stop using tobacco.
- 1:1 sessions typically every 2 to 4 weeks. This may include telephonic, virtual or e-mail interactions.

## Healthy Eating and Active Lifestyle Program

- Received CDC Full Plus Recognition in 2022; currently in effect until Nov. 2027.
- Designed to prevent Type 2 diabetes through moderate (5-7%) weight loss and regular physical activity.
- Year-long evidenced-based program with 26 sessions offered in multiple distance-learning formats (telephonic, webinar, web-video).



Our professional Health Coaches are certified through the National Board for Health & Wellness Coaching.

Our coaches work collaboratively with members through a combination of communication channels – telephone, email, or webinars – and participants are identified through claims, referrals or other data sources. Our targeted approach allows for early intervention for members with various health risk factors who may benefit from placement in one or more of Providence's programs.

#### **Our Client Outcomes**

of participants report making changes to at least one area of their health<sup>1</sup>

of participants working with a Providence Health Coach on weight management that lost weight<sup>1</sup>

95% of participants report being highly satisfied with the program<sup>1</sup>

27% lost at least 3% of their body weight

#### Communications



Healthy Bites Podcast



Coaches Corner Newsletter



Healthy Webinar Series



Employer Reporting

#### **Clackamas County Metrics**

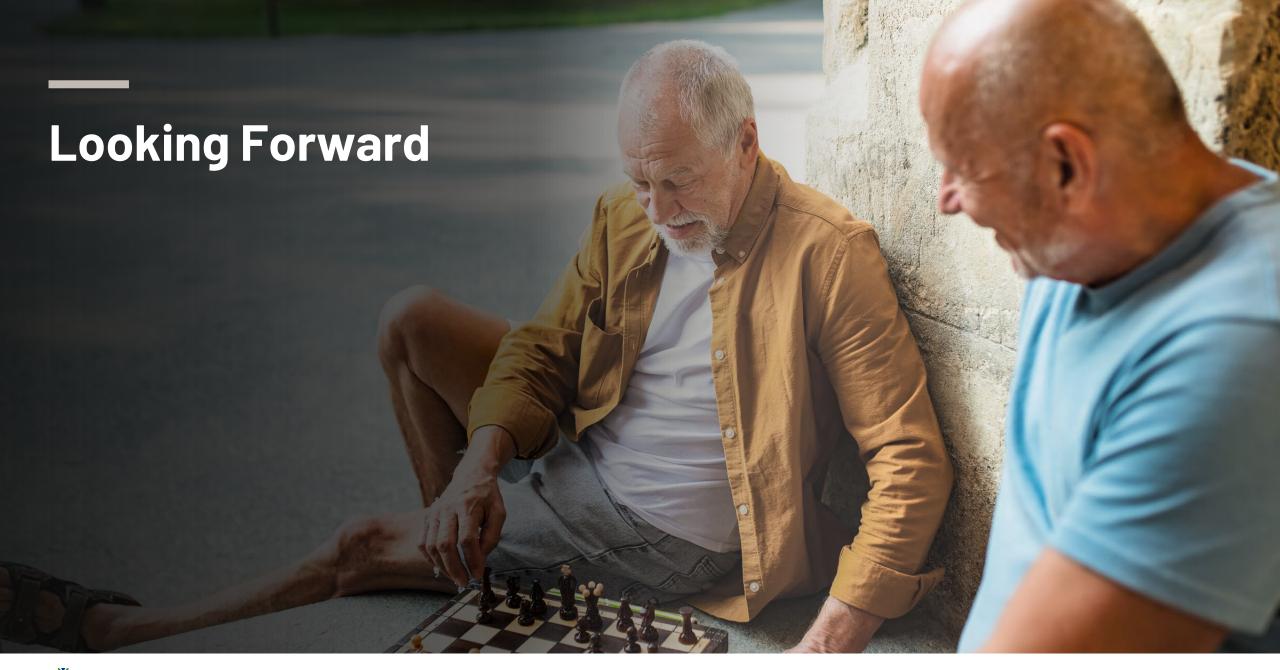
+ Eligible members: 100%<sup>2</sup>

+ Total Outreach: 1,078

+ Total Enrollments: 11

+ Total Sessions: 59









POWERED BY

## **Collective Health**

This partnership brings together the best of both organizations – Providence Health Plan's deep understanding of regional healthcare needs and trusted provider relationships, combined with Collective Health's proven technology platform.

