

PBM CONTRACT REVIEW

Greater saving & better results in your pharmacy benefit plan.

With high drug costs now the leading cost driver in health plans, companies are becoming acutely aware of the need for an advantageous contract with their Pharmacy Benefit Manager (PBM). Everyone is seeking a PBM contract that affords lowest net plan cost that allows members access to the drugs they need – but with soaring drug costs, complex formularies and esoteric contract language, achieving that result has become extraordinarily challenging.

In order to achieve optimal pricing, your contract must be highly transparent, specific in its definitions, and competitive in its rebate and discount structures.

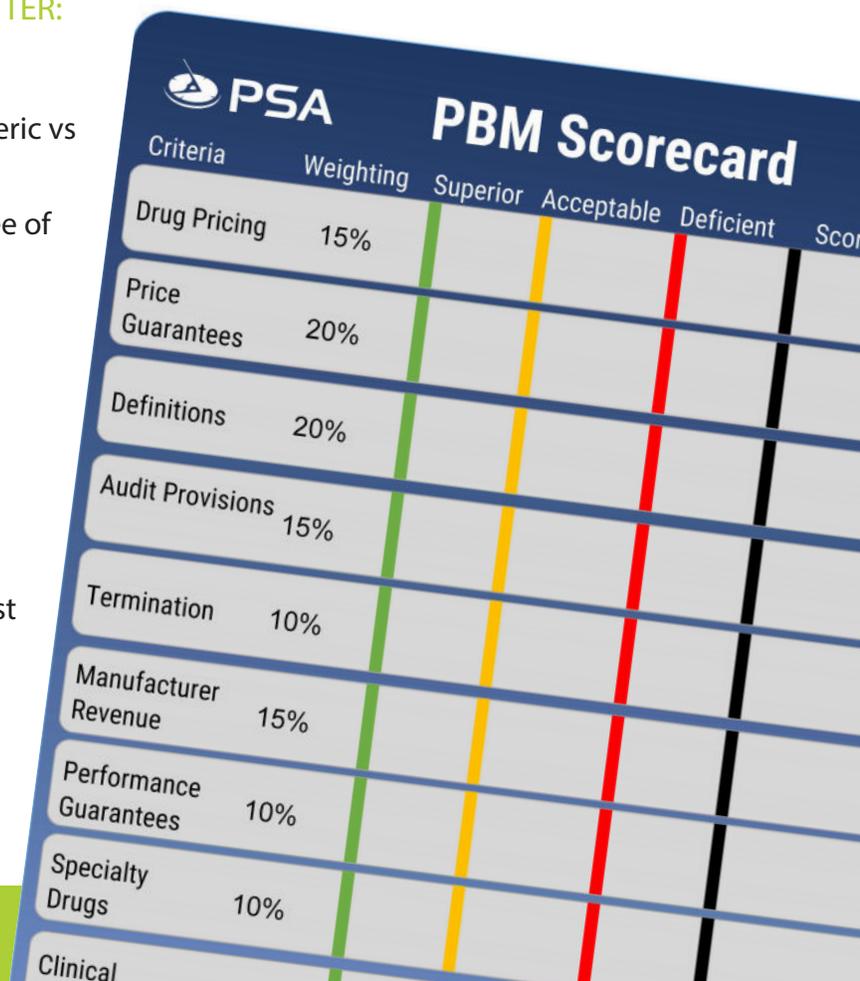
OUR ANALYSIS WILL GUIDE YOUR PHARMACY BENEFIT PLAN'S COMPETITIVENESS ON THE TWO CATEGORIES OF COST DRIVERS THAT REALLY MATTER:

TRANSPARENCY

- ▶ Clear definitions, including (surprisingly!) generic vs brand
- ▶ Use of 3rd party references to define guarantee of discounts

PRICING FAIRNESS

- ▶ Discount analysis/benchmarking
- ▶ Pass through pricing
- ▶ Rebate passthrough loopholes
- ▶ Pricing for mail order drugs
- ▶ Restrictions around excluding certain high cost drugs (when acceptable alternatives exist)
- ▶ Savings opportunities from formulary adjustments with minimal disruption



PSA		PBM Scorecard			
Criteria	Weighting	Superior	Acceptable	Deficient	Score
Drug Pricing	15%				
Price Guarantees	20%				
Definitions	20%				
Audit Provisions	15%				
Termination	10%				
Manufacturer Revenue	15%				
Performance Guarantees	10%				
Specialty Drugs	10%				
Clinical					