

 **Mission:** Changing the way prescriptions are priced, and patients are cared for to create enduring social change. Reimagining pharmacy benefits to rebuild trust in health care.

Value prop positioning

- + Capital Rx highlights that it utilizes the NADAC pricing benchmark rather than AWP, calling it “a more rational price index”.
- + The company touts its JUDI platform (JUDI is short for adjudication) and heavily promotes itself as a tech-forward organization.
- + Capital Rx’s CEO will be a part of the finalist conversations and prospective clients have shown to like the fact that he makes an appearance.

Background

- + **2.5M** members
- + **Estimated ARx:** ~20 – 30M
- + **Recent clients include:** CDPHP, L3Harris, Johns Hopkins Health System, Common Spirit, Northwell

Primary differentiators

- + **JUDI:** Cloud-based enterprise platform for health plans and plan sponsors to customize benefit offerings to members and elevate member experience through seamless integration across systems.
- + **Clearinghouse (NADAC) Pricing Model®:** Efficient pricing model with full visibility into drug prices, avoiding price variability through a NADAC-based commercial network.

Key product positioning

- + Capital Rx licenses its JUDI platform to Prime Therapeutics—first time Capital Rx has offered usage of JUDI to another PBM; As part of the deal to use JUDI, Prime has become a minority investor in Capital Rx. Expect Capital Rx to tout this partnership as a proof point of its tech capabilities.
- + Recent round of funding from 10 major health systems will give them more traction in terms of conversations with prospective health system clients.

Specialty positioning

- + Will tout that with NADAC pricing drive lower cost for specialty generics.
- + Outsources home delivery and specialty pharmacy capabilities to other vendors.

Known Third-Party Vendor Relationships:

- + **Prime Therapeutics for Rebate Aggregation**
- + **OptumRx for Home Delivery and Specialty Pharmacy**

Instant insights

Usage: When you have limited time and want to make a big impact, focus on these key points to counter Capital Rx's market positioning

01 Lacks the size and scale to drive strongest economics:

20M – 30M ARx are estimated to be managed annually by Capital Rx.

2B ARx is estimated for ESI in 2024, granting ESI and its Health Plan partners to bring the strongest value



Capital Rx uses another PBM (Prime Therapeutics) for rebate aggregation. Buying through another entity **adds more cost to the equation.**

02 Promoted model uses a small sample and older data:

Capital Rx is a smaller “transparent” PBM that promotes its NADAC pricing model.



Only 4% or fewer pharmacies nationwide are reflected in its NADAC pricing model based-on pricing information from past invoices, **not real-time data.**

03 CEO is self-proclaimed “serial entrepreneur”:

Founded and sold three other companies before founding Capital Rx, may be looking for next “big deal”.



Capital Rx is backed by venture capital whose return on investment is likely to come through a sale of the company. **This sale would cause a disruption in client services.**

04 Licensing its technology to a competitor:

Capital Rx's platform is no longer unique as it's being used by another PBM (Prime Therapeutics). Onboarding Prime's ~400M ARx onto their platform will impact the quality of service received.



Capital Rx has licensed its JUDI platform to Prime Therapeutics. As part of the licensing agreement, Prime has become a minority owner. **Capital Rx is “anti-big PBM and Health Plans,” but now it's partially owned by a large PBM.**