## Introducing Innovation at Scale, While Delivering Unmatched Care from a Proven Network



Integrated Health Plan + Delivery System



**Lowest Net Cost Model** 

Transparent & Affordable PBM



Flexible Administration

Administrative Simplicity + Cost Efficiency

POWERED BY

**Collective Health** 

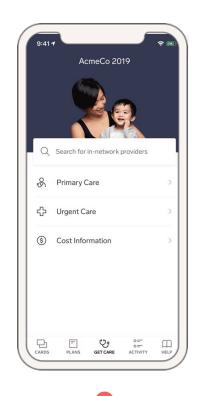
**Connected Member Experience** 

One Platform, Higher Engagement



## A one number experience powered by people and technology









Smart & Connected Experiences

Amazing Member Service

### What makes us different?

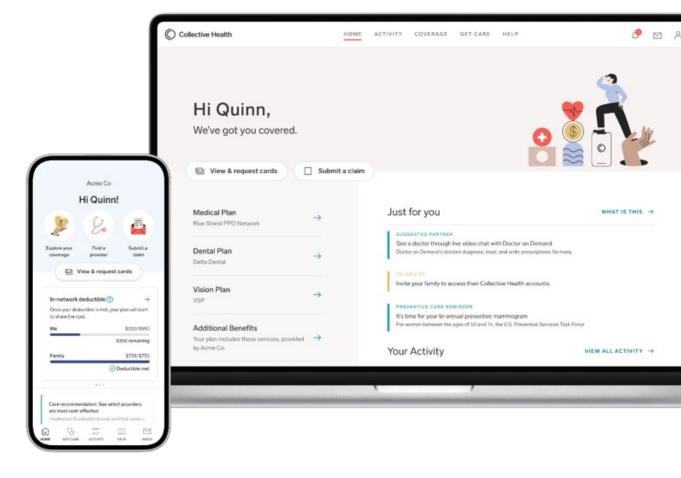
## We've built & connected the key pieces.

A one-stop shop as your:

**TPA** 

Navigation & Advocacy

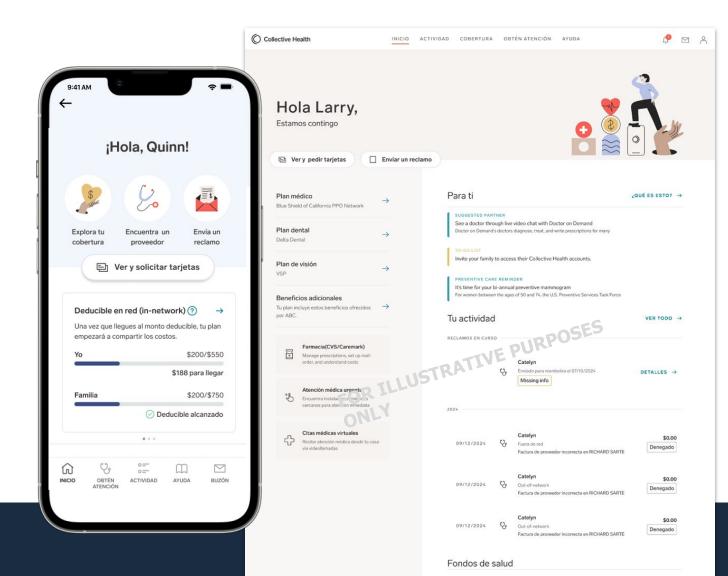
Benefits Hub



## We're Being Thoughtful About How We Meet Members Where They Are, In Their Native Language

#### Spanish My Collective™

- Spanish speaking members have a My Collective account experience in their native language
- Our thoughtful approach to translating this inhouse is culturally appropriate, empathetic, inclusive, and accessible,
  - and educates on healthcare concepts
- Spanish speaking members have all the same My Collective tools at their fingertips — like ID cards, submitting a claim, Care Suggestions, and quick links to partners
- This update augments our existing Spanish
   Member Advocacy and Open Enrollment support





