

Powerful Pharmacy Benefits Questions For Self-Insured Employers To Consider

Topic: Exposing Harm and Conflicts of Interest in the PBM Contract

Does your PBM own mail order, specialty, and/or retail pharmacies?

Does your PBM “sell drugs to members” at a profit through spread pricing or dispensing margins?

Does your PBM allow changes in their formulary to best suit your needs?

Does your PBM keep any third-party revenue generated from your plan utilization?

Do you have full access to your pharmacy claims and rebate data at no charge from the PBM?

Are brands and generics clearly defined in the PBM contract?

Are rebates broadly or narrowly defined or not defined at all?

Does your PBM make more money when the plan spends more under the pharmacy benefit?

Does your PBM accept or reject fiduciary responsibility?

Does your current PBM contract align with the new CAA requirements with respect to your fiduciary responsibility as a self-insured plan sponsor?

Take a look at your PBM contract....are there conflicts of interest, conflicting terms, ambiguities?

Topic: Deconflicting the PBM Relationship

Do you trust your PBM to make the best clinical decisions for plan enrollees even when those decisions negatively impact the PBM’s bottom line?

Do you believe your PBM is always striving for the lowest net cost for each and every medication dispensed to plan participants whether from a clinical or sourcing perspective?

Does your PBM allow access to manufacturer assistance programs under the benefit?

Topic: Mitigating High-Cost Claims

Do you feel your PBM is looking out for your best interest when it comes to high- cost claims?

Are you concerned that your PBM is more focused on profiting from high-cost claims than avoiding them or minimizing risk to the plan?

Does your company support 40%-50% waste and overspending in your core business operations?

Should the company be satisfied with 40%-50% waste and overspend in their pharmacy benefits?

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If you could reduce your pharmacy spend by 50% or more, what might you do with that extra money that is not going out the door to your PBM?

- Lower premiums?
- Lower deductibles or the out-of-pocket max?
- Lower or wave copays?
- Increase wages or company bonuses?
- Hire more employees?

In addition to asking the above questions of yourself, your company, and your benefits consultant, the following two actions are also highly recommended for all self-insured employers:

1. Obtain an independent third-party audit of your pharmacy claims to identify outliers as well as claims or activity inconsistent with your PBM contract.
2. Obtain an independent third-party review of your PBM contract to identify any components that are inconsistent with or in conflict with the fiduciary obligation of your company as plan sponsor.