

EMPLOYEE BENEFITS

The Big Number

A Discussion with Pharmacy Benefit Leaders

By Andrea Grande, R.Ph., *Principal*, Steve Maike, R.Ph., *Chief Pharmacy Officer*, *Remedy Analytics** and Tammy Miller, MBA, *Vice President*, *PillarRx**



With so much happening within the pharmacy ecosystem system today, it is difficult to pick just one ‘number’ that employers should focus on in 2024. Brown & Brown recently brought together a group of seasoned pharmacy benefit leaders, including Andrea Grande, R.Ph., *Principal*, Steve Maike, R.Ph., *Chief Pharmacy Officer*, *Remedy Analytics** and Tammy Miller, MBA, *Vice President*, *PillarRx**, asking them to provide one ‘big number’ that employers should focus on in 2024, and why. Below is a transcript of their conversation.

Andrea Grande: My ‘big’ number is **177%**. That is how much *more* our customers spent on GLP-1s for weight loss drugs in just *one* year. The timeframe from our claims database analysis was July 2022 to June 2023, and I would be shocked if the increase wasn’t even higher by now.

Originally brought to market to treat Type 2 diabetes, some have received a weight loss indication, and now there are additional positive effects in studies surrounding cardiovascular risk, liver disease and even Alzheimer’s. Current drugs like Wegovy® are only in an injectable form, which puts many people off. Imagine what will happen when, not if, they can be taken orally!

In talking with customers, we advise them to take a hard look at GLP-1s and review ways they may be able

to mitigate costs and improper utilization, such as prior authorization, step therapies and coaching programs. Choosing not to cover them may not be an option in the near future and can be a difficult message to deliver to any workforce. Like never before, now is the time for employers to lean on their consultants and advisors to help ensure their Pharmacy Benefit Managers bring their most innovative ideas and strategies to the plan design table.

Tammy Miller: That’s incredible but not all that surprising. These weight loss drugs have become a cultural phenomenon, with the matching media and social media frenzy.

Steve Maike: Every time I turn around, it seems like these GLP-1 drugs are being talked about for treating new conditions.

*Part of the Brown & Brown team



Steve Maike: My ‘big number’ is **382**. According to the National Conference of State Legislatures, that is how many bills were introduced at the state level directed at just Pharmacy Benefit Manager (PBM) and prescription drug insurance oversight in 2023.

Andrea Grande: That averages to more than seven per state. We hear lots of news at the Federal level about prescription drug-related issues, but this level of state initiatives is astounding.

Tammy Miller: Why do you think there is so much of this legislative activity?

Steve Maike: I think many elected officials are getting a lot of pressure from their constituencies to do something about increased drug pricing. Introducing a bill or bills is perhaps the way to be seen as answering the call.

I will say that many of the more cynical pharmacy industry watchers don’t think that any of these bills will lower costs for employers who sponsor pharmacy benefit plans, but I also don’t believe the pace of this legislative activity will slow down in 2024. You never know which of these hundreds of bills will impact employer pharmacy benefit plans, either positively or negatively.

Luckily, there are firms and people who specialize in analyzing all of this activity. One way to stay on track is by working with pharmacy advisors to receive regular briefings and updates about relevant legislative actions and milestones. Another great example is Brown & Brown’s own Regulatory and Legislative Group. They do a fantastic job of tracking, analyzing and communicating with our employer customers about what is happening in State houses and at the Federal level. From my perspective, this level of focus and analysis is critical to staying abreast.

Tammy Miller: My ‘big number’ is **\$38.4 million**. This is the amount Pharmacy Benefit Managers, or PBMs, were *underperforming* to their contractual guarantees identified through PillarRx audits in 2023.

What do I mean by underperforming? Unfortunately, PBMs do not always meet the financial performance guarantees within the customer-PBM contract. Without an independent, third-party audit of a pharmacy benefit program, PBMs may be keeping money they should share with their customers.

The vast majority of underperformance comes from issues such as the complexity of the drug supply chain, utilization, formulary changes, pricing and rebates and administrative errors, such as mistakes in the pricing setup within the PBM’s claims processing system.

Andrea Grande: Audits are such a good idea, and I urge my customers to do them on a regular cadence. I can imagine, however, that many employers find the idea intimidating and complicated. What’s your response?

Tammy Miller: To get the ball rolling, we ask employers some basic but critical questions, like:

- When was the last time a financial audit was conducted on your plan?
- When is the last time your PBM contract has been reviewed and updated?
- What are the audit rights for your pharmacy benefit program?

The answers to these questions are straightforward and often prove to be the catalyst for seriously considering an audit.

About the Authors



Andrea Grande, R.Ph., *Principal, Brown & Brown*

Andrea is a principal/pharmacy leader with Brown & Brown, focusing on formulary and PBM management, specialty drug strategies, business development, and pharmacy innovation. Prior to Brown & Brown, Andrea was Vice President / East Coast Leader with Aon's national pharmacy practice. Before that, she served in a similar role for WTW in the northeast market. Before transitioning to consulting, Andrea's experience included operational management for a 1 million life health plan, responsible for clinical programs, financials, and vendor administration. Andrea holds a BS in Pharmacy and Allied Health Sciences from Northeastern University. Andrea is a Registered Pharmacist with an active license in Massachusetts.



Steve Maike, R.Ph., *Chief Pharmacy Officer, Remedy Analytics*

Steve Maike has over 35 years of experience as a pharmacy and healthcare leader. Previously, he was the Director of Pharmacy Programs for Blue Cross Blue Shield of Wisconsin, with operational and clinical oversight for over 1 million lives in PPO and HMO plans. In prior roles at Trivantage Pharmacy Strategies, Thomson Reuters/Truven and Towers Watson, he served as a Consulting Pharmacist specializing in assisting Fortune 500 employers, Taft-Hartley Trust Funds, regional health plans, healthcare provider organizations and state and municipal customers in their PBM procurement and auditing. He is the longest-tenured member of the State of Wisconsin's Medicaid Advisory Board, serving the last five governors. Steve graduated from the University of Wisconsin with his pharmacy degree, completed his internship in hospital pharmacy and is currently licensed in Wisconsin.



Tammy Miller, MBA, *Vice President, PillarRx*

Tammy Miller has over 20 years of pharmacy benefit management (PBM) experience. She has an extensive background in the PBM and healthcare industries. She joined PillarRx in February 2019 but previously worked for a PBM (Navitus Health Solutions) since 2003, managing the Client Services and Implementation Departments. She was an integral resource in launching the company in the PBM marketplace. During that time, she shared her insights regarding account management, operations, implementation and sales. Now, as part of the PillarRx organization, she continues to share her extensive knowledge in these areas and is a critical source of information for the PillarRx team and the customers and brokers she services. Tammy holds a Bachelor of Science degree from the University of Wisconsin-La Crosse and a Master of Business Administration from Northern Illinois University.



Find Your Solution at [BBrown.com](https://www.brownandbrown.com)

Brown & Brown, Inc. and all its affiliates, do not provide legal, regulatory or tax guidance, or advice. If legal advice counsel or representation is needed, the services of a legal professional should be sought. The information in this document is intended to provide a general overview of the topics and services contained herein. Brown & Brown, Inc. and all its affiliates, make no representation or warranty as to the accuracy or completeness of the document and undertakes no obligation to update or revise the document based upon new information or future changes.