

The important factors driving pharmacy benefit buying decisions



Change is on the horizon for many of the employers and benefits advisers surveyed by RxBenefits in 2022.

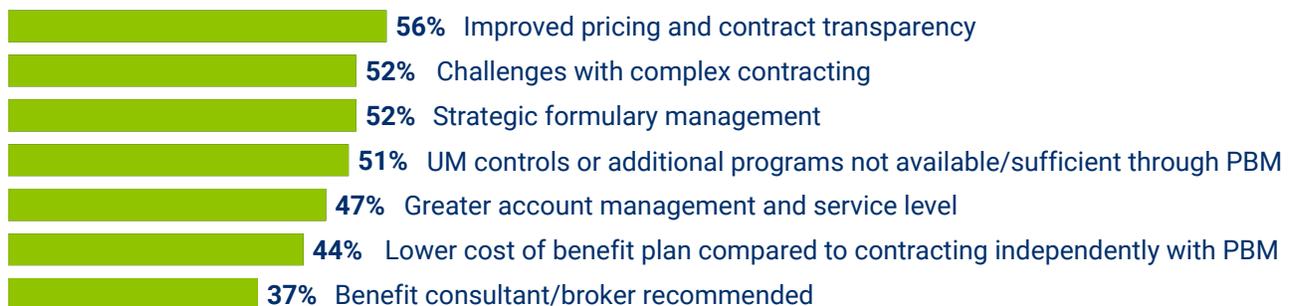
Dive into our high-level survey results to find out more about how pharmacy plan decision-makers are navigating these complicated waters.

The buzz behind aggregated purchasing models

By pooling together, smaller to mid-size market employers can benefit from increased purchasing and negotiating power. The terms of pharmacy benefits contracts encompass discounts, guarantees, and rebates – and size and scale matter when negotiating these terms on behalf of your clients.

Employers considering changing to an aggregated, scaled purchasing model want improved pricing and contract transparency. Benefits advisors need the most competitive pricing and pharmacy arrangements for their clients to capitalize on this trend.

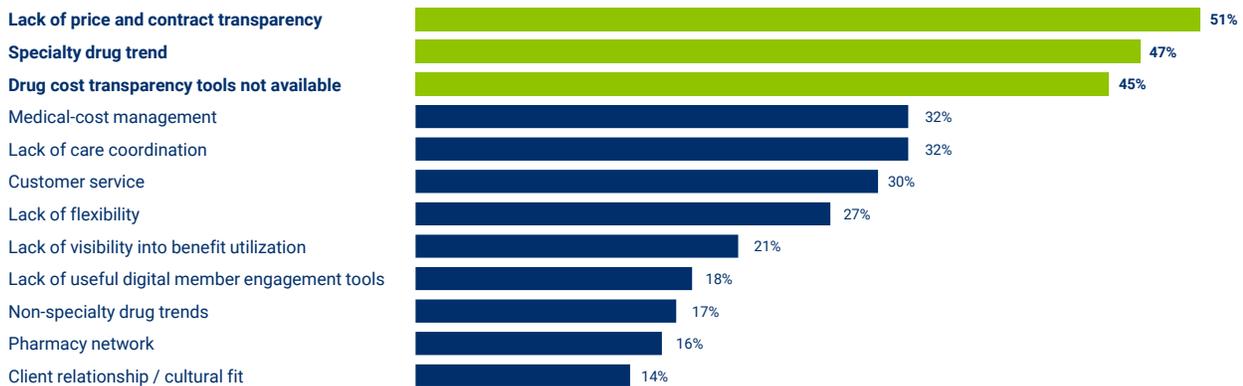
Rationale for considering an aggregated and scaled purchasing model for PBM contracting within the next 1-2 years



A clear need for transparency

In our exclusive survey results, you can see that the biggest pain points your fellow benefits advisors report impacting clients is a lack of transparency with PBMs and the impact of growing specialty drug trend. Employers facing the impact of specialty claims in the coming years are looking for salvation from the climbing costs. For employers in our survey, the ability to review contracts and manage to lowest net cost was a top priority when evaluating PBM contracts.

Biggest pain points that employers face with PBMs



While there's no stopping the pipeline of specialty drug development, benefits advisors can help their clients by bringing transparency to contract language. Transparency can feel like a buzzword, but having visibility into specific contract terms can clarify the fine print holding employers captive. An offer or guarantee can feel like a big win until you discover that complex and confusing language is disguising hidden limitations or obscure requirements. If you don't have time to comb through the details of these contracts, seek help from an independent reviewer.

Benefits Advisors are Saying:

"Carve out rules, carve out fees, claim files not being disclosed. Service issues. Pricing issues. Lack of utilization management. There are a lot of issues with current PBMs."

"All Covid reactions have been annoying and explicitly violate contracts. New dispensing fees. No guarantees. No rebates. Random fees imposed by PBM without client buy in, including paper claim fees, administration fees and vaccine admin fees which are different than previously agreed to. Reclassification of drugs to fit a narrative."

The contract-duration divide

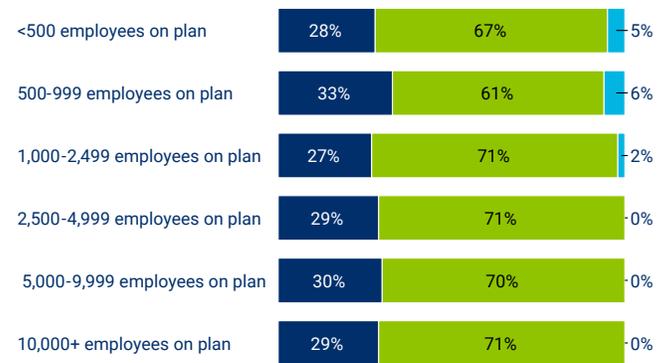
Voicing their need for flexibility: Employers prefer contracting every year. They know they need to stay competitive with the benefits to retain employees, but they can't afford for pharmacy benefits to impact their bottom line. But benefits advisors in our survey thought employers cared more about achieving the lowest rate even if it requires a longer contract.

Don't fall into the contract-duration divide with your clients—find a partner who makes it easy to support shorter contracts to get the best pricing available now. Whether it's a new contract each year that considers the fluidity of the market or a three-year deal that has yearly price checks and rebate program evaluations, getting the freshest pricing for your clients can lead to savings.

What is most important to employers when deciding on contract duration preference, % of employers



Brokers perception of what is most important to employers when deciding on contract duration preference, % of brokers



■ Top priority is my ability to recontract every year
 ■ Focused on achieving the lowest rate even if it requires a longer contract duration
 ■ Other

Need help evaluating plans for your clients?

Reach out for a free Comprehensive Pharmacy Assessment today.