



Executive Summary

CHALLENGES — As they exist today.

With the 2021 projected cost trend rate increasing 3.59%, prescription drug benefits are likely a focal point of employee benefits renewal discussions for your clients.



Specialty drug spend continues to drive a significant portion of this trend. While Specialty Drugs account for 1.04% of total fills for ProAct's book of business, the Specialty segment as a whole accounts for 40.55% of total drug spend. The average cost per Specialty prescription is rapidly approaching \$4,900. As if the data itself weren't alarming enough, 80% of drugs awaiting FDA approval are Specialty.

The Specialty Drug conundrum will not solve itself without a robust strategy implemented by your PBM partner.

This unfavorable trend, coupled with continued consolidation within the Pharmacy Benefit Management (PBM) industry, puts mid-market sized employer groups in a difficult spot. Mergers and acquisitions, by definition, generate more profit for newly built companies through "economies of scale." With the announcement of another major acquisition in early 2021, plan sponsors and patients continue to experience disruption on formulary/network choices. As consolidation continues to be more likely, the impact to both Main Street and Wall Street will be closely monitored.

Today's reality is that a handful of mega-PBM vendors control 80% of the market. Their collective market share includes employer groups ranging in size from 100 lives up to 500,000 lives and everything in between. As mid-market sized employer groups, your clients are much better suited working with a PBM partner, rather than a vendor that answers to Wall Street and their relentless demand for increased shareholder value. These mega-PBM vendors simply cannot provide the partnerships that mid-market sized employer groups require.

VALUE — Relative to proposed solution.

Meticulously evaluate and select a **PBM partner** whose niche is precisely, and exclusively, within the mid-market sized employer group space. Furthermore, to curb service disruptions, choose the PBM partner that cannot be bought or sold: **ProAct, Inc.** Vendors tend to be reactive, while partners take a proactive approach regarding issues that have the potential to negatively impact the client and member's experience. Our 95.3% client retention rate indicates that once we've earned your client's business, they'll likely be with us for a long time.



Pricing and service value metrics are usually given the most consideration within the PBM industry. More often than not, one of those value metrics came at the expense of the other. In other words, you couldn't have both. Through an organic growth strategy, we provide our clients with an offering that couples competitive pricing with a high-touch service model that only an employee-owned PBM, like **ProAct, Inc.**, can. Each one of our 4,000 employee owners has a vested interest in ensuring that we put our best foot forward every single day to uphold our partnership commitment to your clients.

Simply put, we don't aspire to be the biggest. We aspire to do what we've done best for over 20 years as a PBM, and collectively over 118 years as KPH Healthcare Services — to offer the highest quality of service at the best possible value.

VALUE ADDS — What we can do for you.

- Quarterly Client Reviews
- On-Going Member Education
- Robust Reporting Package
- Mobile Technology
- Dedicated Account Management Team
- 24/7 Customer Service Hours
- Best In Class Response Time



WHAT MAKES US A GREAT FIT?



100% Employee Owned

A merger or acquisition will never be a concern.

100% Organic Growth

If we are privileged enough to call your client our partner, we will have earned their business — not purchased it.

95.3% Client Retention

Managed, strategic growth has helped ensure that we never lose sight of what's been at our core since 1903 — *High-Touch Customer Service.*

High-Touch Service Model

Your clients will receive the service and attention to detail that only a mid-market specialized PBM partner like ProAct can offer.

Integrated Mail Order Service & Specialty Pharmacy

Both are wholly-owned and operated.

Offices Across the Country

Florida, Illinois, Mississippi, and New York.

"It is my honor to work closely with you and develop a lasting relationship. At ProAct, we feel we will help improve the outcomes of your employers' overall healthcare cost."

CONTACT:

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12-Years of Healthcare Experience

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