Paxit vs Bingo Card Cost Savings

AN ACTUARIAL REVIEW

Paxit versus Bingo Card Cost Savings: Actuarial Review

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Executive Summary

The studies and models referenced below conclude that the Paxit dispensing system will generate cost savings of approximately 11% (of total drug spend) versus the Bingo Card dispensing approach. In 2025 dollars, that is equivalent to at least $32 PMPM in savings for nursing home patients, who on average incur slightly less than $300 PMPM for drugs. The Paxit system uses a daily dosage dispersion approach, compared to traditional 30-day packaging with the Bingo cards. The daily approach is the key driver in saving drug costs, as there is a marked reduction in wasted drugs. The Paxit approach also reduces nurse administering time plus reduces drug dispersion errors.

Background

This actuarial summary references three studies and recent statistics from credible healthcare sources that assess the financial impact for a senior care facility that utilizes the Paxit drug dispensing system versus the traditional Bingo Card approach.

Two studies were conducted in 2024/2025, for a Medicare short-stay facility and also for a large health insurer's patients in a long-term care facility. An additional study, from 2013, was also reviewed, where the focus was on Medicare long-term care patients. The following sources were relied upon:

- Clarest Health: Bingo Card Vs. Paxit Dispensing – Medicare Part A Cost Savings Analysis
- Clarest Health: Large Health Insurer - Bingo Card Vs. Paxit Dispensing Cost Saving Analysis
- Walker-Phillips Healthcare Consulting: Remedi SeniorCare Pharmacy: Paxit Medication Delivery System – Impact on the Long-Term Care Industry
- Advisory Board: You've Figured Out a Way to Reduce Care Costs. Now, Prove It to Payers.

The focus of this actuarial review is to analyze documented studies and statistics, taking a close look at the methodology, assumptions and results, with the goal of insuring that the cost savings produced from the multiple studies are supportable and sound.

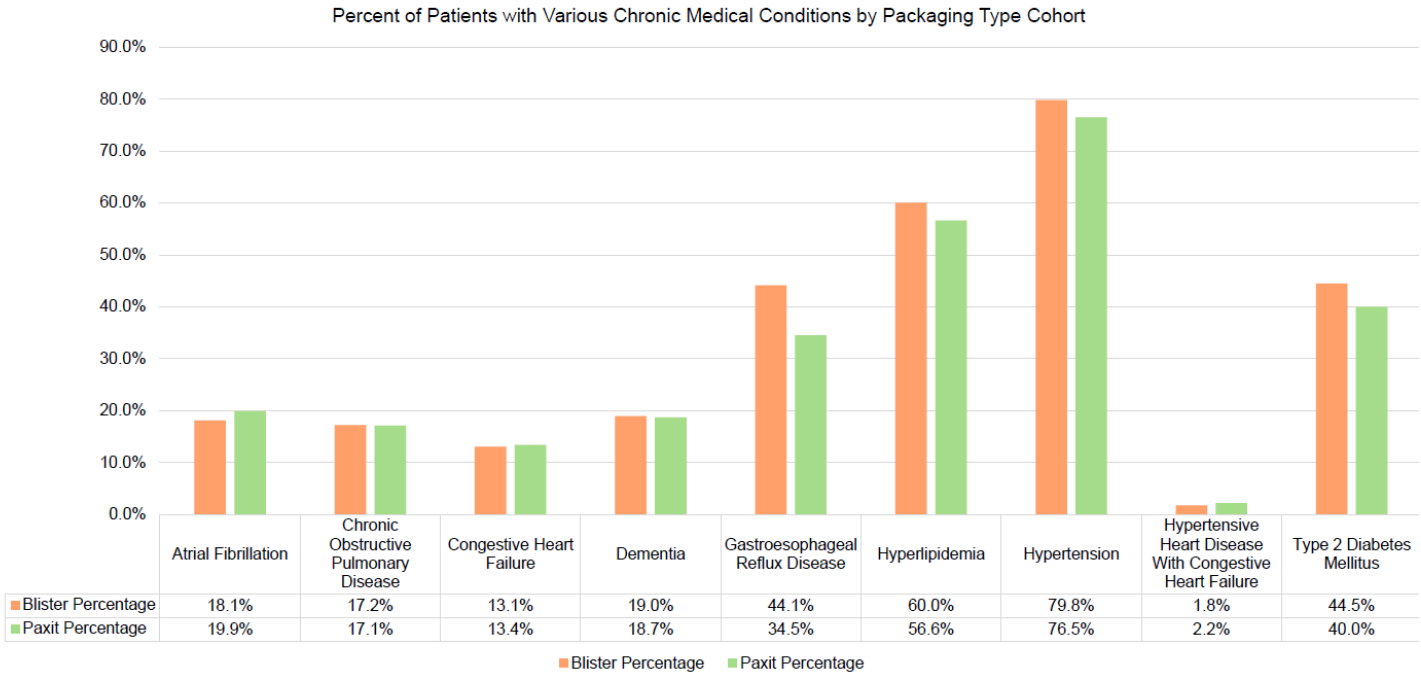
Summary Findings

In a 2025 article from Advisory Board Research, the authors (including an experienced actuary) indicate that "Intervention vs. 'control' group is the best way to measure the effectiveness of interventions." The two 2024/2025 Paxit effectiveness studies from Clarest Health are 'control' group models.

