

# COMING TO TERMS

# The Expanding Pharmacy Lexicon

As today's consumers bear more of the prescription cost burden, many find relief through alternative payment and fulfillment options, which may exist within or outside the traditional pharmacy benefit. It's important to know the terminology and characteristics of each offering.



## DEFINITIONS + DIFFERENCES IN THE PHARMACY OFFERINGS AVAILABLE TO TODAY'S CONSUMER

CHANNEL	EXAMPLES	INSURANCE	NON-INSURANCE
<b>Prescription Delivery</b>	Community pharmacy PBM prescription delivery Amazon Pharmacy	X	X
<b>PBM Mail Order</b>	Optum Rx Express Scripts Pharmacy CVS Caremark	X	
<b>Cash Pharmacies (can be digital or brick-and-mortar)</b>	RxSS Plus Mark Cuban Cost Plus Drug Company Various cash-only retail pharmacies		X
<b>Third-party Cash Discount Cards</b>	GoodRx Savings SeekerRx		X
<b>PBM Prescription Discount Cards</b>	Optum Perks Inside Rx		X
<b>PBM Direct-to-Consumer Solutions (for covered members)</b>	Optum Price Edge ESI Price Assure	X	X
<b>Subscription Services</b>	Amazon's RxPass GoodRx Gold		X

## Definitions



**Cash pharmacy** – A brick-and-mortar or digital pharmacy that offers prescriptions at a set “non-insurance” price. While many pharmacies do business in both insurance and cash pricing, a cash pharmacy operates in a cash pricing model only.



**Cash pricing** – Prescription prices set by a pharmacy or other entity based on its acquisition cost for a drug, plus a small markup and dispensing fee. Patients who purchase a prescription at cash price are responsible for the entire cost regardless of insurance coverage, though some insurers may reimburse or apply the cost to a deductible.



**Insurance pricing** – Prescription prices set by a health insurance carrier at levels negotiated by its PBM and the drug manufacturers. Insurers typically cover a portion of the medication’s total cost subject to a patient’s deductible and co-insurance. Out-of-pocket costs vary according to plan type, medication and deductible status.



**PBM direct-to-consumer solutions** – Discount card(s) and/or cash pricing options integrated by a PBM into the pharmacy benefit and surfaced to members when the cash price or discount card price is lower than a drug’s insurance cost. Functionality and adoption vary, but these programs capture and report cash/discount card claims that may count toward member deductibles.



**PBM mail order** – A pharmacy benefit manager’s own dispensing and fulfillment channel. Prescriptions are filled at a central pharmacy facility—typically in 90-day supplies—and mailed directly to patients. PBM mail order is based on insurance pricing.



**Prescription delivery** – A convenience service offered by many retail, community, digital or “online” pharmacies, available with insurance or cash pricing.



**Discount card** – A physical card or digital document presented at the time of purchase that may secure a lower medication cost for a patient than the negotiated insurance price. Discount cards are available to individuals whether or not they have medical/prescription coverage. Discount cards and networks are offered by various entities and brands, with examples below:

- **Independent:** GoodRx, SingleCare, Blink Health, ScriptSave WellRx
- **PBM:** Inside Rx, America’s Pharmacy, Optum Perks, Capital Rx, Advantage Savings
- **Retail:** Amazon Prime, Sam’s Club, Kroger Rx Saving Club Powered by GoodRx

## DISCOUNT CARD EXAMPLES

### Independent Brands

GoodRx

SingleCare

Blink Health

Savings SeekerRx

### PBM Brands

Inside Rx

America’s Pharmacy

Optum Perks

Capital Rx  
Advantage Savings

### Retail Brands

Amazon Prime

Sam’s Club

Kroger | GoodRx