

# Employers' Relationship with Their PBMs Benefit Patients

Employers and PBMs have a straightforward relationship. Employers hire PBMs to help them provide prescription drug coverage to employees and their families. **The commercial market covers more than 160 million people<sup>1</sup> in the US.** PBMs use their unique expertise to navigate the specialized field of prescription drug benefits and delivery, so employers don't have to go it alone.

**Employers value their PBMs and consider their services essential to their businesses. According to a recent survey of over 700 employers:<sup>2</sup>**

Almost **90%** of employers (nine in 10) say PBMs are valuable in helping their organization offer affordable benefits to employees.

**96%** of larger companies (500 or more employees) say they value PBMs' work in helping them offer affordable benefits.

Nearly all (**97%**) of those who contract directly with a PBM say they are satisfied with their current PBM.



One of the important ways PBMs lower costs for employers is through rebate negotiation. Employers get to choose what to do with those rebates. Most large employers choose to retain the negotiated rebates—have them “passed through” from the PBM to the employer.<sup>3</sup>

## Large Employer Traditional Drug Rebate Structure, 2022

**73%** of large employers choose a 100% pass-through contract.

73%

100% of rebates passed through to payer

18%

Percentage share of rebates are passed through to payer

9%

Flat dollar per-script guaranteed rebate amount passed through to payer



Employers decide how to use the rebates passed back from their PBMs and majority of the time they use those rebates to benefit their employees.

**90%** of employers who receive rebates use them to directly benefit their employees.<sup>2</sup>

**81%** of employers use rebates to lower premiums or lower cost sharing.<sup>4</sup>

1. Visante. "The Return on Investment (ROI) on PBM Services," 2023.

2. CAPD. "Employer Survey," 2023.

3. Drug Channels. "2023 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers."

4. PSG. "Employer Rebates Survey Report," 2023.

## ABOUT PCMA

PCMA is the national association representing America's pharmacy benefit companies. Pharmacy benefit companies are working every day to secure savings, enable better health outcomes, and support access to quality prescription drug coverage for more than 275 million patients. Learn more at [www.pcmanet.org](http://www.pcmanet.org).

