

The case for connected care:

Why integration outperforms
fragmentation



Fragmentation is failing employers

Healthcare costs continue to rise at unsustainable rates, driven by chronic conditions and complex therapies. Many employers have adopted a pharmacy carve-out strategy thinking it will help them gain control and manage spend. But data shows the opposite effect: When benefits are siloed, care becomes fragmented — and costs increase.

Integration offers a 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."

— Lisa Morris
Vice President, Chief Clinical and Operations Officer,
CarelonRx

Connecting medical and pharmacy care leads to:

- **More** aligned clinical and benefit strategies
- **Simpler**, more coordinated member experiences
- **Stronger** management of chronic and specialty conditions
- **Fewer** avoidable hospitalizations and emergency room (ER) visits
- **Lower** total cost of care



Connected care works

Across a large commercial population, integrated benefit models consistently outperform standalone ones. A multiyear 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.

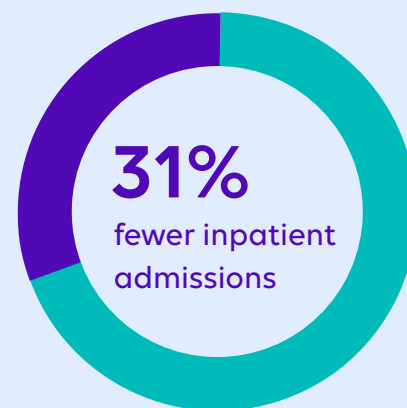
- **40K** commercial members
- **Three** years of continuous enrollment
- **Matched** populations
- **Real-world** data

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 pharmacy and medical 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 pharmacy and medical benefits to support more informed decisions.

Whole-person health

Connecting every dimension of care

When pharmacy and medical benefits are integrated, advocacy becomes more timely, relevant, and effective — enabling advocates to engage members in ways that drive higher engagement and more 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 best when it is **built in, not bolted on**.

When a pharmacy benefit manager (PBM) is built to align with the medical plan, it brings clinical, operational, and financial incentives together — enabling coordinated care, improved outcomes, and lower total cost of care.

Connecting medical and pharmacy benefits delivers:



Simpler oversight with aligned pharmacy and medical partners



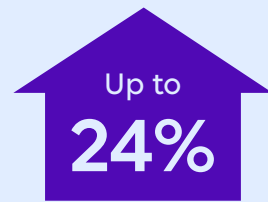
Smarter decisions powered by integrated pharmacy and medical data



More predictable cost trends through proactive management and shared accountability



Better member experiences through coordinated programs, advocacy, and digital tools



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

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. Evaluate your current approach to assess alignment across pharmacy and medical strategies.
2. Engage your partners for insights tailored to your population.
3. Explore the impact of greater integration on cost, experience, and outcomes.



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).

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