

Crumdale Partners

A large, semi-transparent watermark of the Crumdale Partners logo is centered on the slide. The logo consists of a stylized 'CP' monogram inside a circle, with a vertical line extending downwards from the center of the circle.

An Employee Benefits Optimization Platform

Where innovation, insight and transparency converge to reduce and stabilize costs

Confidential & Proprietary – Not for Distribution

Meeting Agenda

Crumdale Partners

1. Introduction/Overview

1. Who is Crumdale
2. Bundled vs Unbundled
3. Franklin Health

2. The Crumdale Story

1. Attacking the Problem
2. Pharmacy Solutions
3. Results



Crumdale Partners Story

Manufacturer, underwrite, administer...

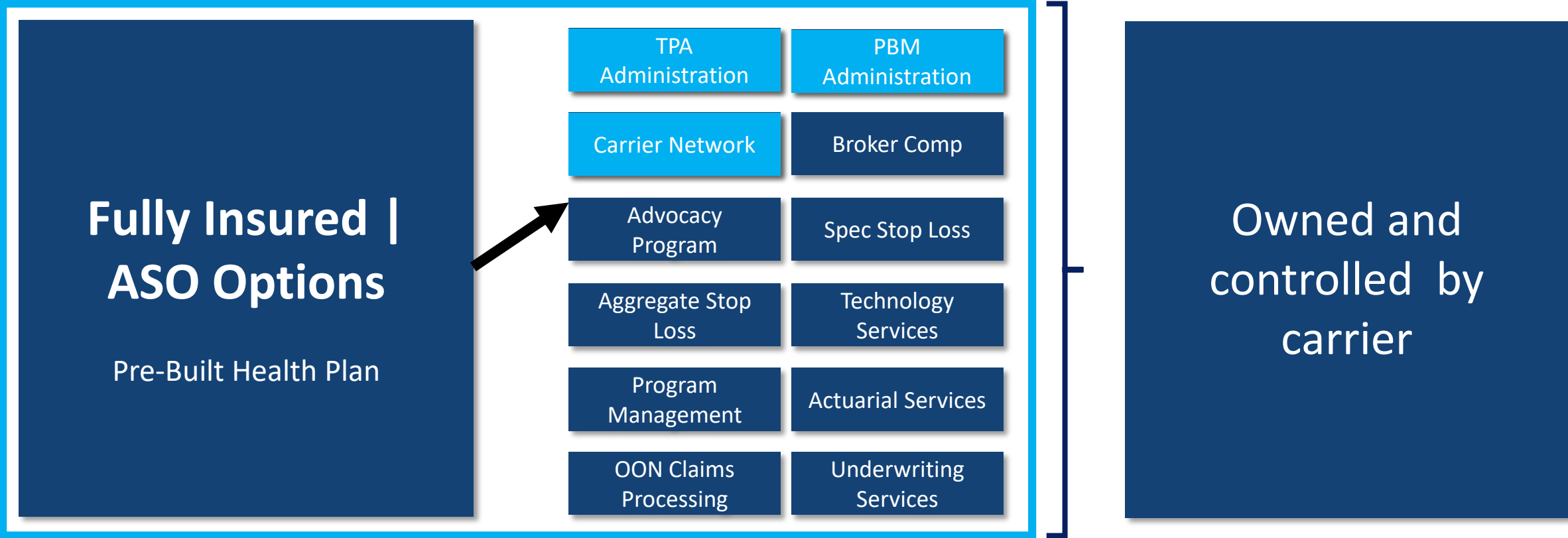
— CP Story



Building a Health Plan

Bundled

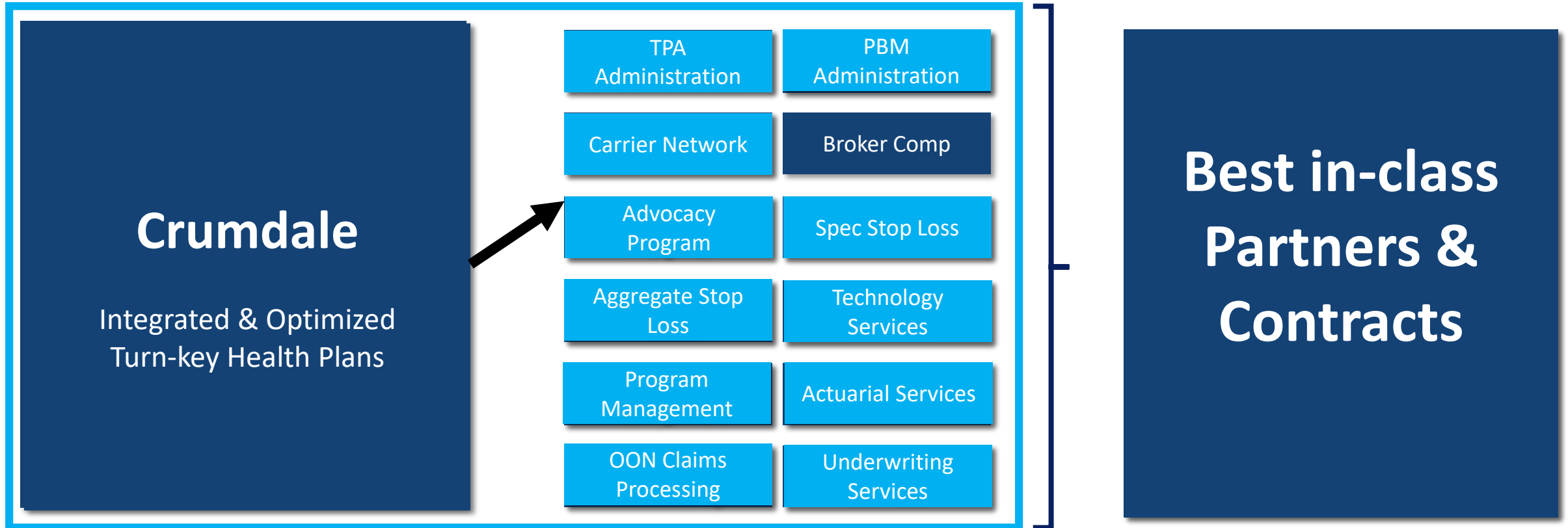
— Building a Plan



Building a Health Plan

Unbundled Solutions

— Building a Plan



Our Solution: Franklin Health Benefits Consortium

Franklin



HEALTH

Simple for Members

- Same PPO designs as current
- Same Doctors, Hospitals, and Facilities
- Similar Pharmacy Network
- Similar Formulary
- Member Advocacy/Telemedicine
- Same level of copays, deductibles, and coinsurance

Integrated Health Plan

- Integration of best-in-class vendors
- Aetna or Cigna Network
- Independent Claim Payor
- Medical Bill Review
- National PBM
- Market-Leading Analytics
- Premier Stop Loss Arrangement

Simple for Employers

- Known Max Cost - upfront
- 1 Monthly Invoice – just like fully insured
- Low Cost
- Low Risk
- Stable Renewals
- Full Transparency

A BEST-IN-CLASS INTEGRATED HEALTH PLAN

