



ValidationInstitute

2024 Validation Report

Review for: Capital Rx
Validation Achieved: Savings
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

Groups using Capital Rx for their pharmacy benefit have lower costs per member per month than they had with their prior Pharmacy Benefit Manager.





Method / Calculation / Examples

Ten employer groups were analyzed from a wide range of industries. The smallest group had 400 members and the largest had 21,397. The employers had been with Capital Rx for one to three years. They were selected based upon complete financial data being available from their prior PBM. This analysis focused on the employer's first and, where available, second year with Capital Rx.

The prior PBM costs were calculated by taking the invoiced costs for drug ingredients and dispensing, base administrative fees, and rebates (actual amounts paid to the client). Fees for optional programs and services were excluded.

Capital Rx's costs also reflect payments to the employer for penalties or shortfall. For example, if Capital Rx did not perform as guaranteed, a payment was made to the employer. This was included as a rebate. The costs shown are the plan's spending. Member co-pays are not reflected; these did not change during the time periods shown.

No claims or members were excluded, (e.g., high-cost drugs or catastrophic claimants) from the analysis for the prior PBM or for Capital Rx. No adjustments were made for new-to-market drugs.





Findings & Validation

Table 1 summarizes the ten employers and the percentage savings each experienced.

	Members	Prior PBM	Year 1 CapRx	% change prior year	Year 2 Cap Rx	% change prior year
Group #1	5,943	\$127.21	\$116.74	-8.2%	\$106.25	-9.0%
Group #2	1,946	\$94.03	\$57.01	-39.4%	\$48.00	-15.8%
Group #3	2,275	\$253.62	\$210.32	-17.1%	\$203.60	-3.2%
Group #4	2,008	\$90.09	\$77.20	-14.3%	\$74.53	-3.5%
Group #5	1,796	\$122.85	\$105.35	-14.2%	\$98.44	-6.6%
Group #6	21,397	\$48.40	\$38.47	-20.5%		
Group #7	2,700	\$115.73	\$113.14	-2.2%		
Group #8	400	\$175.44	\$126.70	-27.8%		
Group #9	3,300	\$231.16	\$202.59	-12.4%		
Group #10	6,699	\$78.69	\$74.37	-5.5%		
Weighted Average				-14.1%		-6.9%

Table 1





Limitations

First year savings are largely affected by the type and business practices of the prior pharmacy benefit manager. For second year savings, this is not the case.





Validation and Credibility Guarantee

Capital Rx's Pharmacy Benefit Management achieved validation for **Savings**. 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 improved 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's Pharmacy Benefit Management

Claim: Groups using Capital Rx for their pharmacy benefit have lower costs per member per month than they had with their prior Pharmacy Benefit Manager.

Validation Achieved: Validated for Savings

Award Date: November 2022

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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.

