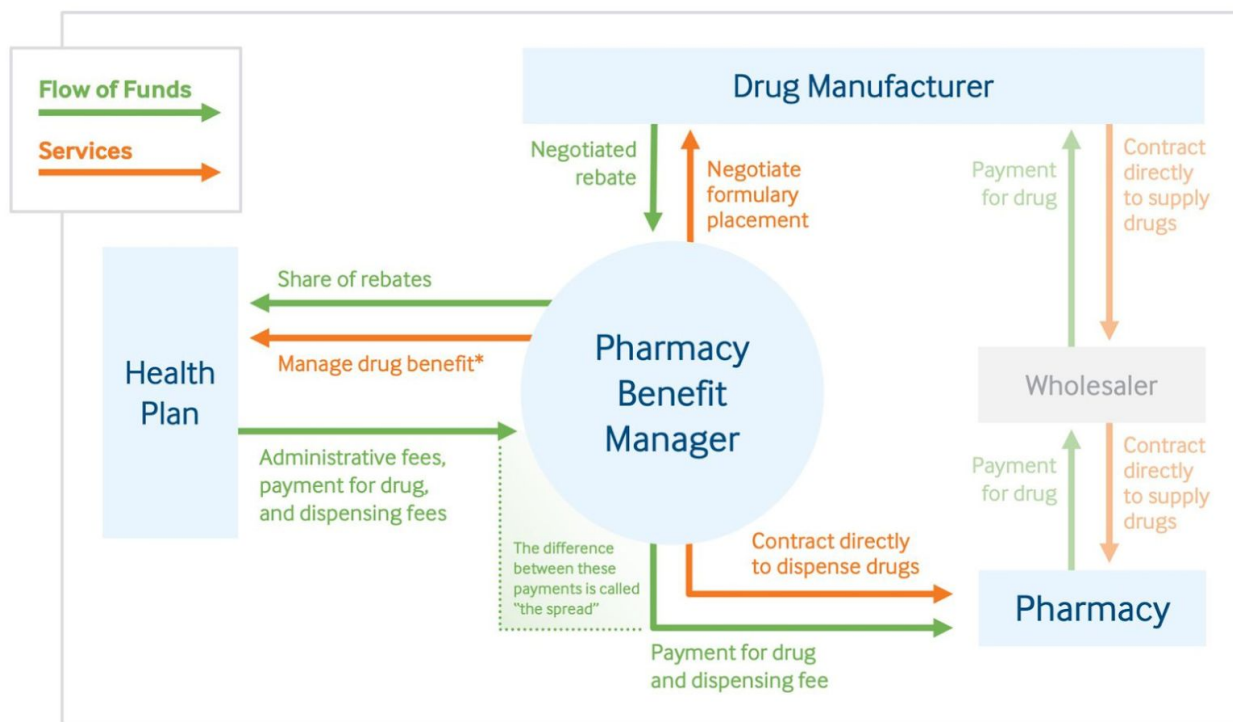


Role of a Pharmacy Benefit Manager in Providing Services and Flow of Funds for Prescription Drugs



* Includes establishing formulary and patient adherence programs and implementing utilization management tools – such as prior authorization, step therapy, and tiering – to steer patients toward certain drugs on formulary.

