






Increased Use of Home Delivery Pharmacies by Commercially Insured Individuals Can Save Consumers and Employers an Additional \$23 Billion on Prescription Drug Costs over 10 Years

It is well established that **home delivery of prescription drugs advances medication adherence by supporting patients' timely access to maintenance medications** for chronic and behavioral health conditions,^{1,2,3,4} and that higher adherence rates are associated with improved clinical outcomes^{5,6} and reduced mortality.⁷ **In addition to their clinical value, home delivery pharmacies generate substantial savings for consumers and employers compared to retail pharmacies.**^{8,9}

Consumers, providers, employers, health plans, and government programs all benefit from recent advancements in home delivery services. Today, Optum Home Delivery Pharmacy plays a range of roles including:

-  Providing consumers and prescribers with prompt 24/7 access to pharmacist experts via phone and virtual consultations
-  Ensuring consistent, reliable medication access for consumers with limited retail pharmacy options in rural and urban communities
-  Proactively partnering with prescribers to ensure consumers receive timely renewals of their maintenance medications
-  Deploying comprehensive quality and safety processes to achieve a 99.998% rate of dispensing accuracy
-  Using innovative technology and automation to ship medications with accuracy and timeliness and providing state-of-the-art package monitoring to give consumers peace of mind

An estimated 50 million commercially insured adults take maintenance medications for chronic and behavioral health conditions, relying on over a billion 30-day supplies of prescriptions annually.¹⁰ Home delivery can benefit these individuals, including those in lower-income households who struggle to afford the ongoing cost of their medications.

Among all commercially insured adults, each year:



An estimated 8 million try to save money by skipping or reducing medication doses or waiting to fill a prescription.¹¹



An estimated 21 to 27 million seek alternative strategies to reduce prescription drug costs, including asking their doctor for a lower-cost medication and opting for alternative treatments.¹²

Home Delivery Already Generates Substantial Savings for Consumers and Employers

An estimated 12 percent of maintenance medications are currently filled at a home delivery pharmacy, predominantly through 90-day prescriptions.¹³ As a result:



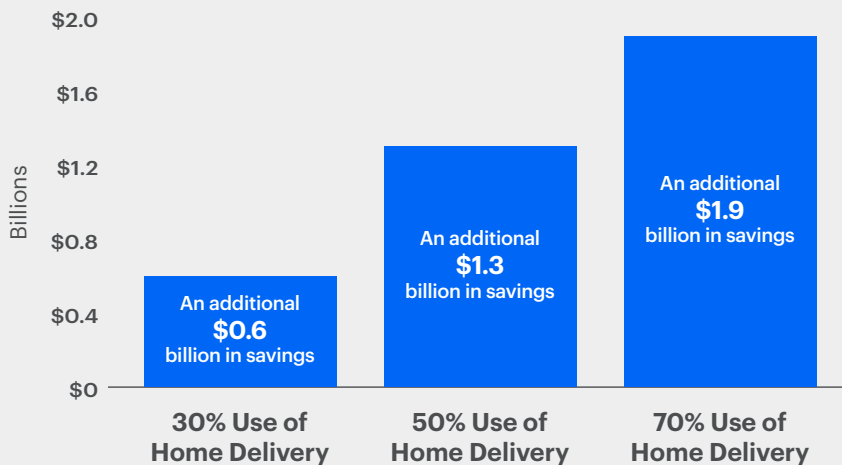
U.S. consumers and employers are already saving an estimated \$600 million annually on home delivery of maintenance medications.¹⁴

These existing savings are realized directly through deeper mail-service pharmacy discounts for home delivery as compared to retail prescriptions. While home delivery achieves higher adherence than retail,¹⁵ this estimate does not include savings achieved from improved adherence leading to better clinical outcomes.

Increased Use of Home Delivery Will Generate New Additional Savings

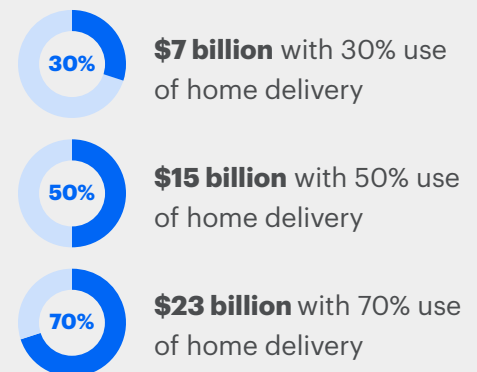
Among consumers considering switching to a home delivery pharmacy, convenience and price are the top motivating factors.¹⁶ As more consumers choose to switch, and as the share of maintenance medications filled by home delivery pharmacies increases, consumers and employers will realize new additional savings through deeper pharmacy discounts. **If commercially insured adults filled 70 percent of their maintenance medications as home delivery prescriptions, instead of the current 12 percent, new potential annual savings for consumers and employers could reach \$1.9 billion in the first year and \$23 billion over 10 years.**¹⁷

New Potential Annual Savings from Increased Use of Home Delivery Prescriptions¹⁸



New Potential 10-Year Savings

Expanded use of home delivery of prescription medications can generate substantial new savings over 10 years:¹⁹



Moving Forward

Policymakers have an opportunity to help reduce prescription drug costs by supporting the most cost-effective ways for patients to obtain maintenance medications. **To ensure more individuals have convenient, timely, and affordable access to medications and can take them as prescribed,** policymakers can:

- **Ensure that individual consumers, employers, and health plans can continue to choose home delivery** as an option for accessing prescription drugs.
- **Recognize the value and capabilities—including the use of innovative technology and automation to ensure accuracy and timeliness—that home delivery pharmacies provide** in improving health outcomes and delivering savings.
- Support efforts to:
 - **Inform consumers** about the home delivery pharmacy benefit offered by their health plans.
 - **Empower consumers** by removing obstacles related to accessing cost-effective home delivery pharmacies.
 - **Provide timely and seamless access** to pharmacy care services by enabling the sharing of data for valid clinical reasons.

