



Benfield

ARTHUR J. GALLAGHER & CO.

# Reimagining Pharmacy Benefits with Total Health and Productivity in Mind

MARCH 27, 2017

# Time to Talk about Value in Prescription Drug Benefits

- 15 to 20%+ of health benefits spend
- Focus on net cost – necessary but insufficient
- Time to consider total health and productivity value...to base decisions on what a company gets in return for money spent on drugs and PBM services

# Needed: a Change in Perspective

**FROM:** Benefits procurement  
and administration

**TO:** Shareholder return  
on investment in the  
health of human capital



# Taking the Pulse of Employers – Readiness to Change

## **Preliminary findings** – Employer Survey on Prescription Benefits Management

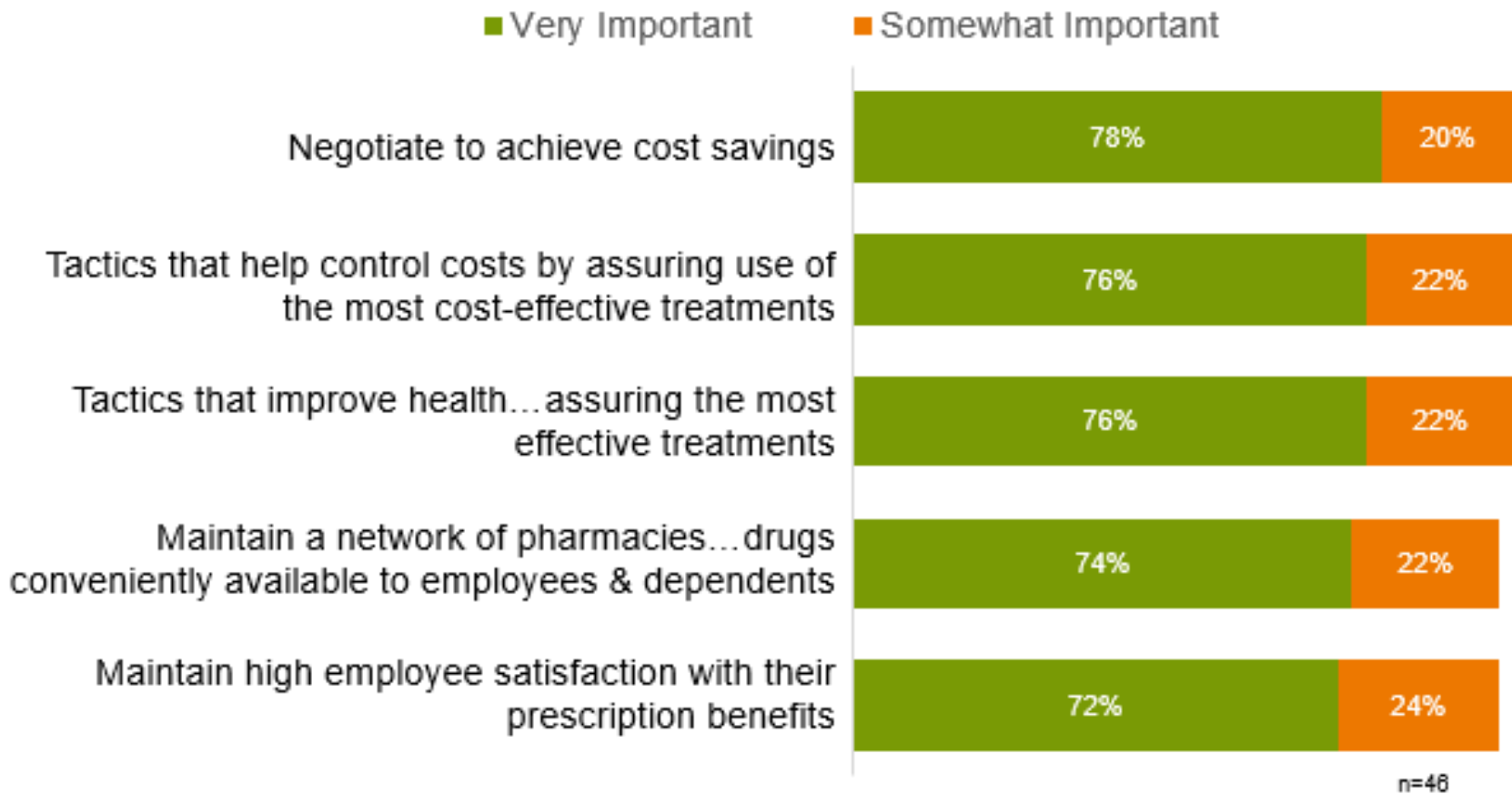
- N = 46 (About half of our full sample)
- Jumbo (5,000+ employee) self-insured employers
- Issues
  - Perspectives on current PBM experience and value proposition
  - Interest in improvements to PBM models
  - Interest in change approaches
- Sponsored by the National Pharmaceutical Council

