

2026 Client Report

Self-funding Saves.
MedBen Delivers.

MedBen[®]
health. benefits.

The logo graphic for MedBen, featuring a stylized white arrow or checkmark shape pointing upwards and to the right, positioned to the right of the text "health. benefits."

MedBen by the Numbers

2025 Client Cost Data



-4.1%

Change in medical spend per employee from 2024



-17.3%

Alternative reimbursement strategies vs. standard PPOs alone



\$22³⁸

Average PEPM savings through forensic claims review



-25.1%

MedBen Rx vs. other PBMs



-12.9%

MedBen WellLiving clients vs. non-WellLiving clients

5-Year Cost Trends (2021-25)



4.3%

Medical & pharmacy combined trend for clients



3.7%

Medical trend for clients (vs. 7.5% national* trend)



4.6%

Pharmacy trend for MedBen Rx clients



8.6%

Pharmacy trend for clients using other PBMs



2.6%

Trend for MedBen WellLiving clients



5.7%

Trend for non-MedBen WellLiving clients

* Based on PwC 5-year medical trend

Chairman's Note

Rising health care costs continue to challenge employers across all industries. Current national projections suggest 2026 cost increases in the range of 8.5% to 10%, reinforcing the need for flexible benefit strategies. In an environment where new approaches often translate into empty promises, it is important to distinguish between ideas that attract attention and solutions that deliver sustained value.

At MedBen, we understand that effective self-funding is not achieved through a predefined formula. The most successful plans are built through thoughtful design, supported by proven solutions, and refined over time to reflect each organization's needs.

This Client Report reflects that philosophy. On the following pages, we outline the services and strategies that brokers, consultants, and clients that work with MedBen have used successfully to manage costs, improve outcomes, and maximize the value of their plans. The Self-Funding Solutions Checklist on the next page serves as a guide, illustrating how solutions can be combined and tailored to support each client's goals.

The strategies highlighted here are informed by experience and results. We pay attention to what works, and bring it to our clients.

From reimbursement and claims oversight to pharmacy management and wellness initiatives, each plays a role in strengthening plan performance. Our team works closely with clients to evaluate performance, identify opportunities, and adjust strategies as needs evolve.

As you review this report, we encourage you to consider not only individual services, but how these components work together as part of a cohesive approach. Our objective is not simply to reduce costs, but to help employers design and manage benefit plans that deliver long-term value for both the employer and the people they serve.

Thank you for the opportunity to be your benefits partner. As always, should you wish to talk, you are welcome to contact me directly at 740-522-7345.

Sincerely,



Kurt Harden
Chairman & CEO



Self-Funding Solutions Checklist

The checklist below highlights the strategies and services MedBen clients use to manage costs, improve outcomes, and maximize value. The pages that follow show how these solutions strengthen performance and where opportunities may exist to further optimize plan results.

Alternative Reimbursement Strategies

- Direct-to-Employer Contract with PPO Wrap
- Direct-to-Employer Contract with Reference-Based Pricing (RBP) Wrap
- Direct-to-Employer Contract with Fair Market Pricing (FMP) Wrap
- Straight RBP
- Straight FMP
- Out-of-Network RBP (Unwrapped)

Forensic Claims Review

Utilization Review & Case Management

Risk Reduction Strategies

- Plan Compliance Review
- Spousal Language
- Transplant Carve-out Policy
- Air Ambulance Review
- Dialysis Language

Pharmacy Pricing Strategies

- Average Wholesale Price
- Acquisition Cost Index
- Own Use
- 340B

Formulary Strategies

- Discretionary Formulary
- High-Value Formulary
- Over-the-Counter (OTC) Formulary
- Specialty Pharmacy
- Biosimilars
- Patient Assistance Programs (Benefit Preservation)
- Alternate Rx Sourcing (Personal International Importation Assistance)

Genomic Testing

- Pharmacogenomics
- Nutrigenomics

Wellness & Disease Management (MedBen WellLiving)

Flexible Spending Accounts (FSAs)

Health Reimbursement Arrangements (Limited Use or Full HRAs)

