



Genesee County

Retiree Pharmacy Benefit Manager Switch to SmithRx

January 28, 2026



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**
- ❖ The County moved PBMs many years ago, with the carve-out to Express Scripts, so some retirees will have been through a similar change
- ❖ The County's health plan continues to run over budget



Recommendation & Expected Results

Recommend that the retiree plans* follow the active employee move away from Express Scripts to a more transparent and cost-effective pharmacy benefit manager (PBM) called SmithRx

It aligns with bipartisan PBM legislation that emphasizes transparency and lowest net drug cost

- ❖ SmithRx is paid by **administrative fees only**, uses 1-year contracts (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**
- ❖ **Estimated ~8% savings** on retiree pharmacy spend (~\$360k annually) and anticipated positive effect on both retirees and the sustainability of the County's plan
- ❖ Renewing the contract with Express Scripts (not changing) will lock the County into a 3-year arrangement again with penalties for early termination; they also will not disclose how much money they make on the County's contract
- ❖ *Additional background available in back of deck and from December BOC meeting*

** Retirees whose benefits mirror the active population will be part of the active's move to SmithRx*



Recommendation & Expected Results

- ❖ Improve/consolidate the copay structure – *all plans will have the same or lower copayments for each of the tiers (generic/brand/non-preferred brand & specialty)*
 - ❖ Retirees who have a \$5/\$20/\$40 copay structure will stay the same
 - ❖ Retirees who have a \$2/\$2/\$2 or \$3/\$3/\$3 copay structure will move to a \$0/\$2/\$2 copay structure
 - ❖ Retirees who have a \$5/\$5/\$5, \$5/\$10/\$10, or \$5/\$15/\$25 copay structure will to a \$0/\$5/\$5 copay structure
 - ❖ Some drugs may be classified differently with Smith than with Express Scripts, and some drugs may not be on the Smith formulary or may require members to apply for assistance to access at a lower cost (in some cases \$0)
 - ❖ All members will be eligible for assistance through SmithRx's programs, depending on the medication, that could further reduce their copayments to \$0
- ❖ Consolidated plan designs are also less administrative lift for the County (indirect cost)
- ❖ Based on an analysis of claims from last year, about 14.5% of plan members (107 members) would have a different experience with their pharmacy benefit (different medication, different formulary tier, apply for a savings program, etc.). In addition, many retirees use mail order for their medications and will need to get an updated script as the mail order pharmacies would change
- ❖ The County has changed PBMs before, (carving out to Express Scripts several years ago and moving to Express Scripts with RxBenefits in 2023) – this type of change is normative for employers as part of running their health plan



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)



Additional Background & Traditional PBMs Under Fire News Articles



Pros/Cons – Impact to Retirees & Family Members

Pros/Cons	SmithRx	RxBenefits/Express Scripts
Copays may be lower and \$0 in some cases	✓	✗
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)	✓	✗



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!

Jonathon Trionfi

Partner

248.375.7475

jonathon.trionfi@plantemoran.com

Claudia Hermiz

Underwriting and Analytics Manager

248.375.7362

claudia.hermiz@plantemoran.com

Ethan Kohagen

Benefits Analyst

248.375.7124

ethan.kohagen@plantemoran.com

Emily Scharnowski

Principal, Client Relationship Manager

616.643.4119

emily.scharnowski@plantemoran.com

Kara Stineman

Account Manager

248.375.7349

kara.stineman@plantemoran.com