



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

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ArrayRx Discount Card Program Proposal

The Office of the Vermont State Treasurer is seeking enabling legislation to join the multi-state collaborative known as ArrayRx to participate in their Discount Card Program. The Discount Card Program is a state-sponsored pharmacy savings initiative designed to help people access affordable prescription medications at no cost to the state. The program helps ensure that individuals can obtain discounted medications. As prescription drug prices continue to strain household budgets, ArrayRx offers meaningful relief for Vermonters.

Background on ArrayRx

ArrayRx is a multi-state collaborative that, among other tools, provides prescription drug programs—including discount cards and pharmacy benefit management—to states, public employers, and other participating groups. Formed through a partnership between Washington and Oregon, ArrayRx now serves as a “for states, by states” collaborative with deep pharmacy expertise and a mission to deliver better prices and greater accountability for its members.

Problem Statement

Rising prescription drug costs remain a significant challenge for many Vermonters. Among the most affected groups are:

- Uninsured or under-insured Vermonters, who often lack employer-sponsored insurance and face steep premiums.
- Seniors who lack Medicare Part D coverage, leaving them exposed to the full cost of their medications.
- Vermonters in high-deductible or limited-benefit plans, who must pay out-of-pocket until meeting substantial deductibles.

These challenges are expected to grow as enhanced ACA tax credits expire, leading more Vermonters to forgo insurance altogether or shift into high-deductible plans where drug costs are paid out of pocket. As a result, too many individuals will delay or skip needed medications, compromising their health and financial stability.

Key Features of the ArrayRx Discount Card

- **No cost to Vermonters** – free enrollment with no membership fees, and no transaction or marketing fees charged to participating pharmacies.

- **Broad coverage** – includes all FDA-approved prescription medications and discounts on certain over-the-counter items, such as diabetes testing supplies.
- **Meaningful savings** – participants save up to 20% on brand-name medications and up to 80% on generics.
- **Nationwide access** – accepted at more than 65,000 pharmacies across the U.S.
- **Transparency** – easy comparison of medication prices and pharmacy options.
- **Privacy** – unlike for-profit discount programs, ArrayRx does not sell or share user data.
- **Reliable support during coverage gaps** – provides stability for individuals transitioning between jobs or experiencing temporary lapses in insurance.
- **Maximum Allowable Cost Strategy** – ArrayRx differs from other discount card programs by using a “maximum allowable cost” strategy that helps pharmacies earn a reasonable profit while delivering deeper discounts on higher-cost medications.
- **Critical Access Pharmacies** – ArrayRx created the Critical Access Pharmacy designation to help sustain pharmacies—including FQHCs, those serving high-poverty communities, and those in rural areas—that are at heightened risk of closure.

Administration and Costs

ArrayRx manages the administrative responsibilities of distributing discount cards and providing customer service, while the Treasurer’s Office would primarily drive program utilization through marketing, partnerships, and representation on the ArrayRx Steering Committee. ArrayRx collects a small transaction fee each time the discount card is used. A portion of this fee covers transaction costs, while the remainder is collected and tracked separately for each participating state. At the end of each fiscal year, ArrayRx calculates program and draws the necessary funds from the collected revenue, returning any excess funds to the state for administrative and marketing purposes.

The Treasurer’s Office is uniquely positioned to administer the Discount Card Program, leveraging its experience managing statewide benefits initiatives such as Vermont Saves, Achieving a Better Life Experience (ABLE) Accounts, Medical Debt Relief, and Baby Bonds. These existing programs also give the Office strong reach into the populations most likely to benefit, including seniors and Vermonters working in jobs with limited or no employer benefits.

Program Impact: Lessons from Connecticut

Connecticut’s successful implementation of ArrayRx demonstrates the program’s significant potential for Vermont. More than 23,000 Connecticut residents have enrolled, saving an average of \$233 a month on prescription medications. Their success stems from clear communications, strong outreach materials, and engagement with more than 250 community partners who help residents understand and use the program.

Conclusion

The ArrayRx Discount Card Program is an essential tool for helping Vermonters—particularly those who are uninsured, under-insured, or facing new financial burdens as ACA tax credits expire—afford the medications they rely on. By lowering cost barriers and offering a transparent, privacy-focused alternative to for-profit discount services, the program strengthens financial security and supports better health outcomes statewide.