Health Savings Accounts (HSAs)/ High-Deductible Health Plans (HDHPs)

Member Engagement Strategies

- MedBen Access
- MedBen Connect
- Telemedicine

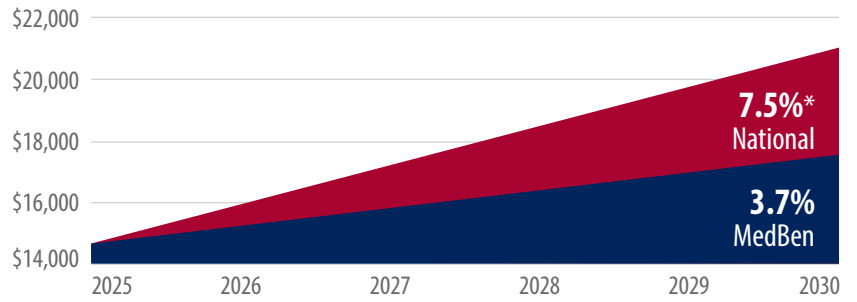


-4.1%

Change in
medical spend per
employee from 2024 to 2025

Looking Ahead: MedBen vs. National Trend

From 2021 to 2025, MedBen clients experienced a 3.7% medical trend compared to a 7.5% national* trend. Using MedBen's 2025 per-employee medical spend as a baseline, below are projected costs for the next five years based on these trends.



* Based on PwC 5-year medical trend



GREATER CONTROL OVER HEALTH CARE SPEND

Alternative Reimbursement Strategies

Nearly half of MedBen clients use alternative reimbursement strategies to gain greater control over health care costs. While standard PPO networks still play a role, employers increasingly augment them with...

- **Direct-to-Employer Contracting**, securing predictable provider pricing while delivering high-quality care.
- **Reference-Based Pricing (RBP)**, tying reimbursements to set benchmarks for greater payment consistency.
- **Fair Market Pricing (FMP)**, using national market data to determine appropriate reimbursement.



Employers can implement MedBen's core reimbursement strategies individually or in combination to offer...

- ✓ **Direct-to-Employer Contract with PPO Wrap**
- ✓ **Direct-to-Employer Contract with RBP Wrap**
- ✓ **Direct-to-Employer Contract with FMP Wrap**
- ✓ **Straight RBP**
- ✓ **Straight FMP**
- ✓ **Out-of-Network RBP (Unwrapped)**



-17.3%

Average cost
difference
for alternative
reimbursement
strategies vs. standard PPOs
alone (2025)



PAYING THE RIGHT PRICE

Forensic Claims Review

In 2025, MedBen forensic claims review delivered its highest annual savings since its 2007 launch. By identifying inaccurate charges and other payment issues that can otherwise go undetected, this physician-led process helps ensure your plan pays the right amount for the right care.

What this means for your group

These savings are after any PPO discounts.

\$22³⁸

Average per-employee monthly savings in 2025 through forensic claims review – a single-year record.

Group Size	Average Annual Savings
100 Lives	\$26,856
200 Lives	\$53,712
250 Lives	\$67,140
500 Lives	\$134,280
1,000 Lives	\$268,560
2,000 Lives	\$537,120



SUPPORTING APPROPRIATE CARE

Utilization Review & Case Management

MedBen and its URAC®-accredited partners apply expert clinical oversight to help ensure medical care is appropriate and cost-effective. By engaging early and focusing on high-risk cases, this approach reduces unnecessary spend while guiding members through complex care decisions.

- **Utilization Review** ensures that plan members know up front the potential out-of-pocket costs and what services are covered under their plan.
- **Case Management** supports high-risk members through complex care, helping to reduce avoidable complications and unforeseen costs.



