

February 17, 2023

SJVIA Board Meeting: Study of EmpiRx Pricing Compared to Drug Discount Programs

Background

At the December 2022 San Joaquin Valley Insurance Authority (SJVIA) Board meeting, under Public Comment, a member of the public promoted a prescription drug card, CharityRx, for lower prescription drug (Rx) costs. In response, the Board requested that current Rx costs through EmpiRx be compared to those available through the discount card sites.

Keenan performed an analysis of the cost of the top 50% of drugs utilized by employees based on drug cost and number of scripts or claims. The discount card sites researched were GoodRx and CharityRx.

General Observations:

- EmpiRx costs are generally lower for the higher-cost drugs
- When considering that EmpiRx passes through the prescription drug rebates to the SJVIA and discount cards do not, the EmpiRx cost savings are even greater for the higher costing drugs; SJVIA received \$2,731,351 in rebates on \$24,133,230 paid prescription drug claims (11.3%) in 2022
- Discount cards may provide better pricing for the more frequently used/lower cost drugs
- Discounts vary by pharmacy and change frequently
- The discounts are not reliable as they fluctuate in amount and pharmacy, can change day-to-day, and are not always available
- GoodRx has discounts available for a larger number of drugs at more pharmacies than CharityRx
- GoodRx also provides discount for supplies (diabetes lancets, meters, strips, etc.)
- CharityRx doesn't provide as much detail about the strength/dosage/form of some prescription drugs, which makes it more difficult to identify the prescription accurately to determine if a discount is available

Because discounts varied among pharmacies, the lowest price and highest prices were recorded and an average was obtained. However, the average does not indicate what the average price would actually be because it would depend on which level of discount an employee decided to use and whether any discounts were available at the time of filling a prescription. The average cost is simply illustrative.

ANALYSIS OF TOP 50% RX BASED ON COST

Twenty-nine drugs of 50 varieties (includes different strengths, forms, combinations of some drugs) were compared to the discount sites.

	EmpiRx	GoodRx	CharityRx	Notes
Available Drugs	29	17	9	More of the higher-cost drugs are available through EmpiRx
Number of Scripts	50	35	21	
Total Rx Supply Amt	69,642	62,080	60,159	
Scripts Compared to EmpiRx		392/468	299/468	
Avg Supply per Script	149	158	201	
Total Cost per Script (Based on GoodRx Drugs)	\$747,003, \$662,459*	\$700,329 - \$780,830; \$740,579 Avg		EmpiRx prices are competitive with GoodRx pricing sample and lower than the CharityRx pricing absent prescription drug rebates. With the average rebate of 11.3% applied EmpiRx's pricing is substantially lower.
Total Cost per Script (Based on CharityRx Drugs)	\$98,781, \$87,601*		\$105,699 - \$108,897; \$107,298 Avg	
Avg Script Cost per Drug (Based on GoodRx Drugs)	\$21,343, \$18,927*	\$20,009 - \$22,309; \$21,159 Avg		
Avg Script Cost per Drug (Based on CharityRx Drugs)	\$4,704, \$4,172*		\$5,033 - \$5,186 \$5,109 Avg	
Avg EE Cost (EmpiRx) vs Avg Disc Cost per Script		\$150/\$21,159	\$98/\$5,109	
* Applies the average prescription drug rebate of 11.3% to the drug price.				

RESULTS FOR TOP 50% Rx BASED ON CLAIMS

Fifty-three drugs of 312 varieties (includes different strengths, forms, combinations of some drugs) were compared to the discount sites.

	EmpiRx	GoodRx	CharityRx	Notes
Available Drugs	53*	50*	37	More of the most utilized drugs are available through EmpiRx
Number of Scripts	312	276	162	
Total Rx Supply Amt	1,503,508	1,432,640	974,749	
Scripts Compared to EmpiRx		23,658/26,888	16,466/26,888	
Avg Supply per Script	56	62	59	
Total Cost per Script (Based on GoodRx Drugs)	\$31,287	\$10,757 - \$29,198; Avg - \$19,977		The more utilized drugs are less expensive through the discount programs, but Employees' immediate out-of-pocket costs are higher
Total Cost per Script (Based on CharityRx Drugs)	\$10,784		\$7,007 - \$14,691; Avg - \$10,849	
Avg Script Cost per Drug (Based on GoodRx Drugs)	\$113	\$39 - \$106 (\$72 Avg)		
Avg Script Cost per Drug (Based on CharityRx Drugs)	\$67		\$44 - \$91 (\$67 Avg)	
Avg EE Cost (EmpiRx) vs. Avg Disc Cost per Script		\$14/\$72	\$12/\$67	
*EmpiRx includes diabetic supplies, for which only GoodRx provides discounts.				

Conclusion:

Top 50% highest costing drugs

Regarding the top 50% highest costing drugs used by SJVIA employees, overall prices with EmpiRx are lower than prices obtained through CharityRx and similar to the average cost obtained through GoodRx prior to the adjustment to the EmpiRx prescription drug cost for prescription drug rebates. It is important to note that CharityRx had discounts for only 9 of the 29 drugs (31%) and 21 of the 50 scripts (42%). GoodRx had discounts for only 17 of the 29 drugs (59%) and 35 of the 50 scripts (70%).

Regarding the top 50% most prescribed drugs used by SJVIA employees, prices with EmpiRx are generally higher than the discount prices available through CharityRx and GoodRx. On average, CharityRx prices are approximately the same as those at EmpiRx and GoodRx prices are approximately 36% less. However, CharityRx offers discounts for only 37 of the 53 drugs (70%) and 163 of the 312 of scripts (52%), and GoodRx offers discounts for 50 of the 53 drugs (94%) and 276 of the 312 scripts (88%) listed by EmpiRx. Also, discounts vary between pharmacies and the more frequently used pharmacies may not offer the best discounts (or any discount at times), so the actual average cost would be determined by the pharmacies used by the employees. Please note the price comparison is absent of consideration for employee copayments. Even though a GoodRx or CharityRx drug may cost less, employees are not responsible for the total cost of the drug, only their employee copayment under EmpiRx, which is most likely less than the discount card offering.

Overall, for the higher-cost drugs, the discount programs do not offer pricing that is more competitive than EmpiRx. For the most utilized drugs/scripts, pricing is generally better through the discount programs evaluated, but the employees' out-of-pocket cost at the pharmacy would be significantly higher if using a discount card. Reimbursing employees the plan's share of the cost would require additional staff time and administrative expenses.

Another concern is that discounts provided through GoodRx and CharityRx fluctuate and may not be available when an employee needs to fill a prescription or may not be available at the employee's regular pharmacy on any given day.

Considering that a good number of drugs/scripts were not discounted, and the discounts are not reliable, it is recommended that the SJVIA continue to provide prescription drugs through EmpiRx but educate the employees about use of the discount programs so that they can determine the best pricing when they are ready to fill a prescription.

Additionally, should the SJVIA decide to implement the variable co-pay program (VCAP) to take advantage of manufacturers' discounts, EmpiRx's prices have the potential to decrease significantly.

Supplemental Attachments:

- Top 50% Prescription Drugs by Cost Summary
- Top 50% Prescription Drugs by Claims Summary

