

# Pharmacy Discussion

Montana Economic Affairs Interim Committee

November 2025

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# Macro trends shaping pharmacy in the next two years

## Current prescription drug landscape

**\$100**

Billion

Projected reduction in drug costs over next five years due to **Biosimilar Medicines**<sup>2</sup>

Continued rise of  
Rebate Group  
Purchasing  
Organizations

Meaningful  
and Timely  
Analytics

Point Solutions  
and third party  
vendors to  
Augment PBM  
Strategies

Increased Focus on Medical  
Benefit

- Site of Care
- Authorization Strategies
- Rebates

**9**

Approved multi-million-dollar gene therapies, with 60+ in the pipeline

- Gauging Risk
- Protecting Against Rise

Benefit Hygiene: Targeting  
Low Clinical Value

Longevity of  
Patient Assistance  
Programs and  
Copay Maximizers

Continued State and  
Federal legislation

Outcomes Based  
Agreements and Patient  
Tracking

**3 to 24%**

of total PBM pharmacy spend on  
low value drugs<sup>1</sup>

# Pharmacy RFP - Guiding Principles

Key variables in selection process



Transparency



Flexibility with point solutions



Ensure improved health outcomes and adherence



Understanding the flow of money



Own your pharmacy data  
(security/data protection)



Open access to lower cost pharmacies/drugs



Member engagement tool/advocacy/experience



Partnership with other vendors



Account Management (proactiveness)

