

# 5 Facts to Know About PBMs



In our work as a pharmacy benefit manager (PBM), CVS Health works to negotiate lower costs of prescription drugs, going head-to-head with drug manufacturers to remove as many drug pricing challenges as possible for our customers and their members.

Here are five facts to know about how a PBM helps deliver lower costs and better health:

## **1 PBMs are one of the few parts of the drug supply chain that drive down costs for customers.**

We negotiate discounts for our customers that help lower the cost of prescription drug coverage. Our customers then use the savings we generate on their behalf to help reduce member costs at the pharmacy counter, or lower overall premiums.

The impact of these savings is felt directly by members who are managing chronic health conditions like diabetes. From 2017 to 2022, we reduced the net cost of a 30-day supply of insulin by 33% and last year, the average member cost for a 30-day supply was less than \$25.

Without PBMs, consumers would likely pay more for their drugs at the pharmacy counter. A recent audit from the Department of Labor found that its Worker's Compensation Program "lacked a pharmacy benefit manager to help contain costs" between 2015 and 2020. And, they may have had more than \$320 million in excess costs on prescription drugs during that period as a result.

## **2 PBMs support broad access to health care.**

We build pharmacy networks that support broad access to high-quality care within local communities while helping control costs. Our networks include more than 65,000 pharmacies across the country, including more than 25,000 independent pharmacies. Some 97% of our members who live in rural areas have access to an in-network pharmacy within 15 miles of their home.

### **3 PBMs enhance competition in the marketplace.**

Drug manufacturers set the prices of prescription drugs. We strive to promote competition among drug manufacturers to help drive down drug costs.

PBMs enhance competition through group purchasing and negotiated discounts. We leverage the collective buying power of our members and the availability of competing brand drugs within therapeutic classes to achieve low net costs for clients and their members. Discounts we negotiate by driving competition are why customers choose to use PBMs, which are one of the few parts of the supply chain dedicated to lowering drug costs.

### **PBMs provide customer choice.**

**4** We give our customers choices that help provide their members affordable coverage of medications. Medications that treat everything from cancer to high blood pressure to diabetes, are part of a robust and comprehensive pharmacy benefit

Our customers aren't all the same size or have the same needs, so a one-size-fits-all approach doesn't make sense. We help customers build their benefit design – and achieve savings – that is right for their member population, including a balance across all covered medicines: brand, generic and biosimilar.

### **PBMs bring results and value to customers and their members.**

**5** Customers choose us for our ability to seamlessly administer complex pharmacy benefits to their members with high levels of service and satisfaction. We serve more than 110 million members, process more than 2.3 billion prescription claims. Our member satisfaction rate of 96% and customer retention rate of nearly 98% reflects our customers' trust and ongoing satisfaction with our work.

## **The Bottom Line**

Our role is to help keep prescription drugs affordable. Every day, we strive to offer high-quality pharmacy benefits. Without us, prescription drugs would be less affordable and less accessible for the millions of people we serve.

## **By the Numbers**

We serve more than **110 million** members in 2022 and process more than **2.3 billion** prescription claims.

We pass through **98%** of rebates to our customers, including **100%** in Medicare Part D.

Almost **50%** of our members use our digital tools to manage their prescriptions, find lower-cost alternatives and stay on track with their treatments.