

Magellan Rx Management's Site of Service Program Saves Two Regional Health Plans a Total of More Than \$1 Million Over Six Months

Program addresses cost and quality in a way that benefits patients and payers

SCOTTSDALE, Ariz.--(BUSINESS WIRE)-- Magellan Rx Management, the pharmacy benefit management (PBM) division of [Magellan Health, Inc.](#) (NASDAQ: MGLN), today announced that its clinical site of service program has delivered a total of more than \$1 million dollars in savings in the first six months for two regional health plans, while generating positive feedback from patients.

Drugs that require provider administration, such as infusions, can be administered at different sites of service, including hospitals, physician offices and through home infusions. The cost of these medications can vary greatly depending on the site. Commonly utilized infused drugs can cost more than double at one site compared to another for commercial members.

"Patients and payers are concerned about the cost of infusion drugs," said Adam Wiatrowski, senior vice president and general manager of Magellan Rx Management's specialty drug division. "Our work with our health plan partners has shown that site of service management is one of our many proven solutions for controlling these costs. We are thrilled with the initial results of the program, and we are confident that we will see continued savings as the program evolves, while maintaining and often improving the member's infusion experience."

Magellan Rx Management's site of service program is overseen by a collaborative care team of healthcare professionals, including nurses, pharmacists and physicians. The Magellan Rx referral center nurse contacts the patient on infusion drug therapy to discuss the various options and the benefits each site has to offer. Payer and member savings are generated when the patient chooses a more cost-efficient location. Member affordability and convenience are the most common considerations for selecting an infusion provider.

"We have a responsibility to control costs while improving the patient's access to care," said Dr. Maria Lopes, chief medical officer of Magellan Rx Management. "Our program provides a solution that achieves a patient-first focus, improves satisfaction and convenience while reducing cost trends and guides patients to the most clinically appropriate and most cost-effective sites."

The alarming variance in cost by site of service was highlighted in [Magellan Rx Management's Medical Pharmacy Trend Report](#). For example, the report found that the rheumatoid arthritis drug, infliximab (Remicade®), costs around \$4,000 per claim at the physician's office for commercial members compared to almost \$9,000 at an outpatient hospital. There are numerous other drugs with large cost variances by location, including those used for the treatment of cancer and immunodeficiencies.

"Savings through site of service management has been little more than an industry concept over the past few years, but we are turning that concept into valuable, quantifiable results," said Wiatrowski. "Our extensive experience in managing specialty drug costs under the medical benefit puts us in a unique position as a market leader in this space. We are excited to expand upon our initial success by working with additional health plans on this initiative."

Magellan will discuss the Medical Pharmacy Trend Report and results of the site of service program at the upcoming Asembia Specialty Conference.

About Magellan Rx Management: Magellan Rx Management is a full-service PBM that specializes in solving complex pharmacy challenges for its customers by developing and executing smart solutions that leverage industry-leading experience and technology to exceed expectations across the employer, third-party administrator, broker, managed care, government, Medicaid and Medicare Part D lines of business. As a pioneer in medical specialty pharmacy management and a leader in best-in-class formulary optimization programs, Magellan Rx Management delivers consistent, proven cost savings. As clinical experts, Magellan Rx Management delivers customized programs to address clients' most pressing clinical challenges, drive Star Ratings improvements and engage patients and providers to deliver improved health outcomes.

About Magellan Health: Headquartered in Scottsdale, Ariz., [Magellan Health, Inc.](#) is a leader in managing the fastest growing, most complex areas of health, including special populations, complete pharmacy benefits and other specialty areas of healthcare. Magellan develops innovative solutions that combine advanced analytics, agile technology and clinical excellence to drive better decision making, positively impact health outcomes and optimize the cost of care for the

members we serve — all within a customer-first culture. Magellan's customers include health plans and other managed care organizations, employers, labor unions, various military and governmental agencies and third-party administrators. For more information, visit MagellanHealth.com.

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