Collective Health

\cme(co

Subscriber Name

Firstname McLastname

Subscriber ID# 7871234567CH

Rx Ind/Fam OOPM:

Group ID# XXXXXXX

Member Name

Offspring McLastname

Plan

**PPO Savings** 

OON Ded Ind/Fam:

004336 RxBIN: RxPCN: RxGroup: Rx Ind/Fam Ded:

RX1181 Pending Pending

Providence Health Plan has hired Collective Health to handle member contact for health plan administration. See back for contact information.

INN Ded Ind/Fam: INN OOPM Ind/Fam:

Pending/Pending Pending/Pending Pending/Pending Pending/Pending OON OOPM Ind/Fam:

#### Members

Collective Health: 800-123-4567

Members: Carry this card at all times. Before hospital admission or surgery (outside the physician's office) or for other services as specified in your plan your physician must call for pre-treatment authorization (precertification). Failure to comply may result in a reduction of benefits. Emergency hospital admissions must be reported within 48 hours or by the next regular working day following admission (72 hours in some states).

#### **Providers**

Providers: Precertification must be obtained for services as specified in the member's plan. For precertification, call the number shown on this

Providers/Members: Pre-Approval (prior authorization) may be required for some

Providers Call 800-123-4567 Prior Authorization 800-123-4567 Pharmacists Call 800-123-4567 Provider Website www.providencehealthplan.org

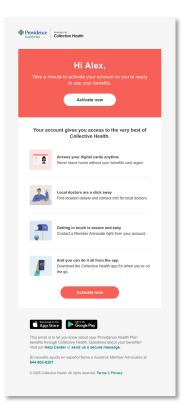
Medical Claims:

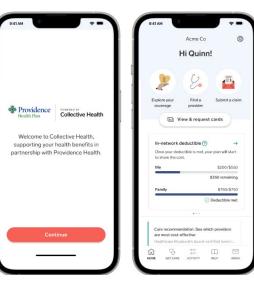
PO Box 123, Anytown, OR, 55555

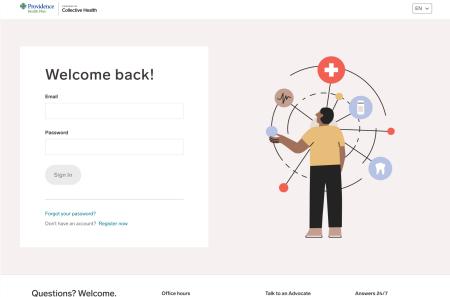
Rx Claims:

