

Idea: Own A Stake In A PBM

BY MARK V. MERTEL

ARE YOUR LARGER GROUP HEALTH clients having issues with their prescription benefit managers?

Maybe you, the broker, should consider forming a partnership with a PBM.

Today, many employers and health plans rely on PBMs to help them cope with skyrocketing drug costs and the complexity of the drug business. All too often this complexity causes a conflict between the PBM's goals and those of the client.

A typical PBM might draw from up to 20 poorly disclosed sources of revenue.

In addition to collecting the usual administrative fees, a PBM might collect drug manufacturer data fees, drug detailing support, disease management materials and support, pharmacy processing fees, educational conference support and educational grants—all hidden in a fog of secrecy.

Self-insured employers and health plans can clear the fog by working with a PBM that offers partnership interests to plans, ben-

efits administrators and plan consultants.

Because health plans, benefits administrators and consultants are partners they have a stake in the PBM; they will get quarterly reports and extensive access to all relevant information, not just the information that the typical PBM wants them to have. Total disclosure of all information is the bedrock of this partnership arrangement.

Increased access to information can help plans and administrators become more efficient and hold down costs without sacrificing the ability to help clients' employees get the best drugs for their conditions.

When plans and administrators are partners with the PBM, they also have a chance to share in any PBM profits.

Finally, if the PBM is sold, the plan and administrator partners can share in the proceeds. ■

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