

# TOP 3

## Pharmacy Plan Sponsor Challenges & How Benefits Advisors Can Help

Benefits advisors can deliver real value by addressing the “insurmountable” hurdles.



RxBenefits recently surveyed **600 U.S. employers** to uncover their biggest concerns. **The survey included:**

### Job Titles

HR & Benefits Directors/Managers

**62%**

Senior Executives

**35%**

### Employees

Very Large (3,750 - 15,000)

**30%**

Large (1,000 - 37,499)

**28%**

Medium (150 - 999)

**31%**

Small (50 - 149)

**11%**

### All U.S. Regions

South

**36%**

West

**25%**

Midwest

**21%**

North east

**17%**

Build and improve pharmacy plan conversations with your clients using these key challenges.

## Challenge #1

### Unpredictable Cost Savings

Rising drug prices and healthcare costs make it impossible to forecast future expenses.

Pharmacy is the **fastest-growing** health benefits cost

Prescription drug spend increased **9.9%** in 2023\*\*

Spend is expected to rise **>8%** in 2025\*\*

If annual pharmacy benefits costs increase by 3-10%: **52% of employers** surveyed would reevaluate their current plan.

With these rising costs showing no signs of slowing down, it's essential to take proactive steps to manage pharmacy plans effectively.

### Take Action

Adopt a proactive approach to trend management.

Leverage actionable, data-driven insights to tame pharmacy plan bottom lines.

## Challenge #2

### High-Cost Specialty Drugs

Specialty drugs are driving up costs, and cookie-cutter clinical strategies fail to make a meaningful difference.

~50% of new drugs exceed **\$150K** annually\*\*

<2% of a plan's prescription drug claims account for **>51%** of total pharmacy benefit plan costs

Specialty drugs are **55%** of drug spending, up 28% from 2011\*\*\*

**97%** are likely to consider specialty drug **carve-outs** or **alternative funding** in the next 12 months.

The increasing impact of specialty drugs on pharmacy benefits plans highlights the need for innovative approaches to address these challenges.

### Take Action

Offer customized pharmacy benefits solutions.

Utilize independent clinical management to ensure the right patient gets the right drug at the right price and dose.

## Lack of Transparency

Opaque pharmacy benefits contracts lead to distrust.

**61%** of employers surveyed reevaluate their pharmacy benefits plan every 2-3 years

**69%** increase in requests for pharmacy benefits plan proposals\*\*\*\*

Contract simplicity and transparency is a **top 5 priority** for employers surveyed

Contract terms and definitions around guarantees for drug-level rebates can **significantly impact** overall costs and savings opportunities.

As the demand for transparency grows, the importance of tailored pharmacy benefits solutions with a fresh, client-first approach is apparent.

### Take Action

Address contract simplicity with a client-aligned model, free of incentives.

Support a radically transparent approach through flexible solutions that align with employers' needs.

Supporting clients in this healthcare landscape requires actionable, transparent strategies that drive results. Start delivering better value today.

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\*FTI conducted the survey between June 21-July 15, 2024  
 \*\*IQVIA Report, May 7, 2024  
 \*\*\*IQVIA Report, July 25, 2023  
 \*\*\*\*RxBenefits Book of Business Data 2023