

Medicare  
Prescription Drug  
Discount Card  
Program:

# The Role of PBMs and Other Third- Parties



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Connect



# 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 (GAO<sup>1</sup>)**
- **Save hundreds of dollars per year for patients on multiple drugs (Brandeis University<sup>2</sup>) 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 (GAO<sup>3</sup>)**

Sources: <sup>1</sup> Rx Drugs: Prices Available Through Discount Cards and from Other Sources, GAO Dec. 2001. <sup>2</sup>PBM-Administered Prescription Drug Discount Cards: Savings for Uninsured Seniors, Brandeis University Schneider Institute for Health Policy, March 2003. <sup>3</sup>Prescription 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**