

PBMs WILL SAVE HEALTH PLAN SPONSORS AND CONSUMERS MORE THAN \$1 TRILLION ON PRESCRIPTION DRUGS

PBM Care Management Programs Improve Health Outcomes for Patients, Lower Costs

PBM Tools Save in Seven Key Ways



Negotiating Rebates from Drug Manufacturers

PBMs negotiate rebates from manufacturers of brand-name drugs that compete with therapeutically similar brands and generics. Manufacturers typically provide a rebate if their product is “preferred,” which means it is assigned a copay lower than that of competing products.



Negotiating Discounts from Drugstores

Retail pharmacies provide discounts to be included in a health plan’s pharmacy network. The more selective the network, the greater the discount, because each pharmacy will gain more business.



Offering More Affordable Pharmacy Channels

Mail-service and specialty pharmacy channels typically give health plan sponsors deeper discounts than do retail pharmacies. These channels also help encourage the use of preferred products for additional savings.



Encouraging Use of Generics and Affordable Brands

PBMs use several tools to encourage the use of generic drugs and preferred brands. These include formularies and tiered cost sharing, prior authorization and step-therapy protocols, generic incentives, consumer education, and physician outreach.



Reduce Waste and Drug Interactions

PBMs use Drug Utilization Review and other utilization management programs to reduce over-utilization and waste, as well as reducing adverse drug events associated with polypharmacy.



Improving Adherence

PBMs implement medication adherence programs and care management programs to help patients with chronic disease stick to their prescription regimens. These programs improve clinical outcomes and reduce overall health care spending.



Managing High-Cost Specialty Medications

PBMs combine savings from all the above categories with the unique capabilities of specialty pharmacies in safely storing, handling, and delivering complex, often injectable, medications that cost thousands of dollars per dose and in providing effective patient education, monitoring, and support for those with complex conditions, such as hepatitis C, multiple sclerosis, and cancer.

Source: Visante, Pharmacy Benefit Managers (PBMs): Generating Savings for Plan Sponsors and Consumers, January 2020.