



# Exploring the advantages of integrated medical and pharmacy benefits



Better health outcomes, lower costs and a simpler experience are made possible when medical and pharmacy benefits are managed together.

With total drug spending reaching \$633B in 2022,<sup>1</sup> it's no surprise that employers, brokers and consultants are eager to implement strategies to help manage pharmacy costs.

And while there are a variety of approaches to consider, managing medical and pharmacy benefits via one carrier can support savings averaging up to \$516 per member per year.<sup>2</sup>

That's because prescription drug spend spans both pharmacy and medical benefits. In fact, medications related to oncology, inflammatory conditions and multiple sclerosis drive some of the highest costs within both medical<sup>3</sup> and pharmacy benefits.<sup>4</sup>

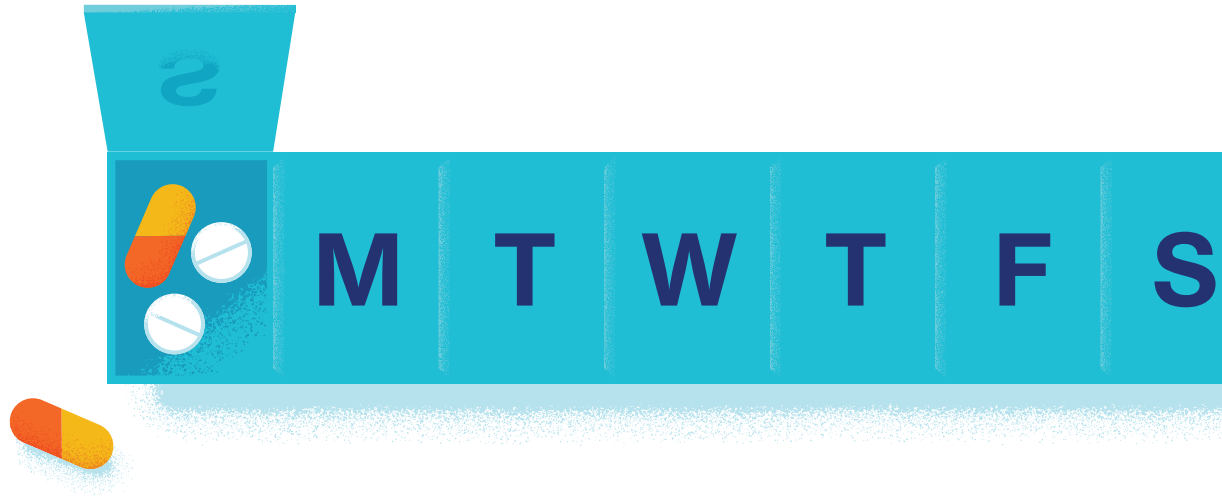
When those benefits are provided by separate carriers—or a standalone or carved-out pharmacy benefit manager (PBM)—the lack of coordination and real-time data sharing between benefits could result in missed savings opportunities.

In contrast, when pharmacy and medical benefits are integrated, the carrier and providers have a clearer view into a member's health status and whole-person health needs. This can enable faster and more informed clinical decisions that may result in better health outcomes, lower costs and a more seamless and connected experience overall.

**“The power of UnitedHealthcare is the data-driven, embedded decision-making that can occur when pharmacy and medical benefits are integrated.”**

**Matthew Vesledahl**

Chief Affordability Officer  
UnitedHealthcare Employer & Individual



## Cross-benefit drug management: A critical component of an integrated approach

While the advantages of benefit integration are largely well understood in the market, cross-benefit drug management can add additional value, which includes the process of:

- Analyzing the efficacy, financial impact and administration experience of specific drugs
- Determining whether a medication should be covered under a member's medical or pharmacy benefit
- Managing care across each benefit to help ensure members are directed to lower-cost medications and care settings when clinically appropriate, regardless of which benefit may be covering treatment

Aside from cost, the way a medication is administered often determines which benefit will cover it. For example, medications in pill form or self-injectables are typically covered by the pharmacy benefit, whereas infusions are typically covered by the medical benefit.

