



ValidationInstitute

2024 Validation Report

Review for: Capital Rx

Validation Achieved: Contractual Integrity

Valid through: April 2025



Company Profile



Category:	Audit, Transparent Marketplace
Website:	https://www.caprx.com/
Public or Private:	Private
Year Established:	2017
CEO:	Anthony Joseph Loiacono
Company contact:	info@caprx.com

Description Provided by the company:

Capital Rx is a healthcare technology company changing the way prescription drugs are priced and patients are cared for in America. As a Certified B Corp™, Capital Rx is executing its mission through a Single-Ledger Model™, the industry's first ethical framework for drug pricing. The company's cloud-native enterprise pharmacy platform, JUDI®, connects every aspect of the pharmacy ecosystem, servicing over 2.4 million members for Medicare, Medicaid, and commercial plans. Together with its clients, Capital Rx is reimagining the administration of pharmacy benefits and rebuilding trust in healthcare.





Claim Assertion for Validation

Capital Rx's model contract meets Validation Institute standards for transparency. These standards include definitions of terms, client access to data, and guarantees by Capital Rx.

The Capital Rx contract provides

- NADAC based pricing model, reflects actual National paid costs of prescriptions instead of AWP based model. Eliminates need for brand, generic, MAC or specialty lists.
- Offers claim-level price accountability with single price ledger that client can see “buy & sell side” (835s) with all drugs included in the financial true up and audit purposes.
- No spread taken on any drugs which ensures same ingredient cost across the country at all pharmacies.
- No dispensing assets owned – leverage marketplace competition.
- 100% pass-through of pharma revenue, fully verified and auditable, drug-level rebate reporting to support better plan management decisions.
- Attestation by Capital Rx's Chief Financial Officer that the contract discloses all of the revenue received by Capital Rx.





Method / Calculation / Examples

The Capital Rx contract was reviewed by a PhD with expertise in health care fraud detection and pharmacy benefit management contracts. The reviewer compared Capital Rx's model contract to the Validation Institute standards for transparency. Capital Rx responded to comments on each standard.



Findings & Validation

Capital Rx's model contract submitted to Validation Institute in May 2022 meets the standards for transparency.

Limitations

Fully auditable 100% pass through of drug-level rebates received by Capital Rx however, Capital Rx's program includes services from an aggregator; these services are beyond the scope of the client contract.



Validation and Credibility Guarantee

Capital Rx Transparent PBM services achieved Validation for **Contractual Integrity**. Validation Institute is willing to provide up to a \$100,000 guarantee as part of their Credibility Guarantee Program. To learn more, visit

<https://validationinstitute.com/credibility-guarantee/>

Savings

Can reduce health care spending per case/participant or for the plan/purchaser overall.

Outcomes

Product/solution has measurably moved the needle on an outcome (risk, hba1c, events, employee retention, etc.) of importance.

Metrics

Credible sources and valid assumptions create a reasonable estimate of a program's impact.

Contractual Integrity

Vendor is willing to put a part of their fees "at risk" as a guarantee.





CERTIFICATE OF VALIDATION

Applicant: Capital Rx
New York, New York 10003, US

Product: Capital Rx Transparent PBM services

Claim: Capital Rx's model contract meets Validation Institute standards for transparency

Validation Achieved: Validated for Contractual Integrity

Award Date: May 2022

Linda K. Riddell, MS
Chief Data Scientist
Validation Institute

Vidar Jorgensen
Chief Executive Officer
Validation Institute



About Validation Institute

Validation Institute is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of health care.

Validation Review Process

Validation Institute has a team of epidemiologists and statisticians who review each program. The team focuses on three components:

- Evidence from published literature that a similar intervention had similar results.
- The reliability and credibility of the data sources.
- The rigor of the approach to calculating results.

To achieve validation, the program has to satisfy each of these components. VI's team then summarizes the review into a report which is publicly available. Details of VI's review are available with the program's permission.