



ValidationInstitute

2022 Validation Report

Review for: Prescriptive Health
Validation Achieved: Savings
Valid through: September 2023



Company Profile



Category:	Pharmacy Benefit Management
Website:	https://prescriptive.com/
Public or Private:	Private
Year Established:	2017
President:	Chris Blackley
Company contact:	https://prescriptive.com/contact-2/

Description:

Prescriptive Health is a healthcare technology company delivering solutions that empower consumers. **Prescriptive's** secure, mobile-first products connect employers, consumers, pharmacists and prescribers, providing people with the information they need to make informed decisions and take better control of their health.

Prescriptive Health is putting an end to the nation's prescription drug debacle by empowering consumers to take charge of their medication costs with the world's first prescription intelligence platform. **Prescriptive** is eliminating middlemen from the drug market by delivering to consumers a simple, mobile experience that integrates in real-time with their benefit plans and healthcare providers.



Company Profile

The **Prescriptive** platform is unique: it knows consumers, guides them with information, engages them in their care, and inspires better health. It sends mobile alerts to consumers with personalized information and pricing options when it matters most, guiding care discussions with their doctors for more informed prescription purchase decisions. For employers and health plans, **Prescriptive** helps to empower consumers, cut costs, and inspire better health. To learn more about how we're rewriting the script, visit www.prescriptive.com.

While traditional PBMs frequently offer "cost guarantees," Prescriptive attests that this is a misstep. Their model presumes that such agreements can only guarantee inflated prices, which, in turn, exacerbate high pharmacy costs. Additionally, Prescriptive surmises that traditional PBM guarantees incentivize the manipulation of contractual definitions of "brand" versus "generic," and often result in additional costs from audits or litigation if expectations are not met.

To date, 100% of Prescriptive clients have experienced improved pricing compared to their previous PBM. Prescriptive's savings methodology is as follows:

- Prescriptive only charges employers a flat per member per month fee, with no additional up-charges and no hidden fees.
- Prescriptive addresses all aspects of an employer's plan design and ensures that it is operating exactly as intended.

Company Profile

- Prescriptive continually monitors claims to ensure that all plan design elements are in place.
- Prescriptive charges no additional fees for clinical programs, including prior authorizations, pharmacy network management, and member support services.
- Prescriptive guarantees pass-through pricing without mark-up.

Additionally, employers on the Prescriptive platform have access to direct pharmacy pricing from over 60,000 pharmacies, none of which are owned or operated by Prescriptive Health, so there is never a conflict of interest.

- Prescriptive does not have any MAC (Maximum Allowable Cost) lists. As such, they do not manipulate MAC pricing. You are guaranteed to pay the exact price that Prescriptive pays to the pharmacy on your behalf.
 - Prescriptive guarantees that pharmacy pricing, manufacturer rebates and discounts will all be passed through to you.
 - Prescriptive contracts directly with pharmaceutical manufacturers on rebates as opposed to working with a rebate aggregator. This cuts out the middlemen and delivers more value and savings to Prescriptive's clients.
 - As part of Prescriptive's commitment to transparency with their clients, they disburse rebates monthly. Prescriptive clients do not have to wait to receive money that is due to them.
 - Prescriptive's contracts require manufacturers and aggregators to pay rebates based on drug utilization. Prescriptive does not profit from increased usage, pricing mark-ups, homedelivery or specialty utilization, or rebate contracts.
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Claim Assertion for Validation

Employers and plans who use Prescriptive Health for their pharmacy benefits have lower PMPM pharmacy benefit costs than those using traditional PBM's.



Method / Calculation / Examples

One employer group's pharmacy costs were tracked for two years. The first year was a 12-month period that preceded the employer enrolling with Prescriptive: February 2018 through March 2019. The comparison year was the employer's second 12-month period with Prescriptive: August 2021 through July 2022.

The total gross costs minus rebates were divided by the number of member months for each time period. Rebates were estimated for the pre-Prescriptive time period.

Findings & Validation

Table 1 summarizes the results of the comparison.

	2018 - 2019	2021 - 2022
Total Rx Costs	\$568,846	\$490,950
Member months	3,816	3,666
Rebate PMPM est.	\$30.00	N/A
Rebates	(35,000)	(43,009)
Net PMPM	\$139.90	\$122.19

Table 1



Limitations

The estimated rebates may be inaccurate.



Validation and Credibility Guarantee

Prescriptive Health Pharmacy Benefit Management achieved validation for Savings. Validation Institute is willing to provide up to a \$25,000 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.



Validation Expiration: September 2023

CERTIFICATE OF VALIDATION

Applicant:	Prescriptive Health 8620 154th Ave NE, #100, Redmond, Washington 98052, US
Product:	Prescriptive Health Pharmacy Benefit Management
Claim:	Employers and plans who use Prescriptive Health for their pharmacy benefits have lower PMPM pharmacy benefit costs than those using traditional PBM's.
Validation Achieved:	Validated for Savings
Validation Award Date:	October 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.