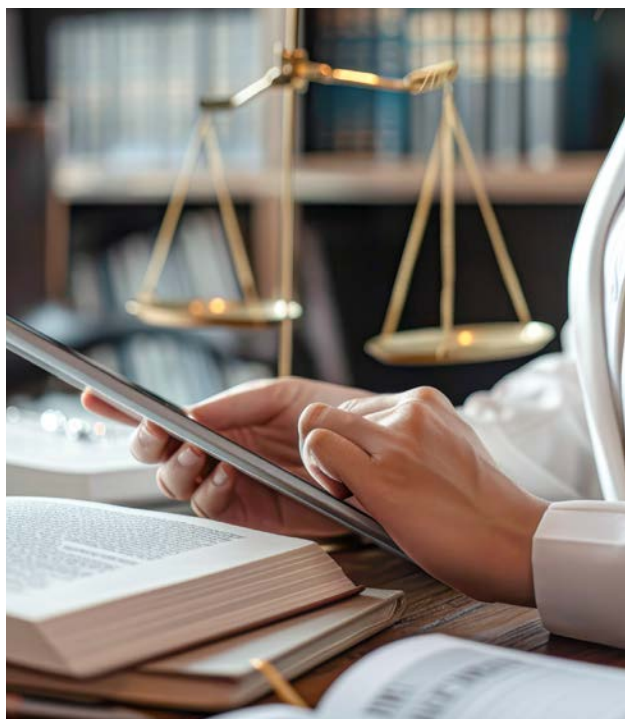
Risk Reduction Strategies

Because claims and costs don't always follow predictable patterns, MedBen works with clients to implement targeted strategies that protect their plans from unnecessary risk and financial exposure.

- ✓ **Plan Compliance Review** ensures plan language is consistent with benefit offerings and internal policies to avoid costly conflicts.
- ✓ **Spousal Language** allows employers to implement limitation strategies ranging from surcharges and waivers to exclusion of spousal coverage.
- ✓ **Transplant Carve-Out Policy** provides specialized oversight for high-cost transplant procedures to ensure appropriate management.
- ✓ **Air Ambulance Review** prevents excessive charges in one of the most expensive categories of care while preserving emergency access.
- ✓ **Dialysis Language** limits exposure to excessive charges while maintaining appropriate access for high-cost treatment.



In 2025, MedBen clients using air ambulance reviews and payment negotiations saw an average **46%** reduction from billed charges, resulting in per-review savings of **\$11,595**.



2026 Compliance Watchlist

Key compliance developments for self-funded plans to watch:

Health Information Privacy Reform Act

Proposed legislation aims to strengthen and increase HIPAA privacy and security mandates for covered entities, including group health plans.

ERISA Fiduciary Duty Litigation

Litigation surrounding plan sponsor fiduciary responsibility continues to increase, emphasizing the need for robust compliance practices and knowledgeable partners.

Pharmacy Benefit Management Regulation

Federal legislation and regulation promoting transparent prescription programs will require plan sponsors to perform a detailed review of their current offerings.

Pharmacy Pricing Strategies

MedBen Rx uses transparent pricing methods based on actual drug costs, eliminating hidden markups and rebate-driven incentives to give clients greater control over pharmacy spend.

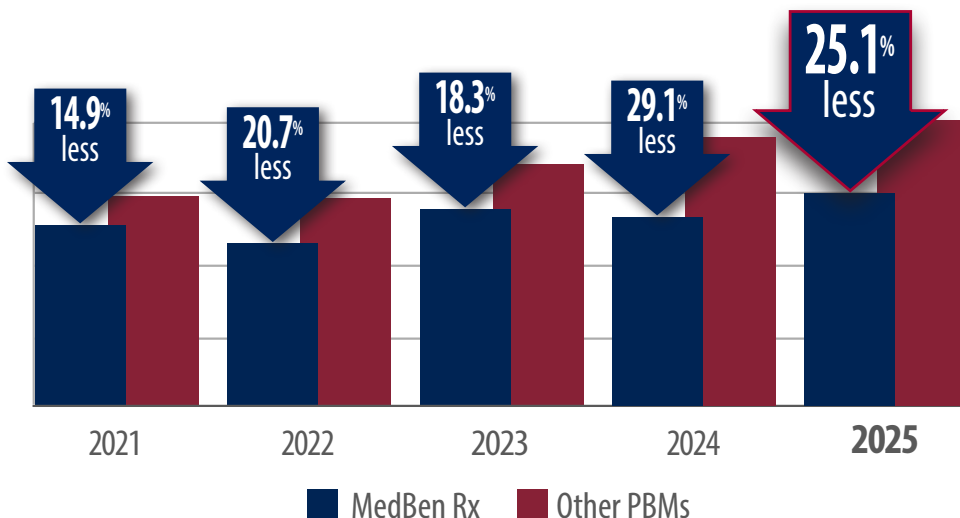
Our approach differs from PBMs that rely on rebate guarantees driving higher drug costs, as formularies favor pricier medications – meaning a **\$1.00 increase** in rebates can correspond to a **\$1.17 increase** in drug costs.

