



PHARMACY

Narrow Pharmacy Network

USI's implementation of a narrow pharmacy network will drive savings through aggressive negotiation with retail pharmacies

- Quantify Narrow Network savings' opportunity
- Evaluate Network access for employee population
- Customize plan designs to drive utilization to the designated Network

Penetration in the Narrow Network	Blended utilization with a Narrow Network		Annual Cost Variance	
	PMPM*	Annual Cost		
0%	\$ 55.39	\$ 1,329,000	%	(\$)
30%	\$ 53.28	\$ 1,278,720	-4%	-\$50,280
50%	\$ 51.87	\$ 1,244,880	-6%	-\$84,120
70%	\$ 50.46	\$ 1,211,040	-9%	- 117,960
100%	\$ 48.35	\$ 1,160,400	-13%	-\$168,600

*Per Member Per month (PMPM) is estimated employer cost, net of member copays, rebates

Impact and benefits:

- Estimated savings from **2-5%** of pharmacy cost
- Potential to offer richer benefits without increasing plan costs
- Allow for member "choice" but with some level of responsibility for the member

Reducing Pharmacy Cost Through Efficiency