Cross-benefit drug management becomes even more impactful when applied to specialty medications. Used to treat complex or rare chronic conditions, these medications typically account for more than 60% of an employer's total drug spend,<sup>5</sup> with more than half of that spend under the medical benefit.<sup>6</sup>

**“I believe our cross-benefit drug management approach sets us apart from others in the market. We have the data, expertise and benefits to do this under one roof.”**

**Matthew Vesledahl**

Chief Affordability Officer  
UnitedHealthcare Employer & Individual

## Cross-benefit drug management in action

Consider Neulasta®, a drug used to treat low white blood cell count (neutropenia)—a common side effect of cancer treatment:

**Step 1:** The UnitedHealthcare Prescription Drug List (PDL) Management Committee analyzes the cost and advantages of Neulasta under both the pharmacy and medical benefits.

**Step 2:** Upon review, the committee finds that the cost of Neulasta Onpro is lower under the medical benefit when administered at a provider’s office, saving \$1,600 per claim on average, compared to pharmacy benefit coverage, according to UnitedHealthcare 2023 claims data.

**Step 3:** Finally, the committee checks to ensure the member’s experience isn’t sacrificed for that lower cost. Market feedback reveals that members tend to appreciate the fact that the Neulasta Onpro device can be inserted by a provider during their chemotherapy session, eliminating the need for additional appointments or self-administration of the drug, which may be daunting for some patients.

Without this thorough cross-benefit drug management approach, the employee and their employer may have had to pay more, and the employee may have had to self-administer the drug or schedule additional appointments, potentially taking time away from work.

## UnitedHealthcare is more effective at managing biosimilars when compared to other carriers<sup>7</sup>

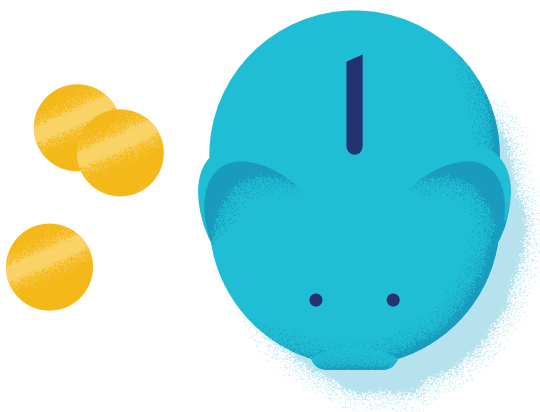
Projected to save the U.S. health system \$183B by 2025,<sup>8</sup> **biosimilars**—drugs that are clinically similar in composition and health outcomes to their respective FDA-approved innovator (or reference) drug—are becoming a critical component of employer benefit strategies.

Consequently, employers should seek to understand not only how a carrier manages biosimilars but also how the integration of medical and pharmacy benefits can enable additional savings opportunities.

For instance, many biosimilars are available under a member’s medical and pharmacy benefits. The UnitedHealthcare cross-benefit drug management approach works to ensure a biosimilar is the lowest-cost, most clinically appropriate option for a member and thoughtfully evaluates whether it is best covered and managed under the medical or pharmacy benefit.

**53%**

in medical benefit drug savings with UnitedHealthcare biosimilar management strategies<sup>9</sup>



**“Cross-benefit drug management is where the value of integrated benefits is being fully realized. Without it, employers may be leaving significant savings on the table.”**

**Matthew Vesledahl**

Chief Affordability Officer  
UnitedHealthcare Employer & Individual



# Bringing it all together: 3 ways pharmacy and medical integration can benefit employers and employees

Cross-benefit drug management shows how an integrated approach with UnitedHealthcare medical and pharmacy may ultimately lead to:

## 1 Lower costs

If benefits are integrated, providers and carriers can more proactively guide members to lower-cost drug alternatives and care settings, when clinically appropriate. This includes determining whether a drug or treatment may be more cost-effectively covered and managed under the medical or pharmacy benefit through the cross-benefit drug management process.

