

Medicare
Prescription Drug
Discount Card
Program:

The Role of PBMs and Other Third- Parties



Connect

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Role of PBMs

Support Health Plans, Third Parties As:

- **Drug discount negotiator**
- **Pharmacy network coordinator**
- **Home-delivery prescription provider**
- **Service administrator**
- **Drug utilization review facilitator**



PBMs to Partner with Clients to Support Their:

- **Medicare+Choice offerings (health plan only)**
- **Medicare-endorsed programs**



Role of PBMs: **Drug Discount Negotiator**

- **Secure discounts from retail pharmacies**
- **Negotiate discounts from drug manufacturers**
- **Provide cost savings through mail service**



Role of PBMs

Discount Card Study Findings

- **Save cardholders 11% on 17 common drugs used by seniors (GAO¹)**
- **Save hundreds of dollars per year for patients on multiple drugs (Brandeis University²) with average discounts being:**
 - 26% (\$7 per Rx) on generic drugs
 - 14% (\$11 per Rx) on brand drugs
- **Save cardholders 10% to 15% off a retail pharmacy's price (GAO³)**

Sources: ¹ Rx Drugs: Prices Available Through Discount Cards and from Other Sources, GAO Dec. 2001. ²PBM-Administered Prescription Drug Discount Cards: Savings for Uninsured Seniors, Brandeis University Schneider Institute for Health Policy, March 2003. ³Prescription Drug Discount Cards: Savings Depend on Pharmacy and Type of Card Used, GAO Sept. 2003



Role of PBMs: Pharmacy Network Coordinator

- **Develop and maintain large national networks of retail pharmacies**
- **Customize local, regional networks of retail pharmacies**



Role of PBMs: **Home-Delivery Prescription Provider**

- **Provide convenient mail-order prescriptions**
 - **Ideal for maintenance drug programs**
 - **Access via phone and Internet**
 - **Access to clinical staff**



Role of PBMs: Service Administrator

- **Develop members communication materials**
- **Enroll new members**
- **Serve members' ongoing needs**
- **Process prescription claims**
- **Provide reports**



Role of PBMs: **Drug Utilization Review Facilitator**

- **Send electronic pharmacy messages**
- **Alert pharmacies to potentially dangerous drug interactions**
- **Improve patient safety**