

## A GROWING PROBLEM

*“Specialty drugs accounted for less than 1% of prescriptions last year yet totaled 40% of total drug costs.”*



Rx Collaborative: 2019 Annual Report to Employers

*“Chronic diseases will continue to plague the populace. 60% of adults have a chronic disease, 40% manage two or more.”*



Medical Cost Trends: Behind the numbers 2020

*“Spending on prescription medicines in the U.S. is projected to increase 4% to 7% through 2021.”*



**ONLY 1.2%**  
OF PLAN MEMBERS  
**>DRIVE ~50%**  
OF A HEALTH PLAN'S ANNUAL DRUG SPEND

## AN INNOVATIVE SOLUTION

### How it works

PriceMDs (PMDs) provides self-insured and level funded health plans with the exact same medications for ~40% less cost through an FDA-compliant direct source telemedicine solution. Employers reduce their highest-cost specialty drug costs. Employees gain a second opinion, and enjoy direct-to-home delivery, while eliminating co-pays & deductibles.

- ✓ Impacts ONLY ~1.2% of the total eligible employees.
- ✓ Has NO start up, monthly, annual or termination cost.
- ✓ Creates NO disruption to existing relationships; PBM, stop-loss, doctors, or patient access to meds.

### Is it legal and compliant? **Yes**

- ✓ PMDs doctors are U.S. educated, U.S. trained, double board certified sub-specialists.
- ✓ As the 'Importer of Record' all packages are fully insured and protected by E&O, D&O, Medical Malpractice insurance. PMDs is approved and compliant with:



U.S. Customs and Border Protection



LEGAL / ERISA



### How does it impact my employees? **Employees love it.**

- ✓ Each plan participant is assigned a Registered Nurse Navigator to assist at every step in the process.
- ✓ 90-day fills ship via fully-monitored, temperature-controlled cold chain service directly from the source.

### Is the program working today? **Yes**

- ✓ 8-yrs in business
- ✓ 500+ customers/\$90M annual savings
- ✓ Financially sound – Partners own 81% of the company

## REAL CLIENT – REAL SAVINGS

### CASE EXAMPLE: Q2 2020

- **Client:** Commercial products company (SE US)
- **Plan Type:** Employer-paid self-insured plan
- **No. of Eligible Employees:** 12,487
- **No. of Employees the Plan Impacts:** 172
- **Meds Targeted:** \$3,000+ per patient/per mo. (ex: Humira, Revlimid, Enbrel, Imbruvica)
- **BEFORE: Annual Med Spend: \$13,987,466**
- **Time to Implement:** 35 days
- **Cost to Implement:** Zero
- **Impact on Current Plan:** None
- **First Reduction in Costs Realized in:** 34 days
- **AFTER PMDs: Annual Med Spend: \$8,168,952**

**Total Annual Savings \$5,818,514**

*“PriceMDs is the only source we know of who has figured out the compliance and logistics to direct source lower costs meds. It was the easiest addition of \$30k per employee savings we’ve ever seen. Great program! Thanks.”*

John H.  
Plan Administrator

## 10 FREQUENTLY ASKED QUESTIONS

### What problem is PriceMDs solving?

Specialty drugs accounted for less than 1% of prescriptions in 2019 yet totaled ~40% of total drug costs. That trend is projected to increase at a rate of 3% to 6% per year. *“Employers’ drug spend in 2020 and beyond will be impacted by an era of multi-million dollar one-time treatments or “cures.” \**

### How does the PriceMDs program work?

PMDs delivers high-cost specialty drugs directly to the home via telemedicine. As the importer of record, PMDs sources the exact same medications from the original manufacturer in Europe within FDA, USDA and CBP (*Customs and Border Protection*) guidelines at 40% lower cost.

### What does it cost to add the program?

No cost – No start-up, monthly, annual or termination cost. The program can be added off-cycle as a bolt-on solution alongside the PBM. There is no disruption to existing relationships (*stop loss, PBM, or physician networks*). It’s simply a lower cost alternative source for a small number of high cost drugs.

### What is the process to add the program?

The program is contracted through a simple four page usage agreement. Additionally, we provide the language for plan document updates, as well as access to our attorneys at Greenberg Traurig and The Phia Group to address any questions. The time from the ER’s decision to move forward to EEs receiving their PMDs Welcome Package is typically 3-5 weeks. Since the program touches only ~1.2% of the population, the work-load for company HR resources is nominal.

### Is the program being used today?

Yes, by over 500 clients, including many large self-funded plans, the nation’s 8th largest hospital system and government entities such as The CIA.

### Can you estimate my savings?

Yes, down to the penny. Ask your representative.

### Which of my employees qualify for the program?

EEs with a monthly drug spend of \$3,000+ (*typically 1-2% of the total EE population*), and who meet other criteria set by PMDs and the ER. Example, PMDs does not source meds that are problematic (*ie: drugs with a severe black box warning from the manufacturer*), or meds that have the potential for misuse, such as narcotics or steroids. The ER may also choose to not include certain medications that it wishes to source through other sources.

### Is there any push back from employees?

No – Employees love the PMDs program for several reasons: **1.** No interruption to their existing healthcare providers, they simply gain access to a dedicated Nurse Navigator (NN) that they can access for additional information. **2.** They eliminate co-pays (*in almost every case*). **3.** They receive their medications directly to their home in 90-day fills. **4.** In many cases their ER offers a financial incentive to participate in the program.

### What is the process for my employees?

Qualified EEs complete a simple one-time on-boarding process: **1.** They receive a simple notice from their ER asking them to expect, and take, a call from a PMDs nurse. **2.** PMDs sends a Welcome Packet with brief introduction, FAQs and ID card with contact information for their assigned Nurse. **3.** The NN\* contacts the EE within 48 hours, secures a HIPAA release, gathers the EE’s medical records and conducts an initial review (~20 min call). **4.** A call is scheduled with a PMDs staff physician\* to review their case to ensure that records and labs are up to date (~20 min call). **5.** A second telehealth call is scheduled with a PMDs staff doctor licensed in the state in which the customer resides. **6.** The medication is sourced and arrives to the EE’s home within 7-10 days with full FDA, USDA and CBP paperwork. **7.** The NN follows up with the EE to ensure complete satisfaction and address any storage/usage questions.

### Does PMDs interrupt relationships, or access to meds?

No, the relationship between the ER and their current PBM, and between the member and their primary doctor is unchanged. If PMDs was unable to fill a particular script, which is extremely rare, the member’s primary doctor would simply write a prescription for them to pick up at their usual local provider.

**PMDs** = PriceMDs **ER** = Employer **EE** = Employee **PBM** = Pharmacy Benefits Manager  
**NN** = Nurse Navigator – *PMDs nurses are U.S. citizens, U.S. educated & trained, and U.S. licensed.* **SP** = Staff Physician – *PMDs doctors are U.S. citizens, U.S. educated and trained, and U.S. double board certified sub-specialists.*

\* Willis Towers Watson Rx Collaborative: 2019 Annual Report to Employers