Franklin Health combines best-in-class components of an integrated health plan while offering dynamic and innovative solutions across various components to achieve extraordinary results.



Crumdale Partners Story

Attack the problem

22.2¢

Prescription
Drugs

19.0¢

In-Patient
Hospital Costs

19.9¢

Out-Patient
Hospital Costs

3.3¢

Emergency
Room Costs

11.8¢

Doctor
Visits

6.2¢

Other
Out-Patient Care



- **80/20 rule** – 80% of healthcare costs come from 20% of the population
- **72% of healthplan spend** comes from pharma and costs associated w/ high-cost claims.
- **2% of RX volume make up 55-65%** of total RX spend
 - High-Cost Specialty

3.8¢

Taxes and Fees

3.0¢

Other Fees and
Business Expenses

2.1¢

Cost Containment

0.8¢

Quality Improvement

4.2¢

Other Administrative
Expenses

3.6¢

Profit

The Right Trading Partners

Types of PBM Contracts

— PBM Contracts



Traditional Contracts

- Excellent discounts
- Excellent rebates
- Excellent guarantees
- Audit rights
- Clinical Management
- Broad formulary
- Broad pharmacy network
- Minimally disruptive
- Minimal specialty cost containment

Hybrid Contracts

- Very good discounts
- Very good rebates
- Very good guarantees
- Audit rights
- Clinical Management
- Broad formulary
- Broad pharmacy network
- Minimally disruptive
- Significant specialty cost containment

Minimal Disruption
Low Net Cost

Non-traditional Contract

- Mediocre discounts
- Mediocre rebates
- Mediocre guarantees
- Audit rights
- Clinical Management
- Strict formulary
- Narrow pharmacy network
- Can be very disruptive
- Significant specialty cost containment

