

# HOW PASS THROUGH PRICING WORKS

## Overview

Express Scripts negotiates discounted pricing for prescription drug utilization with its network of retail pharmacies and other providers. In a pass through pricing model, clients elect to receive 100% of these discounts and pay for PBM administrative services directly.

## All clients can choose:

- 01 100% pass through
- 02 Combination of spread and pass through arrangements



### Express Scripts contracts with pharmacies

Retail pharmacies pay wholesalers for drug supply

Express Scripts contracts with pharmacies to secure reduced prices



### Clients receive 100% discount value

Clients pay exactly what Express Scripts pays pharmacies for a prescription

Clients pay Express Scripts directly for PBM administrative services



### Clients use savings to benefit consumer

Shows up through lower premiums and deductibles, greater medication access and more predictability and transparency at the pharmacy counter



A pass through model works well for clients who prefer maximum cash flow over the set pricing provided in a spread model. Many clients specifically request a pass through arrangement at the outset of their engagement with Express Scripts.