



A prescription for easing the impact of pharmacy costs

Discover strategies designed to help employers manage their pharmacy trend and reduce members' out-of-pocket medication costs.



Pharmacy costs continue to rise year after year. This trend is driven by increasing production and distribution costs from manufacturers, higher utilization of specialty drugs for managing chronic conditions and more patients regularly using the health system compared to a few years ago.¹

Unfortunately, no matter the cause, rising drug prices have real consequences: About two-thirds of Americans indicated that prescription costs were a burden.² As a result, about 21% of U.S. adults have avoided filling a prescription due to cost, while 23% have opted for over-the-counter alternatives, and 14% have cut pills in half or skipped doses in the past year.³

And while new specialty drugs and gene therapies have the potential to improve health outcomes, many of them are unsustainably expensive. In fact, according to UnitedHealthcare data, specialty medications make up less than 2% of overall pharmacy volume, yet account for more than 60% of total pharmacy spending.⁴ That may be surprising, but consider these examples:

- Among specialty drugs used to treat adults with moderately to severely active ulcerative colitis, a newer drug on the market costs approximately \$75,000 per year⁵
- A one-month supply of GLP-1 drugs used to treat type 2 diabetes – several of which are now approved for treating obesity – can exceed \$1,000⁶

Consequently, when employers are designing their benefit strategies, many are exploring ways to make up for these costs, causing some to raise employee health care contributions or deductibles, or even end coverage entirely for certain drugs. For instance, there remains ongoing debate about whether GLP-1s should be covered for treating obesity and who should be responsible for shouldering their costs.

Employers looking to take a more strategic approach to cost management may want to consider integrating pharmacy and medical benefits and working with a carrier that advocates and collaborates for lower pharmacy costs on behalf of employers and members.

60%

of total pharmacy spend is for specialty medications⁴



“The number of gene therapy drugs is increasing and with each new drug, the likelihood of encountering a high-cost claim rises. Employers are now considering how to handle these situations in a cost-effective manner.”

Katy Curry-Lorusso

Vice President of Health Care Economics
UnitedHealthcare Employer & Individual

Integrating pharmacy and medical benefits

Less-than-optimal treatment decisions are more likely when a patient does not have **integrated medical and pharmacy benefits**. Susan Maddux, chief pharmacy officer for UnitedHealthcare Employer & Individual, offers an example involving medications used to treat neuromyelitis optica spectrum disorder (NMOSD), a rare condition which can be treated with different medications. The cost of the drug could vary significantly:

\$26K
per month for a self-administered
injection covered under
one's pharmacy benefit



\$2.6K
per month for infusions administered
in an office by a health care provider
covered under one's medical benefit

Someone with separate medical and pharmacy benefit carriers may end up receiving the \$26K injection because their carrier and pharmacy benefit manager (PBM) are not synced on how to manage treatments that have options under both benefits.

Integrated benefits also streamline care coordination, reducing duplicate therapies and unnecessary procedures that drive up costs. In fact, Proactive Savings Alerts, available when benefits are integrated, help UnitedHealthcare members save an average of \$62 per month per prescription.⁷

“If you integrate your medical and pharmacy benefits under one carrier, you are more likely to end up with a better cost outcome than if you didn’t,” Maddux says. “If you don’t manage holistically across your benefits, you risk higher costs.”

Part of this process includes screening any specialty drug that comes to market to ensure that it’s safe, effective and delivers value.

“Every drug first goes through a rigorous clinical review process led by our pharmacy and therapeutics committee,” Maddux says. “As part of our clinical and coverage evaluation, we also ask, ‘Is there a less expensive drug available for treating the same condition with similar outcomes?’ Those are the kinds of cost benefits we weigh.”

Working with a carrier that advocates and collaborates on behalf of the employers and members it serves

Even as drugs and treatments become more complex and diverse, collaboration across the health system offers growing potential to reduce costs and improve access. One effective strategy is to choose a carrier that negotiates prices with drug manufacturers, advocates for beneficial government policies, advises employers on drug coverage and provides essential information to both providers and members to support informed decision-making.

