

Example of spread pricing with Drug A



Client

Contracts with PBM;
guaranteed cost of
\$10 set for Drug A

\$10



PBM

Pays pharmacy for
drug and dispensing
fee for Drug A

Client pays

\$10

for Drug A in either scenario

Pharmacy A

\$10.14

NET COST OF DRUG A

Greater than the price negotiated
between PBM and client

=

Express Scripts pays

\$0.14

-1.4% of amount billed
to plan

Pharmacy B

\$9.91

NET COST OF DRUG A

Lower than the price negotiated
between PBM and client

=

Express Scripts retains

\$0.09

0.9% of amount billed
to plan