- ✓ **Average Wholesale Price (AWP)** provides a benchmark for drug pricing, but its built-in markups can limit cost clarity and savings.
- ✓ **Acquisition Cost Index (ACI)** bases pricing on what medications actually cost pharmacies, removing hidden margin and providing full transparency.
- ✓ **Own Use** connects eligible employers with nonprofit health systems and other qualified entities to access lower-cost medications.
- ✓ **340B** programs enables eligible health systems and pharmacies to purchase certain medications at reduced prices.

4.6%

5-year pharmacy cost trend for MedBen Rx clients (vs. **8.6%** for those using other PBMs)

Year after year, MedBen Rx clients consistently realize lower pharmacy spend compared to those using other PBMs (per employee per year)



ENCOURAGING COST-EFFECTIVE RX CHOICES

Formulary Strategies

MedBen Rx formularies are designed to achieve the **lowest net cost for prescription drugs** by guiding members toward more cost-effective options.

- ✓ **Discretionary Formulary** identifies high-cost combination drugs with lower-cost therapeutic alternatives available.
- ✓ **High-Value Formulary** prioritizes medications that balance cost and clinical effectiveness.
- ✓ **Over-the-Counter (OTC) Formulary** encourages the use of appropriate non-prescription alternatives.
- ✓ **Specialty Pharmacy** targets pricey specialty drugs, which account for over 50% of pharmacy spend.
- ✓ **Biosimilars** provide clinically equivalent alternatives to brand-name biologics.
- ✓ **Patient Assistance Programs (Benefit Preservation)** coordinate manufacturer programs that help reduce or eliminate drug costs.
- ✓ **Alternate Rx Sourcing (Personal International Importation Assistance)** connects eligible members with regulated international pharmacy options.



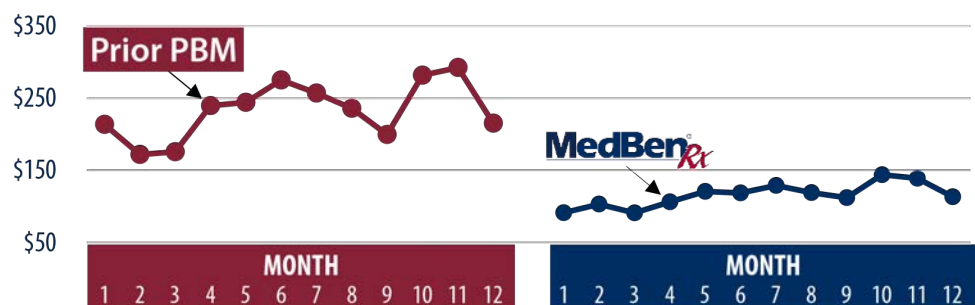
“MedBen’s transparent approach to plan management, including proactive specialty drug cost controls, has significantly lowered both employer and employee expenses. We’ve maintained high-quality care while easing the financial burden for our workforce and our business.”

Client’s Human Resources Director

Case Study: Client reduces Year One drug spend by nearly half

By adding ACI pricing, biosimilars and benefit preservation, a new MedBen Rx client realized **\$1.19 million in combined plan and member savings** in their first year – a **45.7% reduction**, surpassing the \$1.05 million projected savings.