Crumdale

Specialty Drug Carveout

— Specialty Drugs

| Top 10 Alternative Sourcing Opportunities* | | | |
|--|--------------------------|------------------------|---------------------------|
| Medication | Average Annual Plan Cost | Average Member Savings | Plan Savings |
| Humira | \$66,932 | \$3,523 | (\$53,270) |
| Enbrel | \$66,948 | \$3,524 | (\$53,284) |
| Cosentyx | \$66,511 | \$3,501 | (\$52,936) |
| Vumerity | \$84,379 | \$4,441 | (\$67,156) |
| Stelara | \$90,454 | \$4,761 | (\$71,992) |
| Tremfya | \$66,960 | \$3,524 | (\$53,293) |
| Skyrizi | \$63,618 | \$3,348 | (\$50,633) |
| Tecfidera | \$92,836 | \$4,886 | (\$73,887) |
| Entyvio | \$120,000 | \$3,443 | (\$63,798) |
| Orphan Medications | \$100,000 to \$750,000 | \$6,000 | (\$75,000) to (\$600,000) |

Targeting ALL Specialty medications > \$5K per Month

* Plan cost, member savings, and plan savings are based on our book of business average. They may fluctuate slightly depending on the incumbent plan and current member cost-share

Crumdale Specialty Solutions via Franklin Health

Leveraging Analytics to Drive to the Best Option

Crumdale Specialty Solutions provide the only program in the nation ensuring that Specialty medications flow to the lowest net cost option for the member and the plan.

Analytics drives to lowest net cost option for the plan



Financial Assistance (Patient Assistance Programs)

Wholesale Specialty Sourcing

Diabetes Savings Wrap

WellAssist Copay Card Maximizer

Specialty Personal Importation

Crumdale & Franklin Health via WellDyne

Plan Performance



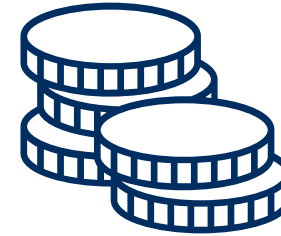
45%

Per Member per Month (PMPM) Rx spend was 45% lower than the industry \$55.12PMPM vs \$103PMPM*



35%

Specialty Plan spend accounted for only 35% of the overall pharmacy plan cost vs. National rate of 53%



\$4K

Members saved on average \$4,435 utilizing our Specialty Cost Containment solutions annually



85%

Specialty Cost Containment Solutions eliminate 85% of pharmacy specific deductible hits

Ohio School District Success Story

Real Client Risk Management

— Case Studies

| Drug Name | Annual PBM Medication Cost | Total Specialty Sourcing Cost | Annual Savings |
|--------------|----------------------------|-------------------------------|----------------------|
| Tremfya | \$52,546.78 | \$12,079.72 | -\$65,939.63 |
| Trikafta | \$314,039.90 | \$72,193.08 | -\$262,720.51 |
| Skyrizi | \$66,966.19 | \$16,333.22 | -\$55,003.08 |
| Enbrel | \$75,686.92 | \$18,460.22 | -\$62,165.90 |
| Tremfya | \$52,546.78 | \$12,079.72 | -\$65,939.63 |
| Stelara | \$100,356.65 | \$24,477.23 | -\$82,428.54 |
| Total | \$662,143.22 | \$155,623.19 | -\$594,197.29 |

Group #1 (Ohio School System):

- Group was receiving a massive increase from their Fully insured carrier.
- During the underwriting process we identified 6 medications driving a large portion of their increase.
- Working with the broker and HR we addressed all 7 medications, getting the members the medications directly from the manufacturer at no cost or finding solutions to reduce the cost significantly
- **Saved the health plan almost \$600k in year 1.**

Crumdale Success Stories

Real Client Risk Management

Group #1 (member with brain cancer):

- Identified generic specialty drug on weekly Rx report. Pharmacy Team found the drug for \$700 vs. \$18K and the member filled at the lower cost.
- Based on treatment plan in CM report, identified \$35K facility claim corresponding to radiation treatments in the weekly claims register. Requested YTD report from TPA which included a pending \$132K claim at same facility.
- **Result = \$230,000 savings**

Group #2 (Outpatient Procedure):

- Reviewed weekly claims registers and identified claims with similar DOS and billed amounts, not identical.
- **Result - \$44,000 in savings**

Group #3 (member with prostate cancer):

- Based on treatment plan in CM report, two drugs are expected to be utilized until July 2021. Requested YTD Rx report from ESI and identified a generic cancer drug costing \$7K/month. Pharmacy Team found the drug for \$300-800/month.
- **Result - \$75,000 in savings**

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Employee Benefits Optimization Platform



Scott Brendamour

E: Sbrendamour@crumdalepartners.com

P: 513-207-7456

W: Crumdalepartners.com