Pharmacy Benefit Carve-out

How much is your insurance carrier charging for pharmacy benefits? Has your insurance carrier provided claims experience? Have they disclosed the manufacturer rebates they have received from your employees’ prescription drug claims?

By carving out your pharmacy benefits from a fully insured carrier, you can expect to save **$100-$250 per employee, per month** through a well-managed self-funded pharmacy benefit plan.

Why consider self-funding for your pharmacy benefits?

The advantages of self-funding employee benefit plans are well-established and clear. For many years, employers have elected to self-fund their health benefits in order to:

- Maintain control over plan design
- Maintain cash flow control, enabling maximization of interest income
- Enjoy hard dollar savings by eliminating state mandated benefits
- Gain complete access to the claims utilization experience
- Benefit from reduced administrative costs
- Benefit from rebates provided by drug manufacturers

How does it work?

Instead of purchasing a pharmacy benefit rider from the company’s insurance carrier, the employer hires a Pharmacy Benefit Manager (PBM) to process employee pharmacy claims. With the assistant of the TPA, the employer can implement custom plan benefits that can control costs, and maintain a high level of benefits for employees.
Frequently asked questions:

Q: Will my employees have to change their pharmacy?
A: No. Through our preferred pharmacy benefit managers, the majority of the pharmacies participate in the self-funding plan.

Q: Will self-funding cost more than fully insured health benefits?
A: Self funding should be LESS expensive than fully insured benefits because you are not paying for taxes and insurance carrier profits.

Q: Is there added fiduciary and legal responsibility?
A: ERISA laws that govern self-funding are less restrictive than state insurance regulations.

How can a self funded pharmacy benefit control costs?

Self-funding the pharmacy benefits gives you complete access to your plan utilization and cost drivers. With that information, The Seneca Group can identify plan design savings that can reduce your costs without reducing your employees’ benefits.

To control costs, most self funded plans promote generic drug utilization and mail service use.

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<tbody>
<tr>
<td>Statin (Cholesterol Lowering Agents)</td>
<td>Crestor, Lipitor, Livalo, Lescol</td>
<td>$179.38</td>
<td>Simvastatin, Pravastatin, Lovastatin</td>
<td>$58.45</td>
<td>$120.92</td>
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<td>PPIS (Anticuclar/Acid Reflex Agents)</td>
<td>Nexium, Dexilant (a.k.a. Kapidex), Aciphex</td>
<td>$282.71</td>
<td>Omeprazole, Pantoprazole, Lansoprazole</td>
<td>$68.98</td>
<td>$213.73</td>
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<td>Nasal Steroids</td>
<td>Veramyst, Omnaris, Rhinocort AQ, Nasonex &amp; AQ</td>
<td>$92.05</td>
<td>Flunisolide, Fluticasone</td>
<td>$36.86</td>
<td>$55.19</td>
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<td>Angiotensin Receptor Blockers (ARBs) (Antihypertensives)</td>
<td>Diovan &amp; HCT, Benicar, Micardis, Cozaar, Losartan, Hyzaar, Diovan HCT, Atacand &amp; HCT, Avapro, Avalide</td>
<td>$101.72</td>
<td>Lisinopril &amp; HCT, Ramipril &amp; HCT, Fosinopril &amp; HCT, Benazepril &amp; HCT, Enalapril &amp; HCT</td>
<td>$23.46</td>
<td>$78.26</td>
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About Seneca

Founded in 1994, The Seneca Group, Inc., provides quality, cost-effective health benefits administration to employer organizations, unions, and municipalities through clinical expertise, benefits design, and advanced technology systems. As a client of The Seneca Group, you will better understand and manage the issues and risks related to your employee benefits package. You will gain more control over benefit costs without compromising your employee benefits. If you’re looking for higher-quality service that delivers value, turn to The Seneca Group.

Please contact us at 866-487-4157