Pharmacy Plan Costs Per Member Per Month



Per-member-per-month (PMPM) pharmacy costs tell the story: \$233 under the previous PBM vs. **just \$113 with MedBen Rx.**

PERSONALIZED INSIGHTS FOR CARE DECISIONS

Genomic Testing

Genomic testing uses genetic insights to better understand how individuals respond to medications, nutrition, and other health factors. By guiding more personalized care decisions, these tests help reduce trial-and-error treatments and give members clearer direction for managing their health.

- ✓ **Pharmacogenomics** analyzes genetic factors that influence how individuals respond to medications, helping guide more effective treatment selection.
- ✓ **Nutrigenomics** evaluates how genetics influence nutritional needs, providing personalized guidance that supports healthier long-term habits.

Order a **pharmacogenomic test** from MedBen Rx.

Order a **nutrigenomic test** from MedBen Rx.

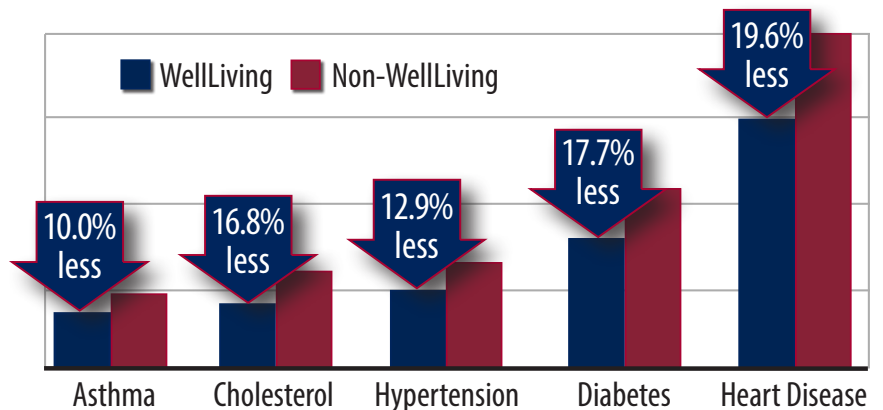


BETTER HEALTH THROUGH EARLY ENGAGEMENT

Wellness & Disease Management

MedBen WellLiving promotes proactive care to support early detection and management of chronic conditions, improving long-term health and reducing mortality risk while controlling plan spend. Year after year, WellLiving clients see lower claim costs than non-WellLiving clients and experience fewer chronic conditions.

Chronic Condition Costs for WellLiving vs. Non-WellLiving Members, 2025



MedBen WellLiving

-12.9%

Average cost difference for MedBen WellLiving clients vs. non-WellLiving (2025)




2.6%

5-year cost trend for MedBen WellLiving clients (vs. 5.7% for non-WellLiving)



The MedBen debit card simplifies the reimbursement process through auto-substantiation.

TAX-ADVANTAGED HEALTH SPENDING




- 
Flexible Spending Accounts (FSAs)
 FSAs enable plan members to set aside pre-tax dollars for eligible health expenses, reducing taxable income while making it easier to manage everyday health care costs.
- 
Health Reimbursement Arrangements (HRAs)
 HRAs allow employers to reimburse members for eligible expenses such as deductibles and copays. MedBen supports multiple HRA designs, including **Full** and **Limited-Use**.
- 
Health Savings Accounts (HSAs) + High-Deductible Health Plan (HDHPs)
 HSAs paired with HDHPs allow members to save pre-tax dollars for current and future medical expenses while encouraging more cost-conscious health care decisions.



MAKING BENEFITS SIMPLER TO USE

Member Engagement

MedBen members can access simple-to-use tools that help maximize your plan's value.

- 
MedBen Access provides claims and benefits information online or via our mobile app.
- 
MedBen Connect offers access to concierges that help members better navigate health care.
- 
Telemedicine connects members with licensed providers when in-person care isn't practical.

MedBen Access Is Smarter Than Ever!

The MedBen Access mobile app has been updated with...

- **A refreshed design and intuitive menus** making it even easier for members to find what they need.
- **An at-a-glance dashboard** displaying year-to-date claims, out-of-pocket totals, and deductible progress in one place.
- **Smarter health tools** allowing members to compare drug prices, receive wellness reminders, and submit FSA receipts.



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mobile
app.





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