**Register for priority distribution of full research report at:**

**<http://www.npcnow.org/pbm>**

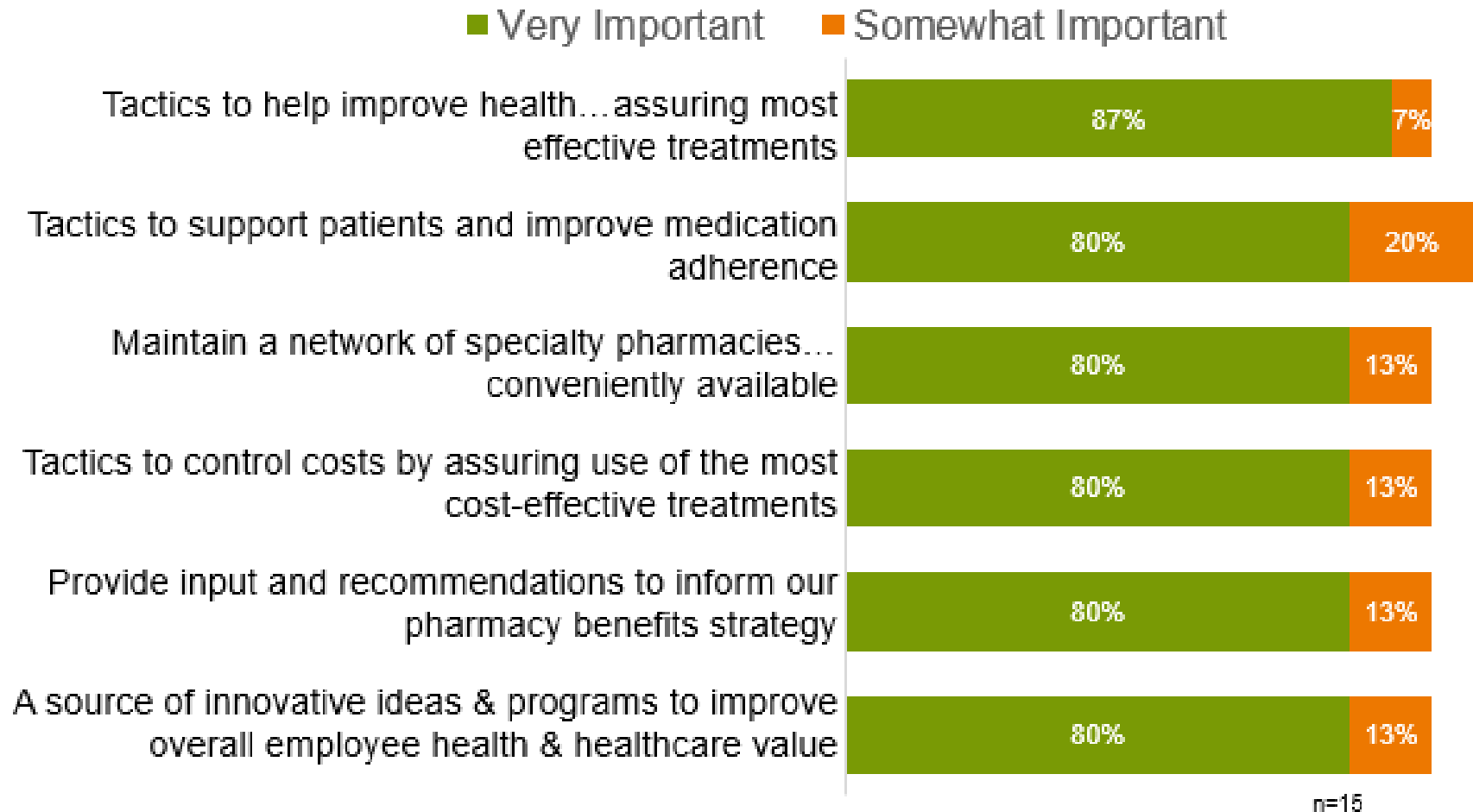
# Employers value the key functions PBMs perform