PO Box 123, Anytown, OR, 55555

## **Member Materials Examples**









POWERED BY

**Collective Health** 

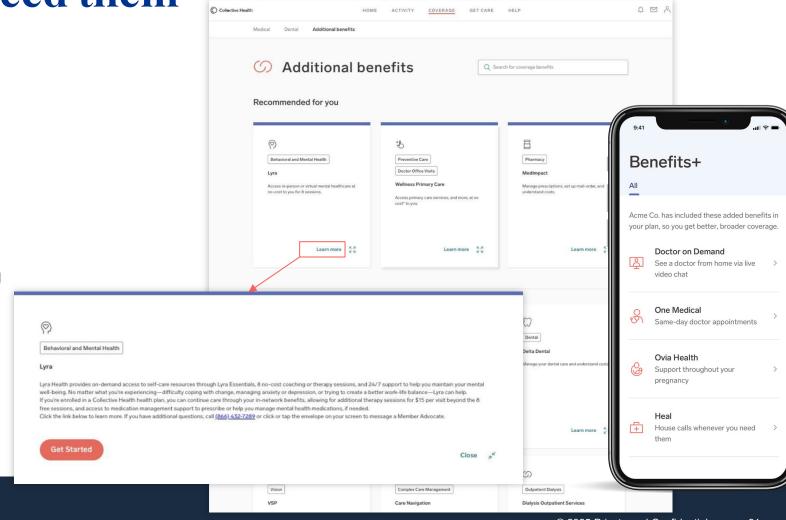


Making sure members have access to all of their

benefits, when they need them

#### Additional Benefits Hub

- Showcases partners and point solutions available to members, including point solutions and auxiliary benefits
- Provides a centralized place for Members to understand all of the benefits available to them through their employer offering, helping to drive awareness and engagement
- Offer a user-friendly design that helps Members quickly find and engage with their benefits



## Wrap Up



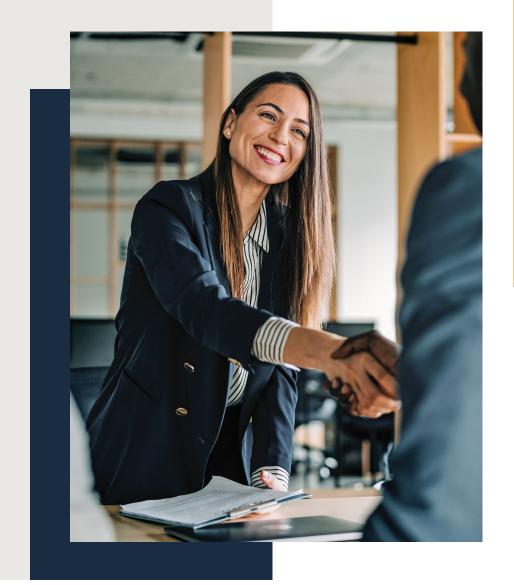
## **Future-focused Opportunities**

#### Things to consider

- Promote new behavioral health network options like Talkspace and Behavioral Health Concierge to ensure quick access to care
- Encourage mail order pharmacy
- Continue to promote member engagement programs
- Consider eliminating health coaching in 2026 due to low utilization

#### How can PHP support your goals?

- What are your top 2-3 priorities for the next 12 months?
- PHP is making significant tech investments. Where do you see this fitting within your strategy?
- How can we partner together?





**Administered by** 



**Thank You** 





"What an amazing, efficient system targeted specifically to me and my needs! In a nutshell, I feel super cared for by this Providence experience, like nothing has been forgotten! I've been a Providence patient for years, but things have never been this easy. Bravo!"



## **Providence Bridge Team**

Available only through Providence Health Plan; exclusive access to Providence Medical Group Providers



#### **Know Me**

- Exclusive phone line into Providence Medical Group for PHP members
- On boarding visit with RN within 72 hours
- Complete medical record and transfer of care



#### **Care For Me**

- Access to Providence Medical Group Services
- Refills, referrals, virtual visits, labs, imaging

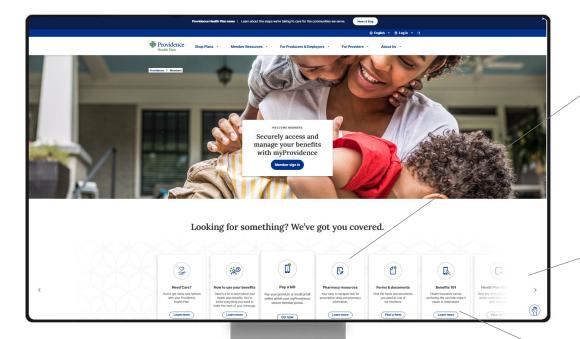


#### **Ease My Way**

- Establish care virtually
- Seamless transition to a PCP in my community
- Reduce need for emergency room or urgent care



## Member Hub at PHP.com



ProvidenceHealthPlan.com/Members



#### Pharmacy resources

Your easy to navigate hub for prescription drug and pharmacy information.

( Learn more )

## Learn about your pharmacy benefits:

- Find in-network pharmacies
- Prescriptions by mail
- Get prescriptions filled



#### Forms & documents

Find the forms and documents you need as one of our members.