Exhibit 2

Pharmacy Benefit Managers: Market Overview

Example	History and Market Position	Proposed/Recently Completed Mergers
	Not currently owned by a larger health care company.	
Express Scripts	<p>Increased its market share in 2012 by acquiring rival Medco Health Solutions (Merck's PBM spin-off) for \$29.1 billion.</p> <p>In 2016 and 2017, the legal battle between Anthem and Express Scripts over rebate savings resulted in Anthem announcing it will terminate its business with Express Scripts in 2019 when its current contract expires.</p>	Express Scripts announced in December 2017 that it would merge with health insurer, Cigna. This deal was completed in December 2018.
CVS Caremark	<p>A subsidiary of CVS Health, which owns the CVS chain of retail drug stores.</p> <p>In 2007, CVS Health acquired PBM Caremark Rx for \$21 billion, resulting in PBM CVS Caremark.</p>	<p>Anthem will contract with CVS Caremark in 2019 to pay its pharmacy claims but will negotiate rebates directly and manage its own formulary with manufacturers through the creation of its own PBM in partnership with CVS Health, Ingenio RX.</p> <p>CVS Health announced in December 2017 that it would acquire Aetna and completed the transaction in November 2018.</p>
Optum Rx	<p>A subsidiary of health insurer, UnitedHealth Group.</p> <p>In 2015 UnitedHealth Group acquired PBM Catamaran Corp for \$12.8 billion.</p>	Already vertically integrated with UnitedHealth Group.
Humana Pharmacy Solutions	A subsidiary of health insurer Humana Inc.	N/A

Navitus Prescription Drug Coverage



PHARMACY CO-PAY	30-DAY SUPPLY			90-DAY SUPPLY		
	TIER 1	TIER 2	TIER 3	TIER 1	TIER 2	TIER 3
UVM HEALTH NETWORK OUTPATIENT PHARMACIES	\$0	\$25	\$45	\$0	\$50	\$90
UVM MEDICAL CENTER MAIL ORDER PHARMACY						
NAVITUS RETAIL NETWORK PHARMACY	\$10	\$30	\$50	\$30	\$90	\$150
INFERTILITY	50% coinsurance up to annual benefit of \$2,000/family					
ANNUAL Rx CO-PAY OUT-OF-POCKET MAXIMUM	\$1,250 per person, up to \$2,500 for a family					

← → ↻ patientsrising.org/vermont/

PATIENTS RISING

Pharmacists in Vermont are banned by law from telling you how to save money on your prescriptions

Let's work to end the gag-order on pharmacists.

If my co-pay costs more than my drug, I want to know about it so I can save money.

[VT S 92](#)

2018

Interchangeable Biological Products

Status: Enacted - Act No. 193

Date of Last Action:* 05/30/2018 - Enacted

Author: Lyons (D)

Revises provisions relating to prescription drug price transparency and cost containment. 1) Requires prior authorization to refill a prescription with a drug or biological product different than the originally filled prescription and requires electronic notifications after dispensing biological products. Requires a pharmacist to select the lowest priced drug or interchangeable biological product. 2) Expands the provisions of Vermont's 2016 Rx transparency law to require the Department of Vermont Health Access and health insurers with more than 5,000 covered lives to create lists of 10 prescription drugs for which the payer's net cost has increased by 50 percent or more over the past five years or 15+ percent annually. The Office of the Attorney General will identify 15 drugs for which the drugs' manufacturers must provide a justification for the price increase or increases. Each manufacturer must also provide a separate version of its justification that will be made public. 3) It prohibits PBMs from prohibiting or penalizing a pharmacy or pharmacist for providing information to an insured about a cost-sharing amount for a prescription drug, disclosing to an insured the cash price of a prescription drug, or selling a lower-cost drug to an insured if one is available. 4) Also creates a working group to examine prescription drug pricing throughout the supply chain, to identify opportunities for savings, and more price transparency, and to provide findings and recommendations to the House Committee on Health Care and the Senate Committee on Health and Welfare.



[HOME](#) [ABOUT US](#) [PUBLICATIONS](#) [POLICY](#)

Home / Prescription Drug Pricing

READ MODE

SHARE

PRINT

Model Pharmacy Benefit Manager Contract Language and State Buy-In Model

States have leverage as large purchasers of health care, including prescription drugs. NASHP's newest model legislation helps state employee health plans and others bid and contract for pharmacy benefit manager (PBMs) services to assure maximum efficiency

Thursday, Feb. 6, 2020
Noon (ET)

[REGISTER NOW](#)