Rate the importance of each PBM value proposition benefit to your organization. **Top 5 shown.**



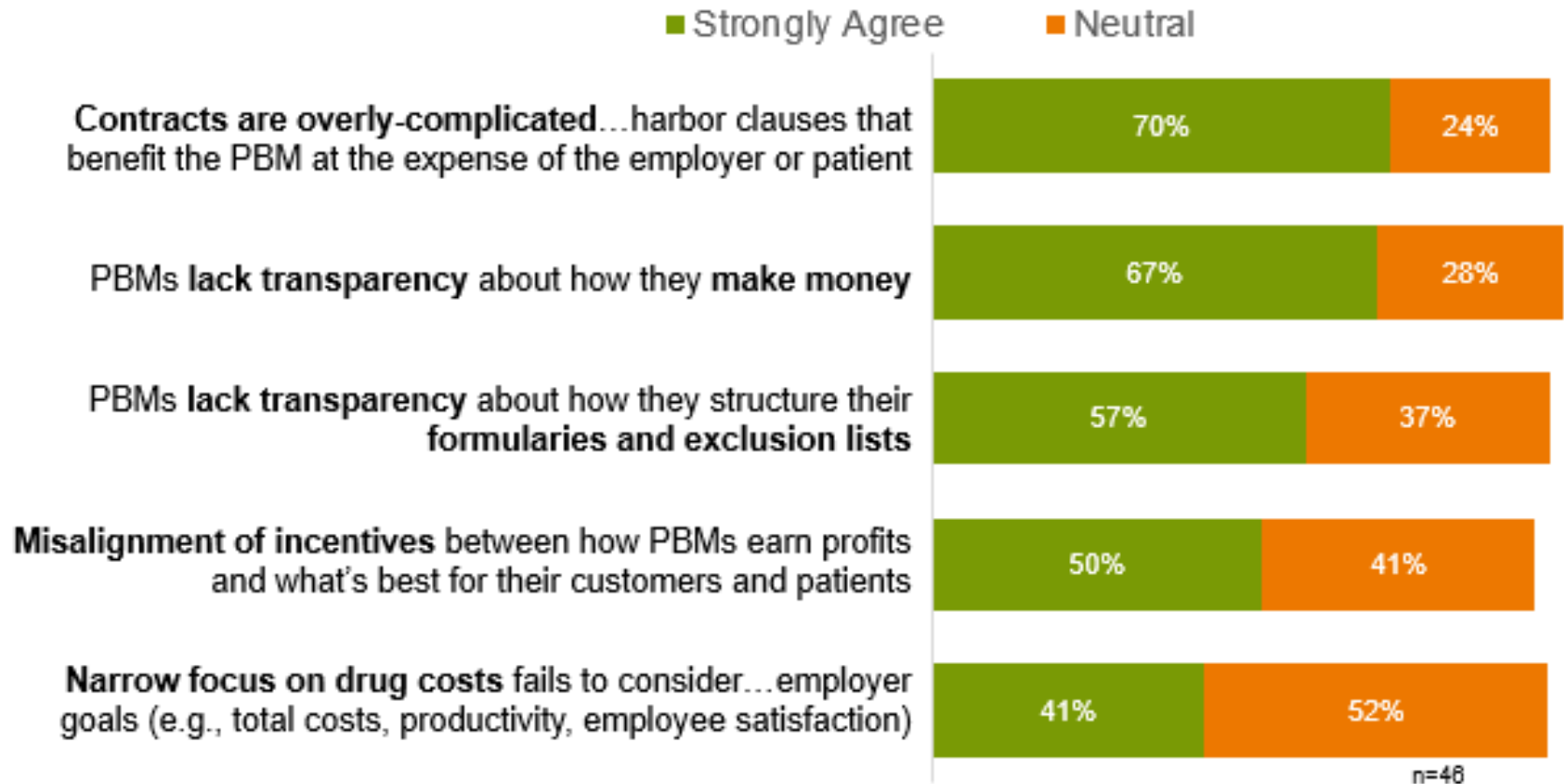
# ...and for SPMs functions as well

Rate the importance of each SPM benefit/value proposition to your organization. **Top 6 shown**

