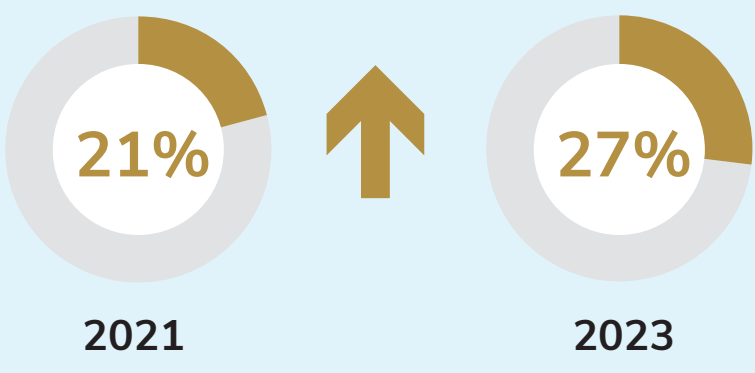




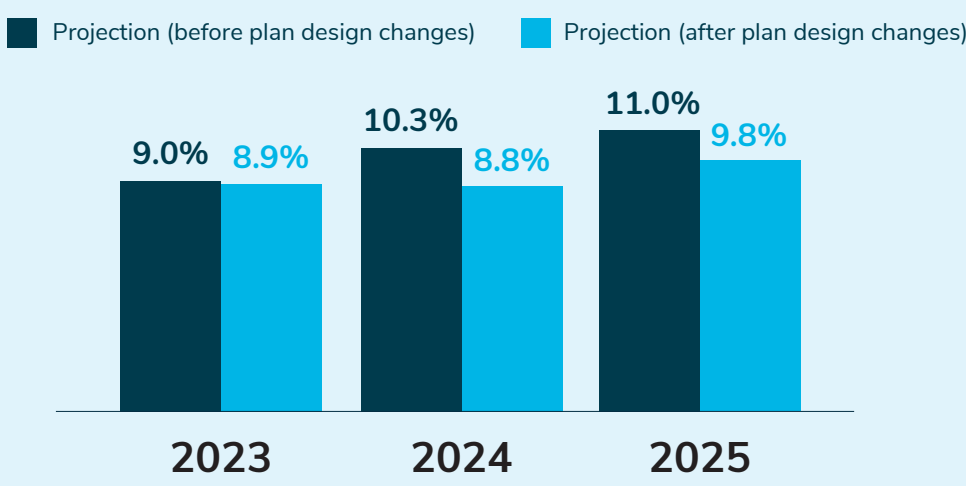
Prescription Drug Costs: Employer Concerns and Actions

The [2025 Employer Health Care Strategy Survey](#) found that among the 125 employers participating in the survey, pharmacy is a significant driver of health care cost increases.

Percentage of health care spent on pharmacy overall, 2021-2023



Median increase in projected pharmacy trend, 2023-2025



Pharmacy Management Tactics Used by Employers

20% Outcomes- or indication-based pricing for specialty Rx

67% Limited initial supply of specialty Rx

31% Conducting or considering pharmacy RFP

95% Prior authorization for specialty Rx

49% Pharmacy navigation service

70% Site-of-care management for specialty Rx

71% High-touch case management

87% Step therapy for specialty Rx

28% Implementing a transparent PBM program

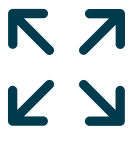
Longer Term Focus Needed to Ensure Sustainability of Pharmacy Benefits



Require vendors to disclose revenue amounts and sources related to your program



Eliminate rebates and move to full net pricing



Expand RFP criteria to include PBM's abilities to reduce volume and manage utilization towards appropriate use and reducing waste



Demand greater manufacturer accountability through outcomes and indication-based pricing



Assess the ability of the formulary, plan design and navigation tools to drive members towards lowest net cost therapies

High-Price Treatments Are Stacking Up in The Pipeline Where Should We Focus?



Focus on the Specialty drug category, including capturing savings from newly launched biosimilars and generic alternatives faster and questioning how these alternatives are treated on formularies and in contract pricing



Consider methods to validate GLP-1 prescribing and utilization appropriateness



Ensure your medical benefit is maximizing site of care opportunities and deploying the clinical expertise necessary for review of how cell and gene therapy are being accessed and administered



Understand your budget's tolerance for sustaining extremely high-cost claimants, and evaluate additional insurance if needed

What Can We Do to Help Patients?



Seek innovative solutions and formulary designs that steer patients to the most affordable options at the time of purchase to avoid prescription abandonment



Explore enhancing navigation and out-of-pocket cost transparency



Ensure your PBM properly supports patients, providers and pharmacists to minimize disruption related to coverage changes



Encourage PBM to improve physician-facing tools for efficient utilization management and price transparency to encourage the prescribing of lower cost therapies



Look for ways to optimize manufacturer financial assistance programs to benefit patients

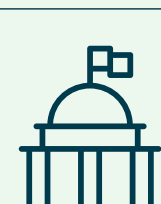
How Can Employers Achieve Greater Vendor Accountability and Transparency of Pricing and Contract Terms?



Explore emerging formulary and pricing models to choose an approach most aligned with your goals, and look for models that help eliminate rebates



Demand price, discount and rebate transparency at the drug level to make coverage decisions consistent with your goals and adapt budgeting for elimination of rebates over time



Engage with the Business Group to keep up with policies impacting prescription drug benefits and inform advocacy positioning on key items such as preserving employer flexibility and ERISA preemption



Assert audit rights of all contracted services offered by PBM including those provided by third parties

Related Resources

- [2025 Employer Health Care Strategy Survey](#)
- [Taking Action on Pharmacy Benefits: A Business Group on Health Viewpoint](#)
- [Preserving ERISA Policy Position Statement](#)
- [Prescription Drug Pricing and Pharmaceutical Supply Chain Reform Policy Position Statement](#)