**Up to \$10 per member per month (PMPM) average medical savings guaranteed with UnitedHealthcare Pharmacy<sup>10</sup>**

## 2 Improved health outcomes

When data and coverage information can be viewed and shared across a member's medical and pharmacy benefits, the carrier and providers are able to see a more complete picture of whole-person health needs. As a result, they may identify and engage members more quickly and make more informed care decisions with the goal of better health outcomes and lower costs.

Referrals to clinical programs occur **up to 44 days sooner** with integrated benefits, in part due to real-time pharmacy data enabling faster identification of members in need<sup>11</sup>

## 3 Simpler health care experiences

Because providers have greater visibility into a member's medical and pharmacy coverage and utilization when those benefits are integrated, care can be more coordinated and more seamless. In addition, members have a single view and access point into their medical and pharmacy benefits information through digital tools like the **UnitedHealthcare® app** and **myuhc.com®**.

**Nearly 37%** of prior authorization requests are bypassed when UnitedHealthcare medical and pharmacy benefits are integrated<sup>12</sup>



UnitedHealthcare was voted as the most capable of providing integrated benefits when compared to other carriers in the market, according to a survey of brokers and consultants.<sup>13</sup>

Learn more

Contact your broker, consultant or UnitedHealthcare representative or visit [uhc.com/broker-consultant](https://uhc.com/broker-consultant) or [uhc.com/employer](https://uhc.com/employer)

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<sup>1</sup> Tichy, E. et al. National trends in prescription drug expenditures and projections for 2023. National Library of Medicine, July 7, 2023. Available: <https://pubmed.ncbi.nlm.nih.gov/37094296/>.

<sup>2</sup> Connecting Medical and Pharmacy Benefits to Improve Care and Lower Costs. HCSC, Nov. 9, 2023. Available: <https://www.hcsc.com/newsroom/category/affordability/connecting-medical-pharmacy-benefits-improve-care-lower-costs>.

<sup>3</sup> UnitedHealthcare 2022 Fully Insured data. Not net of rebates.

<sup>4</sup> UnitedHealthcare 2022 Fully Insured data, net post rebate.

<sup>5</sup> UnitedHealthcare 2023 Fully Insured and ASO data.

<sup>6</sup> UnitedHealthcare 2021 Commercial Fully Insured data, post-rebate, allowed amount.

<sup>7</sup> UnitedHealthcare analysis of commercial Fully Insured and ASO data between Jan. 1, 2023, and Sept. 30, 2023, compared to Samsung Biopics Biosimilar Market Report, Q4 2023. Available: <https://www.samsungbioepis.com/upload/attach/SB+Biosimilar+Market+Report+Q1+2024.pdf>.

<sup>8</sup> Lehman, B. Promoting biosimilars could save large employers billions. ALM Benefits Pro, April 20, 2022. Available: <https://www.benefitspro.com/2022/04/20/promoting-biosimilars-could-save-large-employers-billions/>.

<sup>9</sup> UnitedHealthcare 2022 commercial ASO and Fully Insured data. Savings may vary. Medical benefit drug savings based on UnitedHealthcare 2022 commercial Fully Insured and ASO data. Savings may vary.

<sup>10</sup> Average medical PMPM savings for the combined impact of UnitedHealthcare medical and pharmacy based on full year 2021 book of business study of National Account clients. Actual savings will vary depending on client specific attributes including but not limited to the client's risk and demographic profile, actual benefits implemented, and actual member engagement.

<sup>11</sup> UnitedHealthcare and Optum, Personal Health Support analysis. June 2021.

<sup>12</sup> UnitedHealthcare analytics, 2022.

<sup>13</sup> UnitedHealthcare Whole-Person Health Research conducted between February 20, 2024, and April 25, 2024. Based on 12 in-depth interviews with brokers and consultants and 2 mini focus groups with a total of 12 employers in addition to a survey of 200 brokers and consultants and 300 employers, facilitated by TRC Insights, a market research consulting company.

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