

The case for connected care:

How carving out pharmacy
holds employers back



Fragmentation is failing employers

Healthcare costs continue to rise at unsustainable rates, driven by chronic conditions and complex therapies. Many employers turn to pharmacy carve-outs to gain control and manage spend. But data shows the opposite effect: when benefits are siloed, care becomes fragmented and costs increase.

Integration is the stronger solution

Connecting pharmacy and medical benefits represents one of the most powerful opportunities in healthcare today. When integration, intelligence, and clinical expertise come together, care becomes more connected — and more effective.

By uniting clinical data, advanced analytics, and evidence-based formulary strategies, an integrated model supports whole-person health to improve long-term outcomes. It moves the focus beyond short-term pharmacy savings to the broader goal of improving quality, experience, and total cost of care.

“

When medical and pharmacy are carved out it becomes harder to intervene in meaningful, timely, and cost-effective ways.”

— Mark Napier
MD, FCCP, Regional Vice President
and Medical Director,
Anthem Blue Cross and Blue Shield

Connecting medical and pharmacy care leads to:

- **Aligned** medical and pharmacy strategies
- **Simpler** experiences for members and employers
- **Stronger** coordination across chronic and specialty care
- **Reduced** hospitalizations and ER visits
- **Lower** total cost of care



Connected care works

Across Anthem's commercial population, integrated benefit models consistently outperform standalone ones. A multi-year analysis comparing members with connected pharmacy and medical benefits to those without revealed meaningful improvement.

Connected care reduces cost across chronic conditions:¹

- **Diabetes:** -\$59 per member per month (PMPM)
- **Hypertension:** -\$54 PMPM
- **Obesity:** -\$16 PMPM



Together, these results translate to approximately **\$75 million less** in monthly medical costs across the integrated population.¹

Behind the numbers

Findings are drawn from a multi-year analysis comparing members with integrated medical and pharmacy benefits to those without. The two populations were carefully matched to ensure a fair comparison of cost and outcomes.

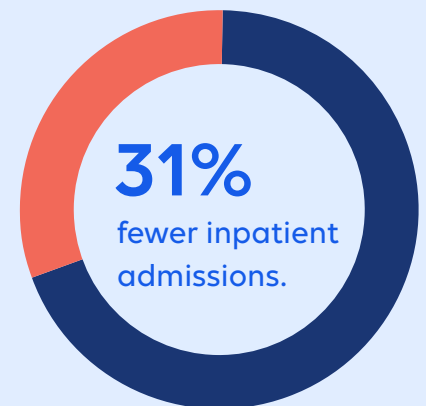
- 40K members
- Three years of continuous enrollment
- Matched populations
- Real-world data

Additional findings



\$38 PMPM

lower total medical cost.



16%

fewer emergency room visits.

How connection delivers impact

Integration outperforms carve-outs because it activates three levers that work better together — engagement, value-based care, and whole-person health. Each mechanism amplifies the others to create a continuous feedback loop of insight, action, and accountability.

Engagement

Turning data into action

By connecting medical and pharmacy data, members are more likely to engage digitally and respond to outreach, allowing clinicians, pharmacists, and care advocates to identify rising-risk sooner and act faster to improve outcomes.

Value-based care

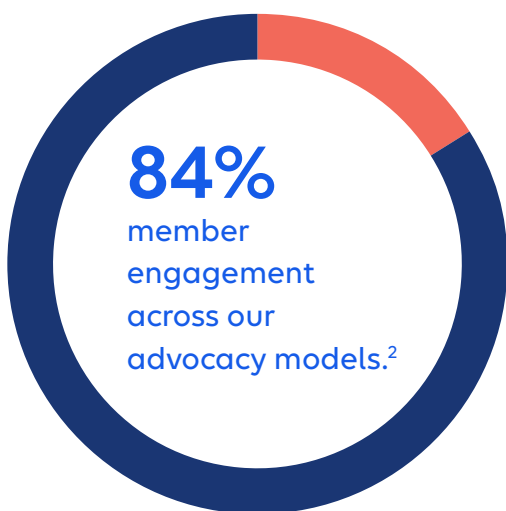
Aligning incentives across benefits

Integration strengthens value-based care by engaging providers with a more complete view of the member — aligning accountability across medical and pharmacy benefits to support better care decisions.

Whole-person health

Connecting every dimension of care

When medical and pharmacy benefits are integrated, advocacy becomes more timely, relevant, and effective — enabling advocates to engage members in ways that drive meaningful action.



Collectively, these forces anticipate needs, improve outcomes, and reduce costs.



35%

reduction of pharmacy prior authorizations by utilizing medical data to validate diagnoses.¹



46.5%

increase in digital member engagement.²



\$98 PMPM

lower total cost in integrated value-based arrangements.³

From outcomes to opportunities

For employers, carve-outs once felt like control, but the data suggests they are **missed opportunities** for better health and smarter spending. Organizations that connect medical and pharmacy benefits see healthier, more productive workforces and stronger returns on their healthcare investments.

For employees, carving out means missing out on:

- **More** access to care.
- **Simpler** healthcare navigation.
- **Better** medication adherence.

Built in is better

Integration works with us because it's **built in, not bolted on**.

Connecting medical and pharmacy benefits focuses on every incentive - clinical, operational, and financial. This aligns toward lowering total cost of care and improving whole-person outcomes.



Sustained medication adherence improvements

Adherence improved by **up to 24%** in the first year, and those gains were sustained for four years in connected care programs.⁴

Connecting medical and pharmacy benefits delivers:



Simpler oversight with one dedicated team that drives results.



Smarter decisions powered by integrated medical and pharmacy data.



More predictable cost trends through proactive management and shared accountability.



Better experiences for members through coordinated programs and digital tools.

See what's possible with connected care

Employers that continue to rely on carve-outs risk being left behind their competitors and face greater costs than those who embraced connected care. They are already realizing measurable savings and stronger workforce outcomes. The question isn't *if* you should make the shift — it's *how soon* you can start.

Take the next step:

1. **Assess** your carve-out strategy for inefficiencies.
2. **Connect** with your broker or Anthem sales representative for an evaluation and insights customized to your population.
3. **Activate** a connected care model that delivers smarter, faster, and more cost-effective results — at scale.



1. CarelonRx Value of Integration Study, commercial book of business (F1+ASO), 2024.
2. Internal CarelonRx Analysis, 2025.
3. CarelonRx Advocacy book of business, 2024.
4. CarelonRx Value of Integration Book of Business Adherence Follow-Up Study (2019–2023).

CarelonRx, Inc. is an independent company providing pharmacy benefit management services on behalf of your health plan.

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