

Geared Up and Ready!

# 5 Must-Have Tools for Carving Out Pharmacy Benefits

Your client is currently stuck in a carved-in pharmacy arrangement (meaning they receive PBM services as part of a bundled package with their medical carrier), stripping you of your ability to negotiate better pharmacy pricing, contract terms, and services on their behalf.

In a carve-out arrangement, there's so much more you can do to help them offer a pharmacy benefit that is both competitive and affordable. This short guide will equip you with the Top 5 tools needed to carve out your client's ideal pharmacy arrangement.





## Clean, Clear Contract Terms

*Shine a bright light on the terms and details in your client's pharmacy contract.*

Since carved-in employers are unable to contract directly with the carrier's pharmacy benefit manager, most do not know their specific contract terms and the definitions that can significantly alter pricing. They don't see that they're locked into a multi-year arrangement without competitive discounts, future price improvements, performance guarantees, or a full understanding of the pharmacy financials.

Best-in-class contract practices include full pricing and rebate transparency, straight-forward language, visibility into plan financial performance, and the ability to perform audits. Having a clear view into pharmaceutical rebates, as well as guaranteed discounts reconciled at the individual client level, is critically important.



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## Flexible Plan Design

*Much like a Swiss Army knife, you need access to a highly flexible set of pharmacy benefit tools to recommend a plan that will meet your client's goals and objectives.*

Every employer has different needs and priorities when it comes to their pharmacy plan. Some are very price sensitive, where others are far more concerned with retaining top talent or minimizing member disruption.

In a carved-in arrangement, employers often receive pre-packaged plan designs that provide very little flexibility. This limits their ability to respond to changes in the pharmacy landscape and in their business.

Choosing a pharmacy partner that offers a wide variety of options and the expert advice you and your client need to make wise decisions is like packing a Swiss Army knife. Pharmacy is complex and changing all the time, so choosing an advocate that is fluent in pharmacy benefits management, contracts, rebates, formularies, and utilization management best practices is a must.





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## Custom Clinical Programs

*Put on a tailored utilization management approach that helps your client secure coverage where it's most needed.*

Geographic and demographic disparities affect the health of a member population which translates to different levels of clinical and financial risk. Encourage your client to choose a pharmacy partner with advanced analytics capabilities as well as a team of licensed pharmacists that can not only offer recommendations, but also manage and implement custom clinical programs based on the unique population the plan sponsor is serving. Areas where a client may need more coverage could include pre-diabetic and diabetes treatments, low clinical value drug interventions, opioid management, and specialty drug therapies, among others.





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## Comprehensive Plan Performance Data

*Comprehensive analytics and insights paint the full picture of your plan and its performance so you and your client can navigate in the right direction and reach their goal.*

Carved-in employers receive limited reporting, and thus there is a significant lack of detail on the employer's pharmacy trend and contributing cost factors. This deficiency of data and knowledge can cost employers large amounts of money due to overpaying. Inferior reporting and analytics further inhibit forecasting and modeling of pharmacy benefit costs.

Settle for nothing less than robust reporting and analytic capabilities that provide clarity into trend, rebates as a percentage of spend, drug therapies and classes driving costs, and all the other data needed to paint the overall "big picture," resulting in a complete understanding of pharmacy expenditures and actionable recommendations on future savings opportunities.



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## Go-to Pharmacy Expertise

*Wherever you are in the carve-out journey, you can reach out to one of our expert guides for help.*

Recommending a best-in-class pharmacy benefits provider is a large undertaking for consultants and HR departments alike. Both require access to pharmacy-specific resources and knowledge in order to ensure success. Seek a partner that provides not just surface-level information, but data-driven, in-depth explanations as to what is happening inside your client's current plan as well as a clear set of recommendations for how to better manage the pharmacy benefit moving forward.



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