



Kroger
Prescription
Plans

2020 Annual KPP Trend Report

-1.4% *Overall
Trend*

Low Cost Generics & Clinical Innovation

By maximizing low-cost generics and implementing innovative clinical programs, our clients collectively achieved a negative overall trend.

-12.1% *Traditional
Drug Spend*

Generic Dispensing Rate to 89.1%

- GDR increased by 0.3% from 2019
- 1% increase in GDR results in 1-1.5% decrease in spend
- -0.2% unit-cost, -7.5% utilization, -4.4% drug mix

8.4% *Specialty
Drug Spend*

Driving 57% of Total Plan Paid

- Specialty 360 Program decreased specialty drug spend by 7.60%
- -9.0% unit-cost, 1.2% utilization, 16.2% drug mix

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www.kpp-rx.com

Innovative Clinical Programs

Clinical Performance Based Guarantee – Suite of Clinical Programs that We Guarantee Will Lower Your Prescription Drug Spend

GenSync – Delivers the Right Medicine in the Right Dose to the Right Person at the Right Time, Eliminating Lengthy Trial and Error Process

Specialty 360 & Retail 360 – Dynamic Copay Program that Maximizes Copay Cards to Offset Costly Specialty and Non-Specialty Therapies

OTC Alternative Exclusion Program – Stop Covering Rx Drugs that are Available Over-The-Counter

Vectra® – Improves Cost Efficiency for Rheumatoid Arthritis Drug Spend

Reference Based Pricing – Proactively Contains Cost in Select Drug Classes

Top 3 Drug Classes

Inflammatory Diseases, Diabetes and Neoplastic Disease

Forecast

Atopic Dermatitis – Dupixent, the current market leader, will face direct competition from several new drugs

Non-Alcoholic Steatohepatitis (NASH) – Breakthrough therapy Ocaliva, if approved, posed to treat 3-12% of adults in the United States, Potential price range of \$15k-\$20k per member per year & projected sales of \$10-35 Billion

Diabetes – Breakthrough high-cost monoclonal antibody that prevents or delays onset of Type 1 Diabetes