

Blue Shield of California's Innovative Drug Cost Transparency Initiative Provides \$10 Million in Prescription Savings

Nonprofit health plan's collaboration with Gemini Health empowers medical providers, patients to make informed decisions on more affordable prescriptions

By Carrie Kirby | October 15, 2020

One in four patients say that they or a family member have skipped filling a prescription because they could not afford it, according to the California Medical Association.

When patients forgo medication it's understandably distressing for medical providers, who know that a patient's wellness – even their life – depends on following the treatment plan. And the problem is only getting starker. U.S. drug spending hit \$335 billion in 2018, more than double spent in 2002, according to the Centers for Medicare and Medicaid Services.

Soaring drug costs are why Blue Shield of California is empowering providers with the information they need to rein in escalating drug costs, delivered when they need it. In under two years, the effort already has surpassed \$10 million in prescription savings.

"Physicians and patients are placed in the impossible conundrum of making informed choices on drug selection without the information to make those choices," said Terry Gilliland, M.D., Blue Shield of California's executive vice president, Healthcare Quality and Affordability.



A large and growing contingent of providers are adopting the suite of drug cost transparency tools that Blue Shield of California, in collaboration with Gemini Health, began rolling out in early 2019. Beyond saving money, these tools are driving doctor and pharmacist collaboration and streamlining doctors' prescription workflow, allowing them to focus on what matters most: the patient.

"In partnership with Gemini Health, we are delivering therapeutically equivalent, cost-effective drug alternatives at key points of care to ensure we have affordable drugs available to our members and their providers," Gilliland continued. "Making prescriptions more affordable requires complete cost transparency far beyond simply showing copays at prescribing. Improving transparency will drive better shared decision making between patient and physician, and drive better patient adherence and outcomes."

Informing shared decision making

Knowing that doctors treat dozens of patients per day, Blue Shield of California first released a tool that empowers doctors at the point of prescription – while the patient is still sitting in front of them during a visit. Integrated seamlessly into electronic records systems, this tool acts like an online shopping cost-comparison engine, displaying appropriate drug alternatives along with the patient’s copay and the total drug cost for each.

This gives the doctor the peace of mind of sending the patient off with a financially accessible drug regimen. It also cuts down on callbacks from the pharmacy.

“Many of my patients are concerned about the rising costs of prescription drugs. I worry they might decide to do without medication because they can’t afford it – and that can have serious consequences,” said Norman Rosen, M.D., a family practice physician at St. Joseph Heritage Medical Group. “With this new service, I have been able to save patients from \$10 a month to a yearly savings of several thousand dollars by using medications that are therapeutically equivalent to those previously prescribed.”

Bringing the whole care team to the table

Next, Blue Shield of California rolled out tools that help providers uncover drug savings on prescriptions the patient may have already been using for years. These tools enhance collaboration between pharmacists and doctors, and allow for cost evaluation without taking away precious face-to-face patient time.

One early adopter was EPIC Management, which provides management and consulting services to Southern California physician groups and independent practice associations.

“The Blue Shield of California/Gemini Drug Cost Transparency Service TM tools empower unique collaboration between our doctors and pharmacists to lower prescription drug costs with documented results, including drug cost savings for our patients,” said Dr. Raymond Chan, chief medical officer, Epic Management, LP. “I wish other health plans would follow Blue Shield’s leadership.”

UCSF Health also noted how the tools drive pharmacist effectiveness.

“Medication cost directly impacts compliance, which is one of the most fragile steps in a patient’s healthcare journey. This often can determine whether a patient thrives or returns to the hospital, yet the healthcare team often has no way of helping them through that step,” said Mackenzie Clark, PharmD, pharmacy supervisor, who collaborated with Blue Shield of California in developing the cost-analysis service. “By offering this level of price transparency, pharmacists can enhance productivity and support the role of pharmacists in the care team, while making sure patients get the medications they need at a price they can afford.”

Blue Shield of California, the only health plan in California to offer this tool, is now focused on expanding the program’s reach to take a bigger bite out of the drug cost crisis, said Alison Lum, PharmD, Blue Shield of California’s vice president of pharmacy.

“We need to get these important drug cost transparency services rolled out to all of our members and their providers to improve their experience and make progress towards sustainable affordability,” Lum said.