Advisory Board goes on to say "Intervention vs. control analysis, also known as the 'concurrent control' method, involves measuring healthcare spend for an intervention group that receives a targeted intervention. These results are compared to the healthcare spend of a control group who received no intervention over the same period — but that control data comes from a large dataset that already exists. The control group should be adjusted for variables such as age, severity, and presence of comorbidities…" In both of the 2024/2025 Clarest Health Paxit studies, the 'concurrent control' approach is used where age, severity, plus comorbidities are specifically addressed and accounted for. Additionally, the studies compare results from thousands of members, meeting the "large dataset" requirement.

Specifically, the first Clarest Health study (Bingo Card Vs. Paxit Dispensing – Medicare Part A Cost Savings Analysis) accesses information from over 103,000 short-term care SNF patients, finding 5,100 patients that used Bingo Card with 3,700 comparable patients that used Paxit dispensing (for a concurrent 12-month period). These patients were selected such that the average ages were very similar (77.6 for Bingo Card versus 78.4 for Paxit). Bingo Card users were 58.5% female versus 57% for Paxit, and the usage / mix of brand versus generic usage was very comparable. Finally, the comorbidity levels, across a number of key health categories, were very similar for the Bingo Card (also referred to as Blister) and Paxit dispensing cohorts (see below).

DATA INSIGHT FINDINGS – MAIN COHORT MEDICAL CONDITIONS



	Atrial Fibrillation	Chronic Obstructive Pulmonary Disease	Congestive Heart Failure	Dementia	Gastroesophageal Reflux Disease	Hyperlipidemia	Hypertension	Hypertensive Heart Disease With Congestive Heart Failure	Type 2 Diabetes Mellitus
Blister Percentage	18.1%	17.2%	13.1%	19.0%	44.1%	60.0%	79.8%	1.8%	44.5%
Paxit Percentage	19.9%	17.1%	13.4%	18.7%	34.5%	56.6%	76.5%	2.2%	40.0%

The second Clarest Health study (Large Health Insurer - Bingo Card Vs. Paxit Dispensing Cost Saving Analysis) also meets the criteria for an actuarially sound 'concurrent control' study, with 1,900 Bingo Card participants compared to a comparable (age, gender, comorbid) group of 7,100 Paxit dispensing patients.

In the first Clarest Health study, the Paxit group had lower prescription drug spend (versus the comparable Bingo Card group) of approximately $53 PMPM (per member per month). The second Clarest Health study reported savings of about $32 PMPM for the Paxit group versus the Bingo Card cohort. For both studies, average total drug spend was slightly less than $300 PMPM (for these senior care patients), so drug spend savings realized due to the Paxit dispensing approach was at least 11% of total drug claims.

A third study was also reviewed (Remedi SeniorCare Pharmacy), per a 2013 summary from the Walker-Phillips Healthcare Consulting group. This study took a different approach, where the impact of changing from the Bingo Card approach to Paxit dispensing was analyzed (separately) for 11 long-term care facilities. Prescription drug spend in the five months prior to the switch to Paxit was compared to drug spend in the subsequent five months. For all 11 facilities, drug spend decreased (ranging from 5% to 22%), with an average decrease of 11%, consistent with the more recent Clarest Health studies. Of note, the Walker-Phillips review focused on additional items, including Med pass errors, which dropped 20% after installation of the Paxit system. They also looked at the time spent by nursing staff in Med pass, indicating a savings of 30% (timewise) with the implementation of Paxit. Finally, a post survey of the eleven facilities showed 100% support for the Paxit dispensing system.

Conclusions

For senior care patients, use of the Paxit dispensing system will save prescription drug costs of at least $32 PMPM (or 11% of total prescription drug spend) versus the traditional Bingo Card approach. Recent studies (by Clarest Health) are actuarially sound and appropriate for this savings amount to be confirmed.

About the Actuarial Reviewer

Mark Wernicke brings more than 40 years of actuarial experience in the health insurance industry. Mark is a 35-year Fellow of the Society of Actuaries. He has vast experience working as the CEO of Actuarial Intuition, Vice President Managed Care at ThedaCare, the Senior Vice President of Managed Care & Population Health at Aspirus, and the Vice President of Provider Development at Humana. He has held various other executive roles at Humana as well, including COO of the Small Business Division and Chief Actuary of the Commercial Healthcare line. He frequently provides consulting support and advice to Michael Best Strategies' clients.

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