Find a form

## Find forms & documents:

- Find claims forms
- Change forms
- And more



#### **Benefits 101**

Health insurance can be confusing. We can help make it easier to understand.

Learn more

## Resources to understand your benefits:

- Welcome Guide
- Things to know
- Terms, phrases, and descriptions



## **Member Educational Materials**



#### **Member portal features:**

#### My Health Plan



#### **Benefits Documents**

View your member materials to learn about:

- · How to use your plan coverage
- · Covered services and costs
- · Plan benefits, and more



#### Claims & Explanation of Benefits (EOB)

Reference claims and understand how health care services were billed. Your EOB includes:

- · Services provided
- · Provider's billed amount
- · Amount covered by insurance
- · Member responsibility
- · Reasons for denial (if any)



#### **Pharmacy Information**

Go to "Drug Lists" to see a list of FDA-approved drugs covered by your plan. The list includes:

- · Brand-name, generic, and specialty medications
- · Medications that require approval, that are part of a step therapy program, or have refill



#### Benefit Usage

View your annual deductible and out-ofpocket maximum progress. Once you reach

- Insurance begins to pay a portion of your healthcare costs (deductible)
- · Insurance typically covers most of your covered healthcare costs (out-of-pocket

#### My Providers



Find in-network providers, pharmacies, and facilities, or select the PCP of your choice. The directory includes:

- · Providers and pharmacies tailored to your plan network
- · Filters such as language, gender, race, ethnicity, and more



#### Care Options

You have options when it comes to getting the care you need, when you need it.

#### My Health



#### Member Perks

Take advantage of discounts and programs that go beyond your health plan.

#### **My Tools**



#### **Estimate Costs**

Estimate medical, pharmacy, and dental treatment costs. You're able to:

- · Compare costs among providers and pharmacies
- · Find copay and coinsurance information for services



#### **ID Card Management**

View your member ID card for plan details such as:

- Member and Group ID
- · Covered plan network
- Care resources
- · Claims submission information



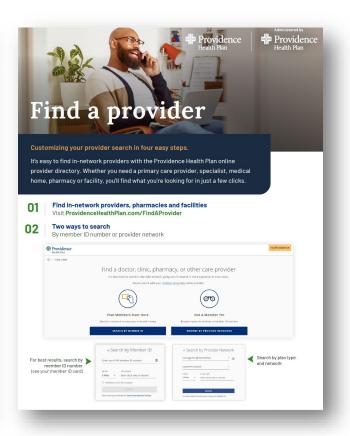




## **Member Educational Materials Cont.**









## **Employer resources in one place**

The Mental Well-being Toolkit outlines practical strategies for both leaders and HR teams to improve the well-being of their workforce.

- Actionable strategies for prioritizing employee mental well-being
- Resources to help your employees get the support they need to feel their best
- Practical techniques for keeping stress in check



#### **Resources for HR Teams**



5 ways to design a culture of mental well-being for a mental well-being stressed-out workforce



5 ways to support **BIPOC** mental well-being



5 ways to address mental health stigma

#### Resources for Leaders



5 strategies to

improve your

organization's

initiatives and

5 ways to support remote employees



5 ways to help employees achieve and maintain a healthy work-life balance



5 ways to prevent and address burnout



5 tips for leading your team during times of crisis



### 2025: Worst Flu Season in a Decade

Members with Flu Vaccines

18%

#### What You Can Do About the Flu

- Onsite flu clinics
- Wellness incentives for flu shots

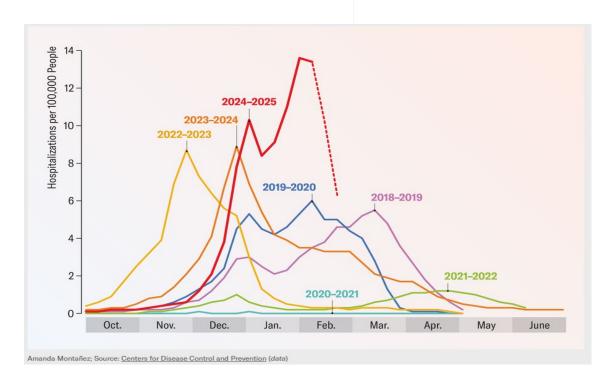
#### Flu Vaccines





## Why This Year's Flu Season Is the Worst in More Than a Decade

Outpatient flu visits and hospitalizations are higher than at any time in the past 15 years







