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## Pharmacy Shared Rebates

AVAILABLE TO SELF-FUNDED PHARMACY CUSTOMERS  
WITH 50 - 999 EMPLOYEES

At Blue Cross, we're committed to delivering solutions that bring value to your health plan... including our pharmacy programs.

In early 2017, we told you that we negotiated an improved rebate arrangement with our pharmacy benefit manager.

We've continued to see incremental improvements in our pharmacy rebate structure that keep it aligned with similar programs in the market.

### How it works

- Enhanced rebates allow us to return more on pharmacy claims and could help you offset some of your health care costs.\*\*
- There are two rebate options available.
  - Blue Cross retains 10% of pharmacy and medical drug rebates.
  - Blue Cross retains 10% of medical drug rebates and 50% of pharmacy drug rebates, while giving you an administrative fee credit.
- The default for groups of this size is that they renew with the same rebate option they selected the previous year.
- Quarterly rebates are paid via invoice credit.
- We have increased transparency around the rebates we retain, and we'll provide more detailed reporting for you.
- The rebate retention helps us reinvest in our business and continue to offer value through our pharmacy programs.
- See more details about the options on the next page.

**Questions?** Talk to your Blue Cross sales representative about how the pharmacy shared rebate approach can offer greater value to you.

\*Not applicable for Auto or Auto spin-off customers.

\*\*Potential for savings is based on a group's prescription drug utilization, benefit design and drug list.



## Standard arrangement: Pharmacy shared rebates

- Customers will receive a large majority of the rebates.
- Blue Cross will retain 10% of pharmacy and medical drug rebates (net of the rebate administrator fees).

## Administrative fee credit arrangement: Pharmacy shared rebates with an administrative fee credit

- Some customers may prefer to take a monthly credit to reduce their total administrative fee.
- If this arrangement is selected, we will give you an invoice credit to offset your monthly per contract per month administrative fee, plus 50% of any applicable pharmacy rebates and 90% of any applicable medical drug rebates.
- There's no risk to you — Blue Cross assumes the risk if the annual rebate amounts vary.
- Blue Cross will retain 50% of the pharmacy rebates and 10% of the medical drug rebates (net of the rebate administrator fees).