# Designate Top Three priorities

Employee affordability

Audit Rights

Company cost control

Contract Language

Rebates vs. Alternative  
contracting

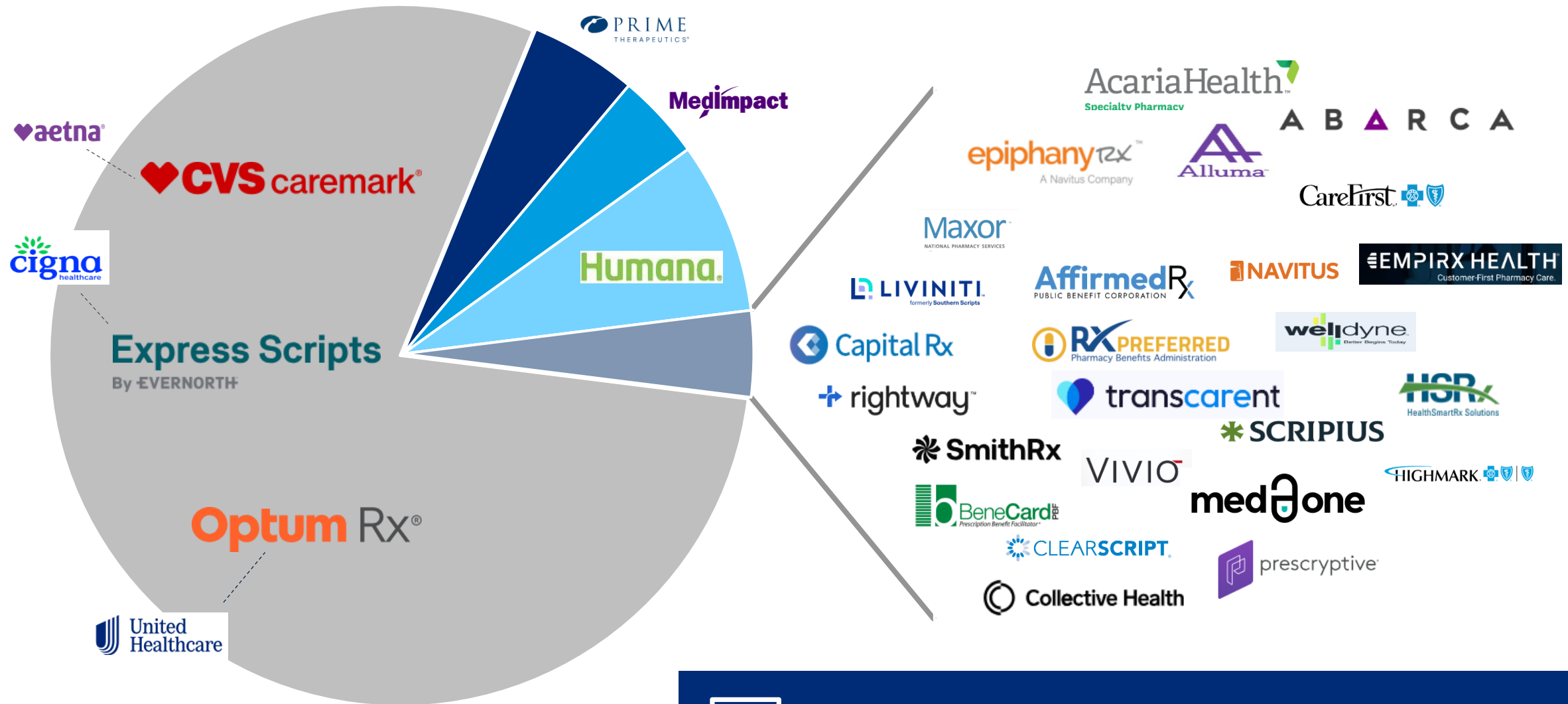
Formulary Strategy

Trend Analysis

Biosimilars

Top priorities at CLIENT:

# Three PBMs dominate market share, but new options jumping into the mix



A growing number of RFPs include a wide range of PBM models at the client's request

# Employer opinions on proposed reforms to PBMs' pricing practices and transparency requirements

Employers with 500 or more employees

<p>Federal and state legislation and proposals from employer trade groups address prescription drug price transparency, pricing practices and other activities of pharmacy benefit managers (PBMs).</p> <p><b>The ban on spread pricing saw a 17% increase in “favor” over last year</b></p>	The 5 <u>most favored</u> proposals	Favor	Oppose	Need more information	Mercer's estimated impact on Rx costs
	Detailed PBM financial reporting to plan sponsors on spread pricing, shared rebates, acquisition cost of drugs, and their sources of compensation	85%	1%	14%	No direct cost impact
	100% rebate pass-through to plan sponsors to be used either to reduce plan costs or to lower participant contributions	76%	1%	23%	Cost impact will vary based on current rebate terms
	Cost-sharing cap on insulin (typically, \$35) per 30-day supply	59%	5%	35%	Cost impact will vary based on current plan design
	Ban on spread pricing, typically defined as the PBM's practice of charging a pharmacy or plan a different amount for a drug than they paid to acquire it	48%	7%	45%	Cost impact is unclear
	Require PBMs to act as ERISA fiduciaries with respect to the services for which they exert discretion through their contractual relationship with the plan sponsor	45%	3%	52%	Cost impact is unclear

# Employer opinions on proposed reforms to PBMs' pricing practices and transparency requirements (continued)

Employers with 500 or more employees

<p>Federal and state legislation and proposals from employer trade groups address prescription drug price transparency, pricing practices and other activities of pharmacy benefit managers (PBMs).</p> <p><b>The % of employers opposing steerage restrictions jumped 14% over last year.</b></p>	The 5 <u>most opposed</u> proposals	Favor	Oppose	Need more information	Mercer's estimated impact on Rx costs
	Pharmacy steerage restrictions prohibiting mandatory use of (or providing preferential cost sharing to) a mail-order, retail or specialty pharmacy	22%	47%	30%	Rx gross cost impact of 0%-2.5%
	Ban on copay maximizer/accumulator programs (e.g., PrudentRx, SaveOnSP) would require plans to apply drug manufacturer financial assistance (coupons) to a health plan's applicable cost sharing, including deductibles and out-of-pocket maximums	17%	39%	44%	Cost impact may be material for many sponsors
	Up to 100% rebate pass-through to members at the point of sale instead of to the plan	22%	35%	42%	Net Rx cost impact to the plan of 2%-6%
	Mandated pharmacy reimbursement levels, often due to a mandated change to a different pricing methodology such as NADAC, may result in increased dispensing fees	7%	29%	64%	Rx gross cost impact of 5%-7%
	Networks must include any licensed pharmacy willing to accept the network's terms and could not require additional credentialing or other criteria	29%	28%	43%	Rx gross cost impact of 0%-3%



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