



Genesee County

Active Employee Pharmacy Benefit Manager Switch to SmithRx

December 10, 2025



Background

- ❖ The County has been with Express Scripts for pharmacy coverage for many years (current pharmacy benefit manager, or PBM)
- ❖ Pharmacy spend was identified as a **major cost driver** on the health plan several years ago, prompting an RFP and an updated contract with Express Scripts through RxBenefits, with the hope of addressing this issue
- ❖ **Pharmacy costs continue to rise on the County plan** and in the US in general, with an average inflationary increase of 14-18% in 2026, and we anticipate that the trend will continue
- ❖ **County members fill a higher-than-average number of prescriptions**
- ❖ Pharmacy spend played a major role in the **increased employee contributions for 6/1/2025**
- ❖ The County's health plan continues to run over budget



Recommendation & Expected Results

The Healthcare Coalition has voted to recommend a move away from Express Scripts to a more transparent and cost-effective pharmacy benefit manager (PBM) called SmithRx

- ❖ Express Scripts through RxBenefits is a traditional PBM arrangement, and Express Scripts will not disclose how and how much money they make from the County's contract
- ❖ SmithRx is paid by **administrative fees only**, and their business model is based on helping members get the medication they need at the **lowest net cost to the member and the health plan**
- ❖ Over **95% of county members will experience no change** to their prescription benefit as a result of the move to SmithRx
- ❖ Plan members will have access to several savings programs and, in some cases, **pay \$0** for their medications
- ❖ **Estimated ~15% savings** on pharmacy spend (~\$1.2M avoided cost) and anticipated positive effect on future employee payroll contributions



Strategic Move

While savings are important, this is an important strategic move for the County

Transparent compensation model – *you know what you're paying and what you're getting*

- ❖ Aligned incentives – *SmithRx exists to provide lowest-net-cost to member and plan (no incentive to drive Rx spend in order to maximize revenue like traditional PBM contracts)*
- ❖ Fiduciary responsibility to ensure plan assets are spent wisely – *doing due diligence to make sure County and members aren't overspending*
- ❖ Increase member support through lower/no-cost programs – *take advantage of monies that exist from manufacturers or sourcing channels not available through current arrangement*
- ❖ Take advantage of other developments in the pharmacy market (e.g., Mark Cuban Cost Plus)



Pros/Cons – Impact to Employees & Family Members

Pros/Cons	SmithRx	RxBenefits/Express Scripts
Copays stay the same	✓	✓
Covered medications may change (periodic formulary changes)	✓	✓
Switch to a generic or alternative medication with higher clinical value may be required (see FAQ for more info)	✓	✗
Higher chance to have a \$0 cost for certain medications	✓	✗
May need to fill out paperwork/apply to get your medications for no cost to you	✓	✗
Kroger in the retail pharmacy network	✓	✗
Accredo Specialty Pharmacy	✗	✓
Costco Specialty Pharmacy (no membership required)	✓	✗
A chance to improve your payroll contributions for coverage through overall lower pharmacy spend	✓	✗



Traditional PBMs Under Fire

[FTC Sues Prescription Drug Middlemen for Artificially Inflating Insulin Drug Prices | Federal Trade...](#)

[Congress Keeps PBMs in the Hot Seat | PhRMA](#)

[How PBMs Are Driving Up Prescription Drug Costs - The New York Times](#)



Thank You!

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