PHARMACY

Incentivized Copay Structure

Strategic copay design creates appropriate cost sharing and incents use of lowest net cost drugs.

- USI's proprietary Clear Options Rx tool assists employers in determining the cost impact of plan design changes due to cost sharing and change in member utilization choices.
- Coinsurance vs. copay structure may further align incentives and transparency of drug costs.
- Given rapidly increasing pharmacy costs, regular copay adjustments are necessary to maintain a balance of employee and employer costs.

USI's exclusive proprietary tool demonstrates plan savings by modeling various copay options.

Start Date:	**01/01/2017**	Employees:	**300**	Covered Lives:	**422**
Retail Network:	**Broad**	Mail Order Utilization:	**Low**	Specialty Program:	**Exclusive**
Formulary:	**Open**	Plan Design:	**3-Tier**	Average Annual Costs:	**$1,059,526**
Incumbent:	**UnitedHealthcare**	Current Funding:	**Self-Funded**	Carve-out Penalty:	**N/A**
Data Date Range:	**02/01/2015-01/31/2016**	Medical Credit:	**$4.00 PEPM**	Current Rebates:	**$12,000**

Impact and Benefits:

- Pharmacy costs are **approximately 20% of total costs** of most employer plans
- Adjustments to copays provide **~ 5% in additional employee cost share and 5-10% savings** as a result of redirected drug purchases
- **Total net savings of ~ 2% of total plan cost**

Adjusting Copay Structure Supports More Efficient Utilization