



**Prescription Drug Program Savings Analysis**  
 Prepared For: Sample Company  
 500 Members, 230 Employees



Current Plan with Incumbent PBM	
Pricing Components	
<b>Retail Pharmacy Network</b>	
Brand AWP Discount	14%
Generic AWP(MAC) Discount	45%
Brand Dispensing Fee	\$ 2.25
Generic Dispensing Fee	\$ 2.25
<b>Mail Service Pharmacy</b>	
Brand AWP Discount	20%
Generic AWP Discount	50%
Brand Dispensing Fee	\$ 1.00
Generic Dispensing Fee	\$ 1.00
<b>Claim Processing Fees</b>	
Retail	\$ 0.55
Mail Service	\$ -
<b>Formulary Rebates</b>	
Retail Per Paid Claim	\$ 1.00
Mail Service Per Paid Claim	\$ 3.00

Your current pricing.

Approach consists of detailed analysis and comparison of specific Plan components rather than blanket application of industry benchmarks.

Utilization Data 2008	
Total Number of Paid Claims:	4,201
<b>Retail</b>	
Brand	2,301
Generic	1,694
Average Retail Brand Ingredient Cost	\$ 78.71
Average Retail Generic Ingredient Cost	\$ 14.21
<b>Mail Service</b>	
Brand	158
Generic	48
Average Mail Service Brand Ingredient Cost	\$ 201.89
Average Mail Service Generic Ingredient Cost	\$ 51.01
<b>Trends</b>	
AWP/Inflation & Mix Utilization	9.5%
	4.5%

Brand/ Generic Dispensing Rates			
	Year 1	Year 2	Year 3
<b>Retail</b>			
Brand	53.1%	51.6%	50.1%
Generic	46.9%	48.4%	49.9%
<b>Mail Service</b>			
Brand	72.2%	69.7%	67.7%
Generic	27.8%	30.3%	32.3%

Your data loaded & then analyzed based on the most appropriate PBM provider.

From industry sources, validated and appropriately allocated.

**Proposed Plan with PBM A**

Pricing Components	Year 1	Year 2	Year 3	Total Savings
<b>Retail Pharmacy Network</b>				
Brand AWP Discount 15%	\$ 7,065.05	\$ 8,084.37	\$ 9,250.74	\$ 24,400.16
Generic AWP(MAC) Discount 45%	\$ -	\$ -	\$ -	\$ -
Brand Dispensing Fee \$ 2.00	\$ 1,202.27	\$ 1,256.37	\$ 1,312.91	\$ 3,771.56
Generic Dispensing Fee \$ 2.25	\$ -	\$ -	\$ -	\$ -
<b>Mail Service Pharmacy</b>				
Brand AWP Discount 21%	\$ 1,759.07	\$ 2,012.86	\$ 2,303.27	\$ 6,075.21
Generic AWP Discount 52%	\$ 112.07	\$ 128.24	\$ 146.74	\$ 387.05
Brand Dispensing Fee \$ -	\$ 214.64	\$ 224.30	\$ 234.40	\$ 673.34
Generic Dispensing Fee \$ -	\$ 65.21	\$ 68.14	\$ 71.21	\$ 204.56
<b>Claim Processing Fee</b>				
Retail \$ -	\$ 2,296.13	\$ 2,399.45	\$ 2,507.43	\$ 7,203.01
Mail Service \$ -	\$ 118.40	\$ 123.73	\$ 129.29	\$ 371.42
<b>Formulary Rebates</b>				
Retail Per Paid Claim \$ 2.25	\$ 9,393.24	\$ 9,815.94	\$ 10,257.66	\$ 29,466.84
Mail Service Per Paid Claim \$ 5.75	\$ 1,237.80	\$ 1,293.50	\$ 1,351.71	\$ 3,883.02
Allowances	\$ -	\$ -	\$ -	\$ -
<b>Total Savings:</b>	<b>\$ 23,463.89</b>	<b>\$ 25,406.91</b>	<b>\$ 27,565.35</b>	<b>\$ 76,436.16</b>

PBM "A," one of multiple options, gives you a complete view of future Plan performance.

Specialized PBM advisory team equipped with best technological tools to truly analyze trends and offer solutions.