“At UnitedHealthcare, we recognize that the cost of care – specifically in the pharmacy space – is unsustainable, and that’s why we are in constant conversation with drug manufacturers and the government to help ensure we are doing everything in our power to help make the cost of care more affordable downstream for our members and our clients,” explains Maddux.

Beyond that, UnitedHealthcare also meets regularly with brokers, consultants and employers to discuss the challenges they may be facing to offer strategic guidance.

“Our account and client management teams are often asking me to join their meetings to showcase what my team is seeing within our claims data, and oftentimes the focus is on pharmacy costs,” explains Craig Kurtzweil, chief data and analytics officer for UnitedHealthcare Employer & Individual. “That data conversation then enables our teams to have more strategic discussions with our clients about what they can do, or what others have done, to better manage that spend.”

For instance, after reviewing claims data, UnitedHealthcare might recommend adjusting an employer’s **biosimilar drug strategy**. For another employer, they may want to consider purchasing stop-loss insurance for protection against the high costs of gene therapies.

At the same time, providers are the ones prescribing certain drugs for their patients, so it’s important that they have the information needed to recommend the most appropriate yet cost-effective care plans. With Point of Care Assist® from Optum, a member’s cost and coverage information is embedded into a provider’s electronic medical record. And PreCheck MyScript® from Optum has been found to save members an average of \$110 per prescription when switching to a lower-cost alternative,⁷ such as going from a brand-name drug to a generic equivalent. Employers can also benefit, saving an average of \$295 per prescription switch.⁸

Additionally, the UnitedHealthcare Cancer Guidance Program uses evidence-based treatment, utilization management and analytics to help oncologists find quality, cost-efficient cancer treatment regimens for their patients – and obtain faster prior authorizations.

“The Cancer Guidance Program improves the physician experience because it’s an easier path for physicians to get approvals for the entire cancer regimen, both infused and oral medications. It also improves the member experience because someone could potentially start the therapies earlier,” Maddux says.

From a member perspective, UnitedHealthcare and Optum Rx® – the pharmacy care services company within Optum, an affiliate company of UnitedHealth Group – have taken several steps to help make it easier for members to make more informed health care choices and get the drugs or treatment they need. These initiatives include:

- Eliminating all out-of-pocket costs for **5 vital medications** – including insulin, epinephrine, glucagon, naloxone and albuterol – for eligible members
- Launching Price Edge, a tool that allows members to search and compare prices for a broad set of generic drugs to help ensure they are getting the most competitive price possible, whether or not it is covered under their benefits
- Alerting members via the **UnitedHealthcare® app** or **myuhc.com®** when a lower-cost medication alternative is available.



\$68.7M

member savings
generated through the
UnitedHealthcare Vital
Medication Program
for 1.25M members⁹

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for more affordable care >**

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¹ The impact of rising prescription drug costs on employers and employees. MarshMcLennan Agency, April 3, 2024. Available: <https://www.marshmma.com/us/insights/details/health-care-economics.html>.

² Prescription costs a burden for two-thirds of Americans, survey finds. Benefits Pro, July 1, 2025. Available: <https://www.benefitspro.com/2025/07/01/prescription-costs-a-burden-for-two-thirds-of-americans-survey-finds/>.

³ Americans' Challenges with Health Care Costs. KFF, Jul 11, 2025. Available: <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>.

⁴ UnitedHealthcare 2023 Commercial Fully Insured data, post-rebate, allowed amount.

⁵ Drug Spend for IBD Drugs Could Shift to Pharmacy Benefit. Formulary Watch, Nov. 9, 2023. Available: <https://www.formularywatch.com/view/drug-spend-for-ibd-drugs-could-shift-to-pharmacy-benefit>.

⁶ Wegovy price cut: Novo Nordisk cuts the price of the weight-loss drug for the uninsured. USA Today, March 5, 2025. Available: <https://www.usatoday.com/story/money/business/2025/03/05/weight-loss-drug-wegovy-price-cut/81613259007/>.

⁷ UnitedHealthcare. Internal analytics. 2025.

⁸ UnitedHealthcare internal analysis of 2020-2024 Fully Insured data. Does not include additional savings from biosimilars and preferred products. Savings may vary.

⁹ UnitedHealthcare internal data for 1.25M users, 2025.

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