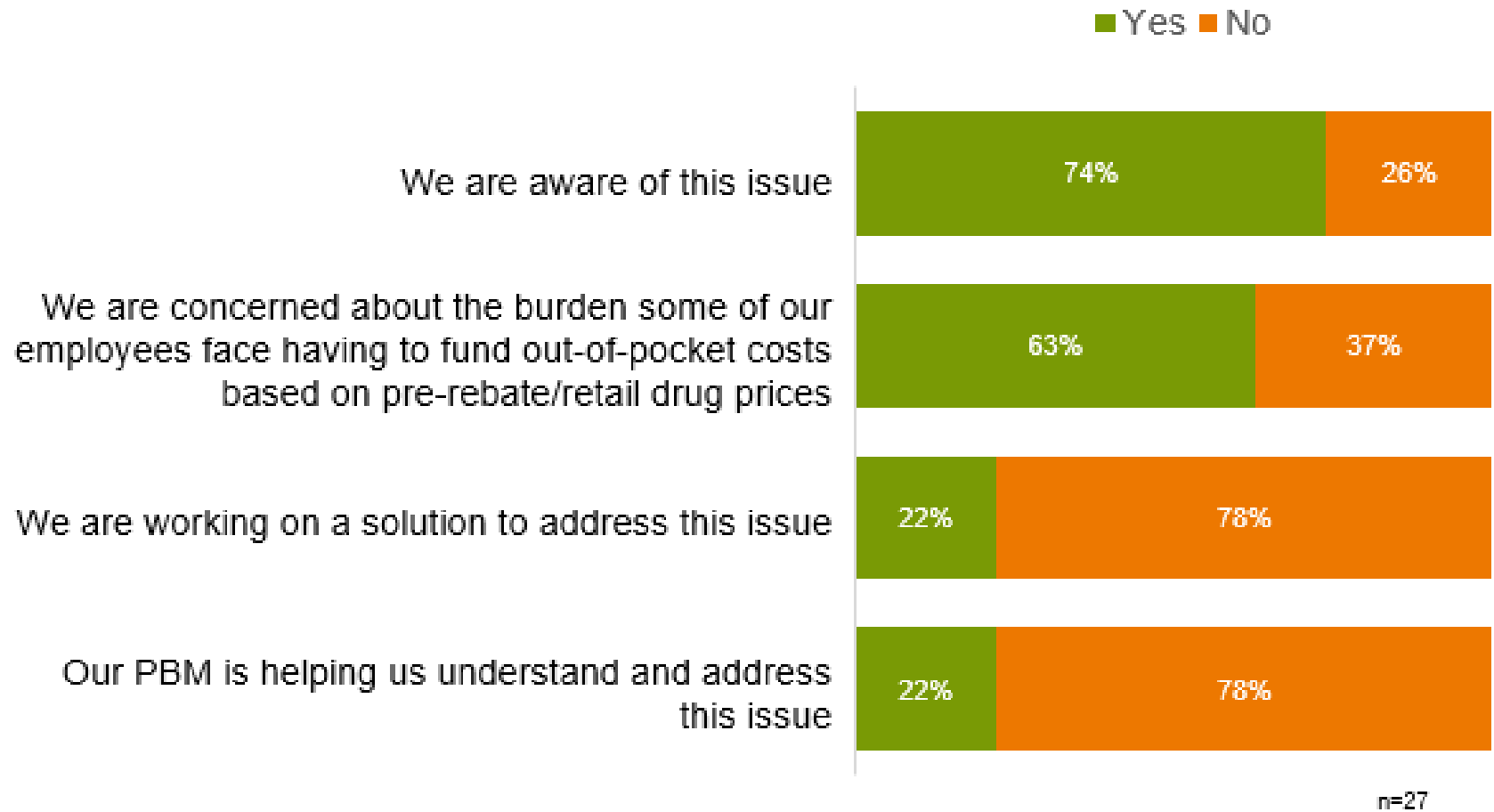


# However, employers have important concerns about how PBMs work...

Based on your experience, rate your agreement with the each statement below regarding PBM concerns reported in the press. **Top 5 shown.**