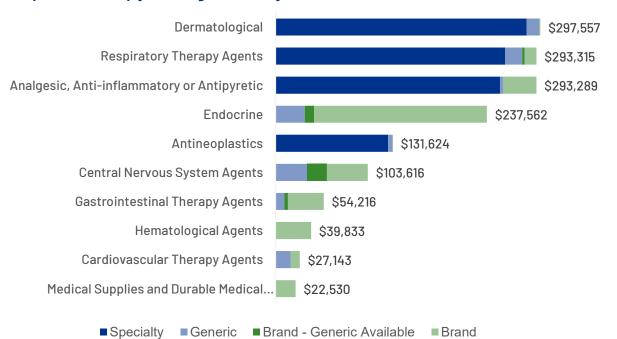


## **Top Medications by Cost & Therapy Category**

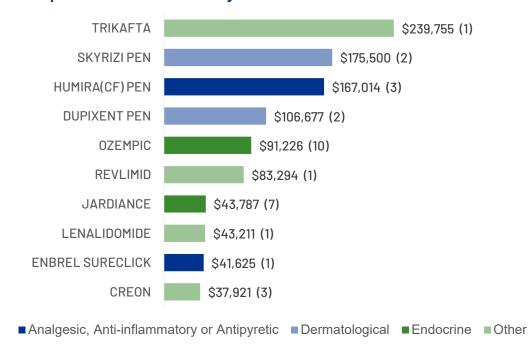
## Top 10 Medications Account for 66% of Pharmacy Spend

Pharmacist Notes/Insights: cost driven primarily by biologics for immune system disorders, cystic fibrosis, and diabetes

#### Top 10 Therapy Categories<sup>1</sup> by Plan Paid



#### Top 10 Medications<sup>2</sup> by Plan Paid



## **Specialty Pharmacy: Costs, Trends, and Utilization Insights**

#### **Specialty: Total Cost PMPM**



#### **Specialty: Utilization %**



#### **Top 5 Therapeutic Categories by Cost**

Rank	Category	РМРМ	PMPM Trend	Utilization <sup>1</sup>	Utilization Trend	Cost Per Script
1	Cystic Fib-Transmemb Conduct. Reg.(CFTR) Potentiator and Corrector Cmb	\$21.43	-11.91%	1.32	-18.66%	\$16,232
2	DMARD - Anti-inflammatory Tumor Necrosis Factor Inhibiting Agents	\$17.25	-1.17%	2.56	1.31%	\$6,745
3	Dermatological - Antipsoriatic Agents Systemic, Immunosuppressive	\$14.52	-24.13%	2.06	-28.51%	\$7,037
4	Dermatitis Agents,Systemic-IL-4 Receptor alpha Antagonist (IL-4Ra) MAb	\$10.95	360.73%	2.15	197.39%	\$5,103
5	Antineoplastic - Thalidomide Analogs	\$10.55	-37.12%	1.16	-19.93%	\$9,130
	Top 5 Total	\$74.70	-6.71%	9.24	0.48%	\$8,082

