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HORANalytics Databyte<sup>SM</sup>  
Rx Adherence



# Rx Adherence Matters

**INCREASING RX ADHERENCE  
LOWERS HEALTH CARE COSTS**

# THE IMPACT OF RX ADHERENCE

According to a recent HORANalytics® analysis, increasing prescription drug adherence by 10% on hypertension and diabetes medications lowers associated medical costs by 2%.

## PARTNERSHIP WITH PRICING STRATEGY GROUP ADDS LAYER OF VALIDATION

HORAN is proud to partner with the Pricing Strategy Group, a nationally recognized leader in price strategy. The Pricing Strategy Group serves as another layer of validation for HORANalytics® to further confirm findings.

These findings are based on statistical analyses conducted and presented by David Yi, Ph.D. and Seongho Song, Ph.D. Dr. Yi is Department Chair and a Professor of Economics at Xavier University, where he has been a faculty member since 2005. Dr. Song is a Professor of Mathematical Sciences at the University of Cincinnati, where he has been a faculty member since 2005. Both frequently collaborate on a wide range of market and employee benefit studies for companies including Procter & Gamble, AC Nielsen and Samsung.

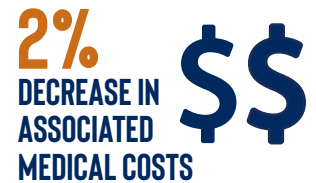


David Yi, Ph.D.



Seongho Song, Ph.D.

### HOW DOES PRESCRIPTION DRUG ADHERENCE AFFECT MEDICAL COSTS?

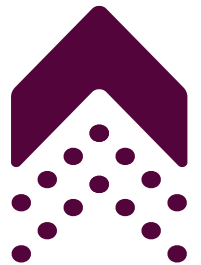


### DOES PROVIDING MEDICATION FOR FREE IMPACT DRUG ADHERENCE?

**10-15%**

Increase in adherence for diabetes and hypertension drugs.\*

\*Contact HORAN to determine if discounting prescription drugs would result in a positive ROI for your organization.



### HOW DOES THE MANAGEMENT OF HYPERTENSION & DIABETES AFFECT HEALTH CARE COSTS?



**\$8K**

AVG. COST OF MANAGED  
HYPERTENSION  
USING MEDICATION



**\$24K**

AVG. COST OF  
UNMANAGED  
HYPERTENSION

**3X**

more per year



**DIABETICS  
WITH COMPLICATIONS  
COST \$7,682 MORE PER  
YEAR THAN THOSE WITHOUT.**

Source: Kaiser Family Foundation

At HORAN, our mission is to help employers provide a better quality of life for employees and their families. This mission drives our investment in the HORAN Financial Analyst Think Tank. This dedicated think tank is on a mission to investigate, understand and ultimately find proof in the data in order to drive action. We call this HORANalytics®.

HORAN interviewed Amy Mechley, MD, with Integrative Family Care in Cincinnati, Ohio, to discuss her thoughts on the impact of prescription drug adherence. Dr. Mechley is a practicing Direct Primary Care family physician, entrepreneur, clinical consultant and teacher who has been practicing since 1998. As a recognized physician executive in primary care, she has had the successful opportunity to lead transformation in an Advanced Payment Model, work with all the regional Cincinnati health systems and gain national recognition for her innovative work in health care transformation. She is double boarded in Lifestyle and Family Medicine.



**Q: HOW DO YOU GENERALLY WORK WITH PATIENTS TO REDUCE THEIR RISK OF DEVELOPING CARDIOVASCULAR DISEASE, OR COMPLICATIONS FROM DIABETES, ONCE RISK FACTORS BEGIN TO PRESENT THEMSELVES?**

**AM** **AMY MECHLEY (AM):** Lifestyle medicine is an evidence-based approach to preventing, treating and even reversing disease by replacing unhealthy behaviors with positive ones. We know that over 75% of all chronic disease is related directly to the lifestyle choices we make. In many cases, our patients avoid pharmacology altogether by managing their diseases and reducing their need for medications after the diagnosis.

**Q: WHY AND WHEN DO YOU PRESCRIBE MEDICATION TO MANAGE THESE DISEASES?**

**AM** I prescribe prescription drugs when the benefit of the medicine outweighs the risk. The majority of medications have some type of interaction or potential negative side effect. Typically, we start with lifestyle management interventions. But if the medication benefit clearly outweighs the risk, and it is consistent with the patients' health belief model, we absolutely prescribe and in the most appropriate dosage.

**Q: HOW DO YOU ENSURE YOUR PATIENTS ARE STAYING COMPLIANT WITH THOSE MEDICATIONS? IS THERE ANYTHING THAT HELPS DRIVE INCREASED COMPLIANCE?**

**AM** It is difficult. When starting a new medicine, I schedule a phone or text follow-up as an accountability measure and to ensure they are getting the results we are anticipating.

**Q: WHY IS DRUG ADHERENCE IMPORTANT?**

**AM** It should be visible and obvious to the patient why they are

taking a medication by way of shared decision making and review. If it is not clear, then there is a good chance they do not need the drug or have a poor understanding and/or lack of communication between the physician and the patient. If they are taking a prescription to manage a chronic condition, I tell them it is like brushing your teeth. You can't do it for a week then stop and expect to get the same benefits.

**Q: WHAT BARRIERS DO YOU SEE PREVENTING PATIENTS FROM TAKING THEIR PRESCRIBED MEDICATIONS AS DIRECTED?**

**AM** The primary barrier without a doubt is the incredible increase in medication costs and a lack of low cost generics. I utilize GoodRx as a tool to help give my patients an idea of how much a prescription will be, but I only have access to the cost without insurance. The cost will vary depending on health insurance coverage and the pharmacy where it will be filled. Affordability is definitely a challenge as it relates to diabetes. The newer drugs are more complex and can be more effective as well as more expensive. With hypertension we currently have good variety of medications and generic options.

**Q: ARE THERE THINGS THAT EMPLOYERS COULD BE DOING, ASIDE FROM OFFERING FREE PRESCRIPTIONS AS A PART OF THEIR PLAN, TO ENCOURAGE ADHERENCE?**

**AM** Employers can offer a premium reduction for primary care visits to encourage employees to have a consistent relationship with a physician. Ensure telehealth with their primary care provider is part of their covered benefit plan. Employers should do anything they can to encourage their employees to have an ongoing, long-term relationship with their primary care physician. Outcome data consistently shows improved health and cost avoidance when this relationship is supported with benefit design, including medication adherence.



*Have you evaluated how prescription drugs are impacting your health plan?  
Call 800.544.8306 to schedule a deep dive into your data with HORANalytics®.*



# PBM Education Series

*In 1995, prescription drugs represented 6% of national health expenditures; by 2025, it is expected to represent 40%. The number is staggering.*

*HORAN is hosting a series of webinars to help you navigate these mounting costs and the impact they have on your health plan.*

## THE SERIES COVERS THE FOLLOWING TOPICS:

- Basics of Pharmacy Benefits with a Health Plan
- Speaking the Language – Terms to Know
- The Role of a Prescription Benefit Manager, Money Flow & Pricing
- Best Practice Strategies to Contain Costs
- Finding the Right PBM Partner
- What Makes Up a Strong PBM Contract



### WEBINAR #1

PBM 101: LAYING THE FOUNDATION



### WEBINAR #2

PBM 201: PRICING, PROFITS & POTENTIAL CARVE-OUT



### WEBINAR #3

PBM 301: COST CONTAINMENT & CONTRACT LANGUAGE

Visit [bit.ly/horanrx](https://bit.ly/horanrx) for more information.