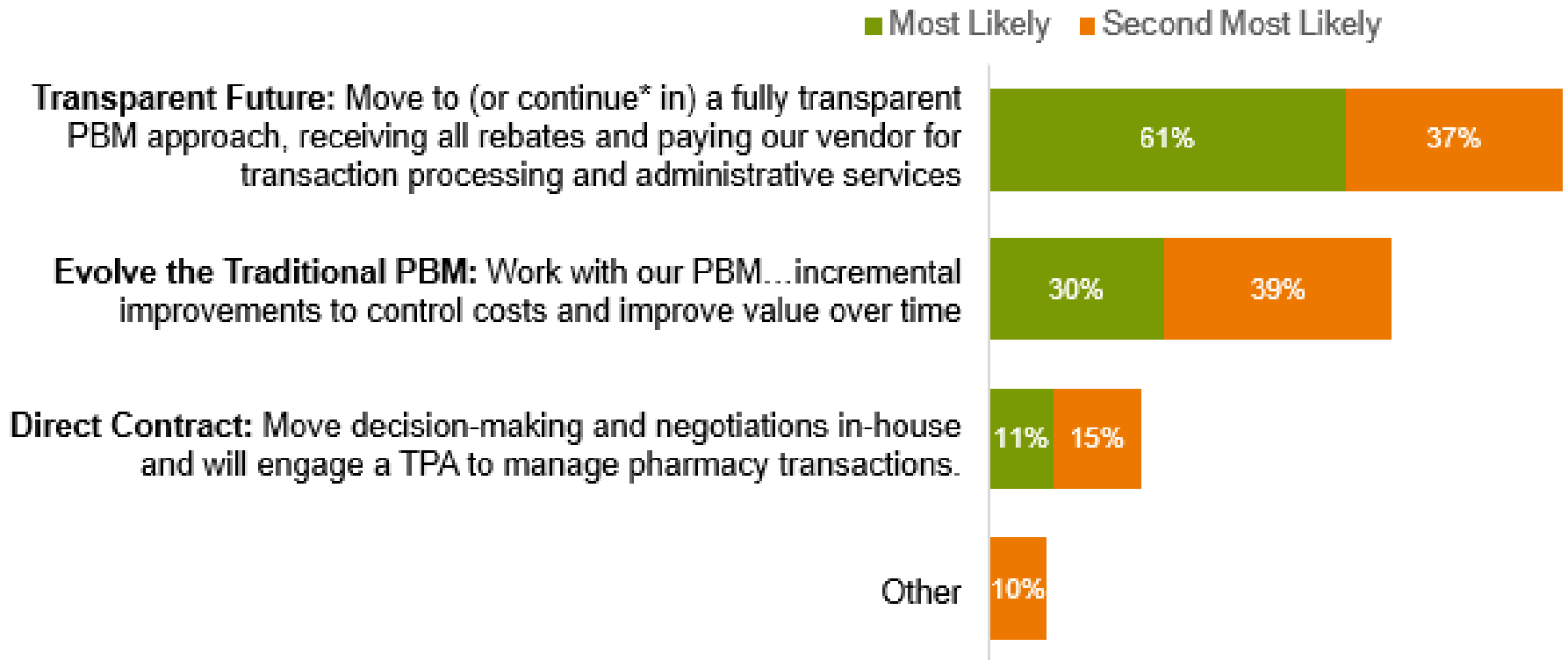
... and many employers are concerned that rebates create an unfair burden for employees with high deductibles and coinsurance





# Employers are looking to evolve or transform their PBM approach

Four possible future PBM scenarios are outlined below. Rank order the top two scenarios for your organization



\* About 40% of respondents indicate they currently have a transparent/pass-through PBM approach.



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