#### **Number of Unique Members on Specialty Drugs**





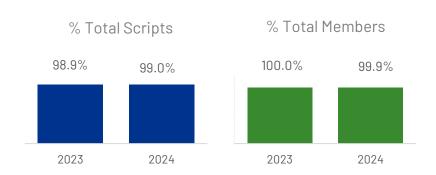
© 2025 Private and Confidential

## Non-specialty Pharmacy: Costs, Trends, and Utilization Insights

#### **Non-specialty: Total Cost PMPM**



#### Non-specialty: Utilization %



#### **Top 5 Therapeutic Categories by Cost**

Rank	Category	PMPM	PMPM Trend	Utilization <sup>1</sup>	Utilization Trend	Cost Per Script
1	Antihyperglycemic - Glucagon-Like Peptide-1 (GLP-1) Receptor Agonists	\$10.95	41.28%	12.46	26.76%	\$879
2	Antihyperglycemic - Sodium Glucose Cotransporter Inhibitors	\$3.66	50.28%	6.44	48.70%	\$569
3	Analgesic Opioid Agonists	\$3.37	-17.52%	17.99	2.30%	\$187
4	Digestive Enzyme Mixtures	\$3.14	19.57%	0.91	-16.12%	\$3,458
5	Attention Deficit-Hyperactivity (ADHD) Therapy, Stimulant-Type	\$3.08	-11.59%	33.42	10.63%	\$92
	Top 5 Total	\$24.19	18.74%	71.21	12.97%	\$340



1- Scripts per 1000 © 2025 Private and Confidential

## Rising Pharmacy Costs and Our Proactive Approach to Savings

#### **Cost Drivers:**

Specialty drugs are increasing healthcare costs due to their high prices, limited competition, increased demand, complex administration.

Shift to brand name drugs that may be more effective but are also more expensive

Expansion of indicators for some of these expensive brand name drugs increases utilization

Duration of use of certain drugs is increasing (i.e. oral cancer medications)

Cost of medications is increasing and is only partially offset by rebates



#### **Approach to Savings:**

- Maximize discounts and rebates for brand name drugs
- Focus formularies on less expensive generics and biosimilars where possible
- Implement strong utilization management programs like prior authorizations, step therapy and quantity limits to ensure members get the right medications
- Shift infusions to more cost-effective sites of care
- Empower members to make informed decisions on their medications through cost comparison programs like Rx Savings Solutions and coupon maximizers like Smart RxAssist, for specialty drugs



# S19K Savings for 2024\*

#### **Site of care matters:**

- Meeting the member where they are (at home)
- Ensures members get steered to high quality care and lowest net cost sites.
- Example: One infusion center charges \$3.63/unit and another \$159.94/unit

## Site of Care Rx Program with More Than 8 Years Driving to Lowest Net Cost

## Approach to Centers of Excellence for Home Infusion:

- Nation-wide home infusion options with convenience and flexibility
- Site neutral, best-in-market contracts
  - Access 39 facilities in the Oregon & Washington, standalone infusion centers, and provider offices and clinics
- Includes most costly drugs (over 80 medical drugs), representing ~80% of infusion costs
- In 2024 added 25 new chemotherapy/oncology and other medications



# Pharmacist support to enhance outcomes and experience

Credena Health Specialty Pharmacy in partnership with Providence Health Plan assisting members with high-cost specialty medications.

