

# THE INSTITUTE FOR INSURANCE TRANSPARENCY

## *THE HIDDEN COSTS OF PHARMACY BENEFIT MANAGEMENT*

In the first truth from The Institute for Insurance Transparency, we unveiled the hidden truths of the insurance industry's "black box" bidding process, introducing a new way of thinking that challenged long-held beliefs and practices through complete transparency. In Part II, we turn our attention to the Pharmacy Benefit Management (PBM) sector, a realm traditionally obscured and dominated by the Big-3 PBMs, in which CVS, Optum, and Express Scripts control roughly 80% of the PBM market. What if there was an alternative that not only competes with the Big-3 but also offers significant savings to employers?

Enter Liviniti, a rapidly growing PBM that's taking the industry by storm. With a commitment to 100% transparency, Liviniti is challenging the status quo and shattering the misconceptions perpetuated by the traditional PBM industry. Liviniti has saved its clients an average of \$23 per prescription for over a decade, translating to substantial annual savings for employers. This is achieved without changing the plan design, formulary, or pharmacy network.



***“What if there was an alternative that not only competes with the Big-3 but also offers significant savings to employers?”***



The time has come to challenge the status quo, question the beliefs once thought of as fact, and embrace a new reality. A reality where transparency, fairness, and savings are not just buzzwords but the very foundation of your PBM. Welcome to the world of Liviniti and the future of Pharmacy Benefits Management.

Q&A with Dr. Steven T. Boyd, *EVP, Owner & Co-founder of Liviniti* on page 2.

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**Can you explain what 100% transparency means for Liviniti's customers?**

*Liviniti's transparency translates to real savings. Over the past 12 years, we've saved our clients an average of \$23 per prescription. For a self-insured employer with 1,000 employees, this equates to \$276K per year in savings, achieved by simply replacing their traditional PBM with Liviniti.*

**How does Liviniti generate these savings?**

*We focus on three areas: removing spread pricing, passing through all rebates, and promoting generic-approved drugs. This approach, combined with our transparent pricing and rebate model, delivers immediate savings to employers. We also offer additional programs for employers willing to adopt more progressive management strategies.*

**Does this apply to all types of prescriptions?**

*Absolutely. We don't cherry-pick like our competitors. We ensure every prescription is fully transparent and guarantee complete pass-through of drug discounts and rebates.*

**Why don't more brokers/consultants highlight these savings to their clients?**

*Many brokers are overwhelmed by the complexities of the PBM landscape. Traditional PBM models are easier to explain, and long-standing relationships with PBMs and health plans often lead to complacency. However, Liviniti is committed to cutting through the noise and delivering tangible benefits.*

**Can PBMs not connected to health plans manage care effectively?**

*Yes. Liviniti is fully integrated with numerous TPAs, reporting software, care management firms, and stop-loss entities. The argument that non-connected PBMs can't manage care as well is a scare tactic used by carriers to preserve their profit margins.*

**Are you surprised the government hasn't intervened more in the PBM industry?**

*Not really. The pharmaceutical, PBM, and healthcare lobbies have successfully stifled change in the past. However, recent legal rulings and pending legislation suggest that change is on the horizon.*

**What advice would you give to customers looking to achieve the savings you mentioned?**

*I'd recommend using our simple PBM rubric to understand PBM models. Once you know the rubric score, you can better assess the risk around hidden revenues and bad behaviors. Comparing a pass-through PBM to a traditional PBM will make it easier to find a pathway to savings.*

## DON'T BE LATE TO THE GAME

Join us for a deeper dive into the benefits of a transparent PBM model in our upcoming webinar on 8/11 from 10-11 AM CST. Space is limited to the first 30 registrants, so be sure to sign up at [theinsurancetruth.com/#truthtwo](https://theinsurancetruth.com/#truthtwo) before it's too late.

# MEET THE EDITORS



## EDITOR

*Mitchell Andrews*

*Partner – The Plexus Groupe*

Mitchell Andrews is a fearless disruptor in the insurance industry with over 35 years of experience. He never hesitates to challenge the status quo or question authority when it comes to achieving the best possible outcome for his clients. Mitchell is known for his unrivaled expertise in Employee Benefits and Business Insurance as one of the founding partners of The Plexus Groupe. He is an uber-inquisitive and outspoken professional, always searching for what is new and different to drive client success including serving on numerous insurance advisory boards and participating in state and federal lobbying efforts to improve the efficiencies within the entire insurance ecosystem.



## CONTRIBUTING EDITOR

*Dr. Steven T. Boyd*

*EVP, Owner & Co-founder of Liviniti*

Steven Boyd is widely recognized as a thought leader and driving force in the pharmacy industry, dedicated to increasing value, promoting optimal performance, and building strong customer and client relationships. Drawing from two decades as a clinical pharmacist within academia, independent pharmacy and managed care, Steve's comprehensive background serves as a strong foundation for solving pharmacy benefits challenges and combating rising specialty drug costs.