

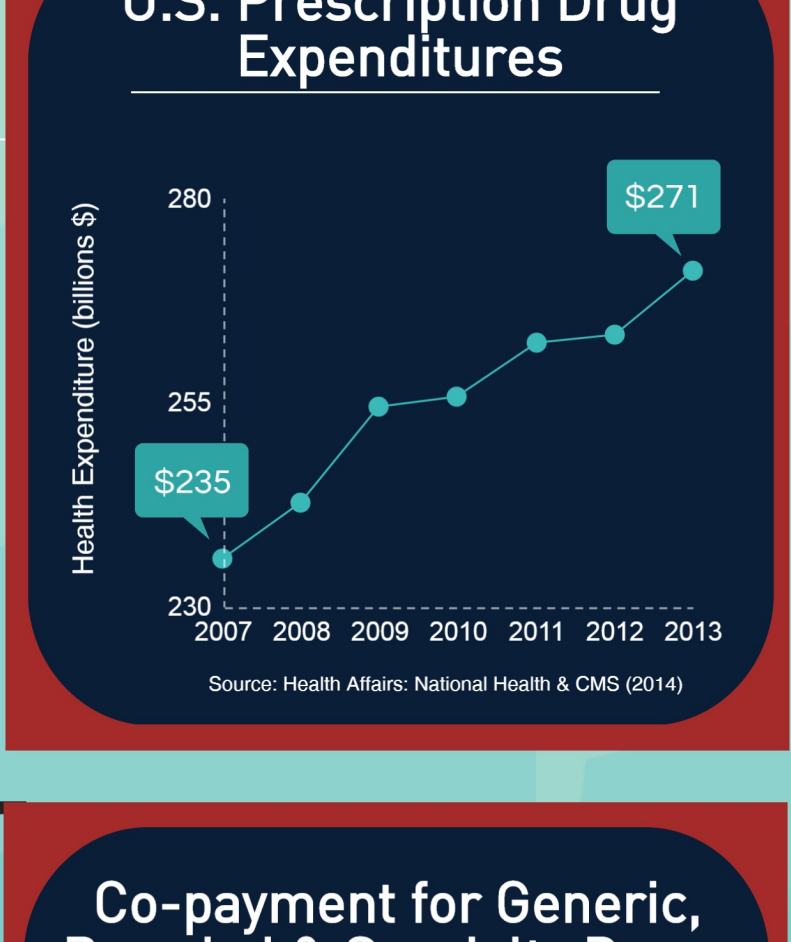
On the Rise

1

Prescription Drug Spending

Driving Forces:

- Increasing utilization
- Innovative therapies
- Rising Prices

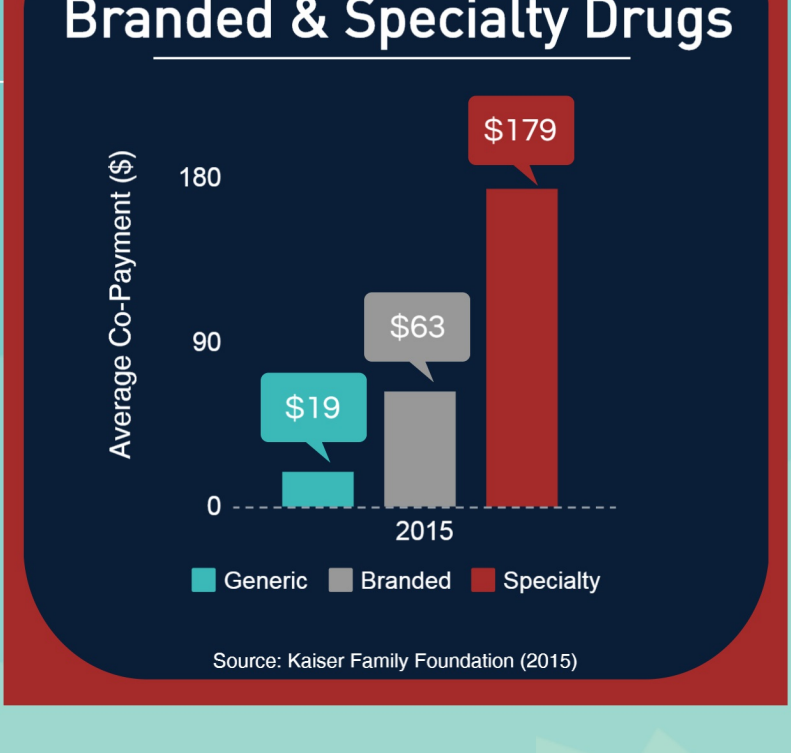


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Consumer Cost-Sharing

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
 - Advances in precision medicine may specify immediate use of targeted therapies, nullifying recommendations for use of standard first line treatment
 - 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

HELLO
My name is
Joe

HELLO
My name is
Jill

HELLO
My name is
Bob

Bob has tested positive for a specific genetic marker.

"GOOD SOLDIER"

Complies with the treatment steps required by health plans

Joe and Jill take the first line therapy as prescribed. Bob is a candidate for targeted treatment.

For Joe, this medication effectively treats his condition!

Unfortunately, for Jill the first-line medication is not effective.

For Bob, the first-line medication is not clinically indicated, and targeted therapy is recommended.

Relief!

Joe

My joints are still killing me.

Jill

I can't take the first-line therapy.

Bob

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

Potential Scenarios

Status Quo

Jill and Bob pay higher cost-sharing for second-line medication

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

Reward the Good Soldier™

Jill and 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?

Precision Medicine Meets Precision Benefit Design

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
- Supports precision medicine initiatives by encouraging use of targeted therapies when clinically indicated
- Reduces cost-related non-adherence
- Enhances access to effective therapies when clinically appropriate