Intervention Acceptance
Rate of

99.31%

Prevention of drug interactions, duplicate therapy, reduction in drug waste

Improved Medication
Adherence

100% financial assistance evaluation

\$2.3M

In estimated savings for 2024

**Drug Interactions** 

**Patient Education** 

**Adherence Concerns** 

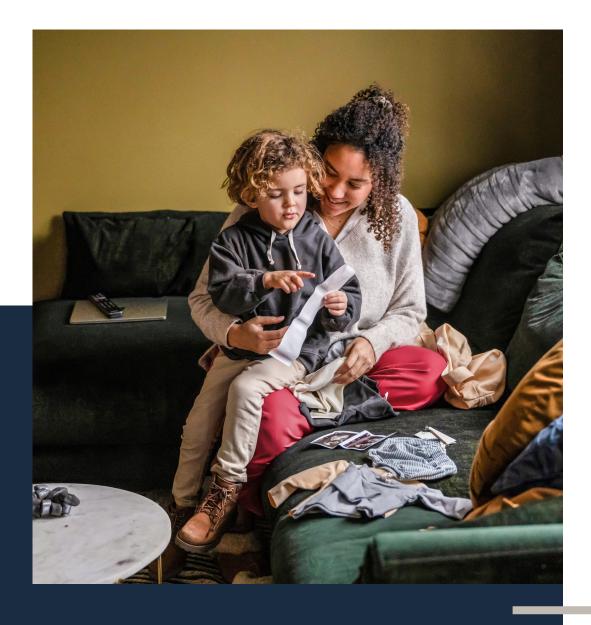
Adverse Drug Management

**Dose Optimization** 

**Lab/Safety Monitoring** 







## Finance, Pricing, and Rebates

- Focus on net cost of a drug for how to drive savings
- Pharmacy rebate strategy (Medical and Pharmacy)
- Pharmacy financial encounter data
- Rx Savings Solutions

#### Formulary and P&T

- Formulary structure and UM is to prefer evidence-based medications at the lowest cost
- Prior authorization policy development and maintenance.
- Drug utilization reviews

#### High-Cost Drug Management

- Specialty, Gene Therapy, and Pipeline Drug Stewardship (clinical, quality, and cost)
- Support and Care Coordination of Specialty, Infusion, and limited access drugs
- Site-of-Care Program
- Smart RxAssist co-pay maximizer program

#### **Prior Authorization**

- Pharmacist and Technician supported Clinical Authorization Center
- Ensure PA review is done in timely manner

## **Utilization Management**



## **Ensuring Pricing Transparency for Providers & Members**



#### Connects

Connects to EMR, patient benefit and plan specific pricing

**Accurate Information** 

#### Returns

patient-specific benefit information and coverage requirements

**Informed Decisions** 

#### **Suggests**

lower total cost therapeutic alternatives for top drug classes

**Price Transparency** 

#### **Provides**

options to optimize savings such as mail order pharmacy and 90-day supplies

**Cost Savings** 

#### **Unique features of Providence Real Time Benefit solution**

- Customized solution, both in drug selection and benefit design
- Point of prescribing tool avoids member frustration at the pharmacy
- Savings 2024\*: ~\$2.2M
- Savings range ~\$10-145 per prescription
- PA volume reduction of ~20%

Supports improved experience, quality care and clinical outcomes by helping patients get the right medication at the lowest cost.



51

## A Collaborative Approach that Benefits Members and Employers

Delivery system integration drives lower costs and an easier, more seamless member experience.

#### Our integrated pharmacy approach allows us to:



## Partner with providers and facilities

Driving improved outcomes and reduce costs.



#### Offer clinical case reviews

Identify cost savings opportunities through personalized and proactive interventions.



## Empower members to navigate their care

Boosting engagement and adherence to medication



## Implement targeted clinical specialty programs

Driving cost savings and enhancing the overall efficiency of healthcare delivery.

#### **Verified Outcomes**

from PHP specialist pharmacists working with providers and case managers

Member switched to a different specialty medication: saved the group

\$280,000/month,

member copay remained \$0.

Member switched to generic anti-cancer medication: saved the group

\$4,800/month,

member saved \$150/month on copay.



## Providence continues to strategize on GLP1s for Weight Loss

- GLP-1s are the principal driver of drug trend in 2023 and 2024 at over 12-14% with an average cost of \$1,300/month before rebates<sup>1</sup>
- This is a rapidly evolving area with many unknowns
  - Employers offering comprehensive health benefits packages, including coverage for medications like GLP-1 receptor agonists, may attract and retain employees who value such benefits
  - Roughly 1/3 of companies now offer GLP-1 coverage for both diabetes and weight loss<sup>2</sup>
  - Long term effects are not yet known
    - **68**% of all GLP-1 users discontinue use within 1 year
    - 40% of weight loss is lean muscle mass<sup>4</sup>

## Providence Health Plan is ensuring appropriate use and oversight:

- Requiring a Prior Authorization
- Exploring expansion of lifestyle management programs to support long term sustainability
- Exploring social determinants of health factors for access and affordability
- Exerting influence on manufacturers to put cost controls in place and create innovative ways to make these drugs more accessible to underserved communities

