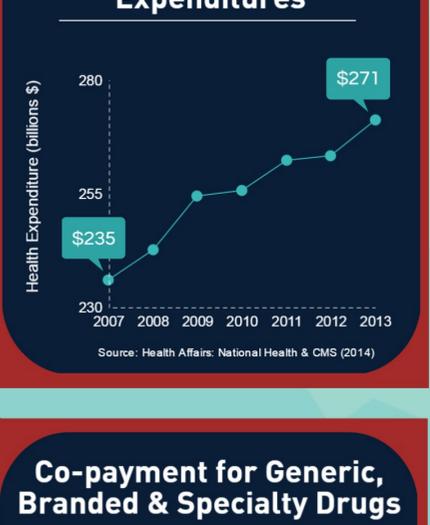


On the Rise

1 Prescription Drug Spending

Driving Forces:

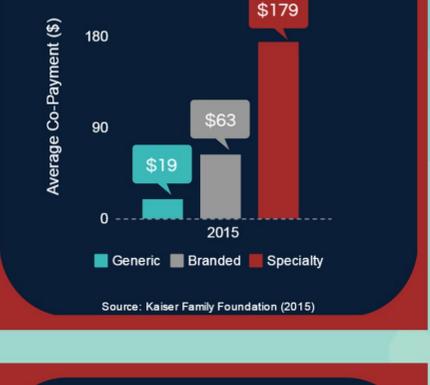
- Increasing utilization
- Innovative therapies
- Rising Prices



2 Consumer Cost-Sharing

Increasing consumer out-of-pocket costs lead to:

- Reduction in use of essential services
- Worsened health disparities
- Potential increase in overall costs



3 Cost-Related Non-Adherence

Putting Off Health Care Because of Cost

One in Four

Adults with non-group coverage report going without needed care due to cost

Source: Commonwealth Fund

Motivation for "Dynamic" Benefit Design

- The natural history of chronic conditions often necessitate multiple therapies to achieve desired clinical outcomes
- Health plans frequently require certain steps be performed before access to additional therapies
- Increasing out-of-pocket costs for alternative therapies may prevent consumers from accessing recommended treatment

Why Dynamic Benefit Design?

Joe, Jill, and Bob have the same clinical condition and are prescribed first-line therapy

HELLO My name is
Joe

HELLO My name is
Jill

HELLO My name is
Bob

"GOOD SOLDIER"

Complies with the treatment steps required by health plans

Joe, Jill and Bob are "good soldiers" because they took the first-line therapy as prescribed

For Joe, this medication effectively treats his condition!

Unfortunately for Jill and Bob, this medication isn't effective...

Joe: Relief!

Jill: My joints are still killing me.

Bob: I have nausea and drowsiness.

To effectively treat their condition, Jill and Bob need additional therapy

Potential Scenarios

Status Quo

Jill pays higher cost-sharing for second-line medication

Increased out-of-pocket costs lead to non-adherence

Reward the Good Soldier™

Bob's plan lowers cost-sharing for second-line medication

Dynamic design reflects varying nature of condition

"Reward the Good Soldier"

A benefit design that lowers consumer cost-sharing for those who diligently follow the required steps for their condition, but require an alternative option

Who Benefits?

Consumers

- Lowers out-of-pocket costs
- Reduces disparities

Providers

- Enhances patient-centered outcomes
- Aligns with provider initiatives

Payers

- Reinforces existing drug protocols
- Promotes efficient expenditures

Reward the Good Soldier™

A Dynamic Approach to Consumer Cost-sharing

- ✓ Commitment to established policies that encourage lower cost, first-line therapies
- ✓ Acknowledgment that clinical scenarios may require multiple treatment options
- ✓ Reduces cost-related non-adherence
- ✓ Enhances access to effective therapies when clinically appropriate