



### *What's different about QCP Rx?*

<b>Differentiating Feature</b>	<b>Traditional PBM</b>	<b>QCPRx</b>
Ownership	Traditional PBMs are publicly traded and operate on high overhead. They are pressured to increase revenue through rebates and other ways that conflict with managing the cost.	QCP Rx is a not for profit membership organization and operates on a low overhead budget. The only focus is on managing the net cost to the Plan.
Integration	Own and operate parts of the delivery system such as mail order, retail pharmacy and/or manufacturing. There is a tendency to drive referrals to these owned delivery components. This can create over utilization and/or increased expense.	QCP Rx has no ownership of the delivery components of the PBM business. There is no incentive to over utilize these components or prefer more expensive drugs. QCP Rx focuses on appropriate and cost effective use of all services.
Ingredient Cost	Drug ingredient cost tend to be higher because mail order is over utilized, expensive brand drugs are preferred, network discounts are retained and savings are not shared with the client employer.	QCP Rx will reduce ingredient costs by returning savings to the Plan.
Rebates	Rebates are maximized by preferring the most expensive brand drugs and taking a percentage of the higher rebate as revenue for the PBM.	QCP Rx will seek balance in the rebate program by developing a formulary that favors the Plan's net cost.
Network	1 to 3 % of the PBM negotiated pharmacy discounts are retained by the PBM as revenue.	Full-negotiated pharmacy discounts are returned to the Plan. The Plan only incurs a fixed lease fee for accessing the network.
Mail Order	PBMs typically own the mail order service and therefore encourage utilization of this service. Mail order is not always the cost effective option when you consider the loss of a copay and product waste.	QCP Rx seeks appropriate use of the mail order service and recommends benefit designs that balance mail order use for cost effective outcomes.
Fee for Service	PBM seek multiple channels to make money such as employer admin fee, retains pharmacy discounts, retained rebates, data wholesaling, manufacturer programs, etc. The PBM has to please many publics, one of which includes the employer.	QCP Rx has a fixed administrative fee paid by the Plan for cost management services. Our focus is to provide an affordable Rx option to employers/Plans.
Data Control	PBMs are reluctant to share utilization experience data with employers. They limit the employer's access to this data.	QCP Rx views itself as a partner to the Plan and as such considers the data to belong to the Plan. This data will be shared with the Plan upon request.
Total Cost	Many PBMs are creating trend lines for the industry that are fast approaching 20%.	QCP Rx will generate results that are below trend based upon a cost focus and resultant savings that are returned to the Plan.
Medical Integration	PBMs are operating in silos with a claim system for the pharmacy.	QCP Rx incorporates pharmacy claims data into the care management program.