Methodology

Estimated Volume of U.S. Adults who Struggle to Afford the Ongoing Cost of Their Medications

The number of commercially insured adults who do not take medications as prescribed to save money (7.7 million) was estimated by multiplying the share of U.S. adults ages 18-64 who did not take medication as prescribed to save money in 2022 (6.4%) by the number of commercially insured adults ages 18-64 in 2023 (120 million), which was estimated by multiplying the number of individuals ages 0-64 with employment-based coverage (157 million) by the proportion of 18-64-year-olds among 0-64-year-olds (76.2%).

For the number of commercially insured adults who sought alternative strategies to reduce costs, the upper limit of the range was estimated by summing the estimated number of adults who asked their doctor for a lower-cost medication and the estimated number of adults who opted for alternative therapies. To account for potential overlap between the two categories, the number of adults who requested the doctor for a lower-cost medication was used as the lower limit of the range. The number of commercially insured adults who requested the doctor for a lower-cost medication (21.5 million) was estimated by multiplying the share of commercially insured adults ages 18-64 who asked their doctor for a lower-cost medication in 2017 (18%) by the number of commercially insured adults ages 18-64 in 2023. The number of adults who opted for alternative therapies (5.3 million) was estimated by multiplying the share of adults ages 18-64 who opted for alternative therapies (4.4%) by the number of commercially insured adults ages 18-64 in 2023.

Savings Estimate: Approach

Savings from use of home delivery pharmacies were estimated using a combination of external data sources and 2023 Optum Rx commercial pharmacy claims for individuals ages 18-64 with at least one day of pharmacy coverage in 2023, representing over 34 million individuals. Savings estimates for the employer-based commercial market include self-insured and fully insured plans. An estimated 65% of those with employer coverage are covered through self-insured plans, for which the savings that does not accrue directly to the consumer accrues directly to the employer. For fully insured plans, the savings that does not accrue directly to the consumer accrues initially to the health plan; it is assumed to be passed on to the employer over time due to medical loss ratio regulations and market forces exerted on premiums.

Savings Estimate: Annual Volume of Maintenance Medications

To estimate the systemwide annual volume of 30-day supplies of maintenance medications for commercially insured adults, the number of commercially insured adults ages 18-64 was multiplied first by the share of adults ages 18-64 who had a prescription in 2022, second by the proportion of those adults taking maintenance medications, and third by the estimated average number of 30-day supplies of maintenance medications per person per year among adults taking maintenance medications.

Existing Annual Savings at Current Use of Home Delivery

Existing annual savings from home delivery pharmacy use were estimated by multiplying the average savings per 30-day supply realized from converting 30-day retail prescriptions to home delivery prescriptions by the estimated volume of maintenance medications for commercially insured individuals filled through home delivery pharmacies in 2023. For each conversion from retail to home delivery prescriptions, estimated savings per 30-day supply assumed the drug and the generic or brand status remained constant.

The volume estimate assumes home delivery pharmacies account for approximately 12% of maintenance medications, a conservative estimate based on the experience of Optum Rx's commercially insured population.

Savings were estimated by dividing the annual volume of 30-day supplies of home delivery prescriptions into generic and brand volumes, and then applying the average generic-specific and brand-specific savings for each 30-day supply of generic or brand prescriptions. Because individuals taking 90-day retail prescriptions are less likely to switch to home delivery prescriptions, and because 30-day retail prescriptions preceded the introduction of 90-day retail prescriptions, the baseline savings estimate assumes all current home delivery prescriptions were originally converted from 30-day retail prescriptions.

New Additional Savings with Increased Use of Home Delivery

New potential annual savings from increased use of home delivery prescriptions, which do not include existing annual savings, were estimated by assuming that retail 30-day prescriptions and retail 90-day prescriptions each were converted to home delivery from their current volume by equal increments. For example, estimated new potential savings from 30% use of home delivery was calculated by increasing the current 12% volume by 9 percentage points of volume converted from 30-day retail prescriptions and by 9 percentage points of volume converted from 90-day retail prescriptions, while keeping the existing generic-to-brand ratios for each channel. Savings were estimated by dividing the annual volume of 30-day supplies of home delivery prescriptions into generic and brand prescription volumes, and then applying the average generic-specific and brand-specific savings for each 30-day supply of generic or brand prescriptions. To be conservative, new potential annual savings are applied to 2024 without applying any inflators to the estimate, which relies on inputs from earlier years.

New potential 10-year savings for 2025 through 2034 were estimated by growing volume by 3% annually, while conservatively holding constant per unit savings, and summing the annual savings.

Citations

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Note: The \$1.9 billion in new additional annual savings does not include the \$600 million in existing annual savings in the first year. The \$23 billion in new additional savings over 10 years is greater than \$19 billion (\$1.9 billion x 10) because the 10-year estimate applies an annual utilization growth factor. (See Methodology.)
- 18 UHG 2024 estimates. (See Methodology for details.)
- 19 UHG 2024 estimates. (See Methodology for details.)