

Employee Benefit ■ Plan Review

Modern Pharmacy Programs Rapidly Transition to Flexible Payment and Reconciliation Technology

BY LORI DAUGHERTY

In 2026 and beyond, astute benefits decision-makers recognize the need to initiate a change and transition toward pharmacy programs that can operate in an environment defined by high-cost therapies, accelerated utilization shifts, increased regulatory scrutiny¹ and rising expectations from employers and members alike. Stakeholders can no longer rely upon legacy systems that were built to settle claims after the fact, reconcile dollars months later and rely on trust rather than visibility to keep everything moving.

In this environment, how payments are calculated, transmitted and reconciled is far more than a back-office concern. It is a defining capability of a modern pharmacy program that can and should be adopted in the short term. Making the switch to flexible payment and reconciliation technology emerges as a foundational requirement, not because it is innovative but because the old alternatives can no longer keep up.

There is good reason plan sponsors, self-insured companies, PBMs, pharmacies and other stakeholders are now moving away from decades-old pharmacy benefits programs. These

outdated payment and reconciliation processes were designed for a simpler time when there were fewer specialty drugs,² fewer channels and fewer stakeholders touching each transaction. Today, with the right partner, this transition can happen quickly and easily, as the current model is simply breaking down.

THE GROWING MISMATCH BETWEEN PHARMACY COMPLEXITY AND LEGACY INFRASTRUCTURE

Pharmacy spending³ continues to outpace other areas of healthcare, driven largely by specialty drugs, biologics and new therapeutic categories. At the same time, pharmacy benefits have become more fragmented. Claims may pass through multiple entities before a pharmacy is paid. Rebates and discounts may be applied weeks or months later. Member cost-sharing can be recalculated retroactively. Each step introduces friction.

Some legacy systems were not built for this level of complexity. Many still rely on batch processing, delayed settlements and manual

reconciliation. That approach creates blind spots that affect every stakeholder.

Employers struggle to understand what they paid and why. Payers spend time untangling discrepancies instead of managing strategy. Pharmacies face cash-flow uncertainty and administrative burden. Members experience confusion at the pharmacy counter when prices change after the fact.

The common thread is timing. When payment logic and reconciliation lag behind real-world activity, trust erodes and inefficiency grows.

WHY FLEXIBILITY MATTERS MORE THAN EVER

Flexibility in payment and reconciliation does not simply mean faster processing. It means the ability to support multiple pricing models, evolving benefit designs and changing contractual relationships without forcing everything into a rigid structure.

Modern pharmacy programs increasingly combine different approaches. Some medications are priced using pass-through arrangements. Others rely on guarantees or alternative funding models. Networks may vary by drug class, site of care or clinical criteria. Rebate strategies differ by employer and therapeutic category.

When payment systems are inflexible, these variations become operational headaches. Each exception requires manual intervention. Each contract change triggers downstream reconciliation challenges. Over time, complexity is managed by adding people instead of improving systems.

Flexible technology reverses that equation. It allows pricing logic, reimbursement rules and reconciliation workflows to adapt without breaking the underlying process. Instead of forcing the program to

conform to the system, the system supports how the program actually operates.

REAL-TIME ADJUDICATION CHANGES THE CONVERSATION

One of the most significant shifts in pharmacy payment technology is the move toward real-time⁴ adjudication with locked-in pricing at the point of sale. When the financial outcome of a claim is known and recorded immediately, downstream reconciliation becomes verification rather than discovery.

For employers, this provides confidence that reported spend reflects actual activity, not estimates that will change later. For payers and administrators, it reduces the need for retroactive adjustments that complicate financial reporting. For pharmacies, it improves predictability and reduces payment disputes. For members, it lowers the likelihood of surprise charges or reversals.

Real-time adjudication does not eliminate complexity, but it contains it. It ensures that complexity is handled upfront, where it can be managed intentionally, rather than after the fact, where it often becomes contentious.

RECONCILIATION AS A GOVERNANCE FUNCTION, NOT A CLEANUP TASK

Historically, reconciliation⁵ has been treated as a back-end exercise. Reports are generated. Variances are identified. Teams work backward to understand what happened. In some cases, discrepancies are accepted as the cost of doing business.

That approach is no longer sufficient.

As fiduciary scrutiny increases, reconciliation becomes a governance function. Employers and plan

sponsors are expected to demonstrate that payments align with plan terms, contracts and regulatory requirements. That expectation applies not just to medical benefits but to pharmacy as well.

Modern reconciliation technology supports this shift by providing claim-level traceability from adjudication through payment and rebate settlement. Each dollar can be tied to a specific rule, contract or plan design element. This level of documentation supports audits, reduces disputes and strengthens oversight.

Importantly, it also changes behavior. When stakeholders know that pricing and payment logic is visible and verifiable, incentives align more closely with the interests of the plan and its members.

WHAT THIS SHIFT MEANS FOR EMPLOYERS

For employers, flexible payment and reconciliation technology offers clarity in an area that has historically been opaque.

Instead of relying on summary reports delivered weeks or months later, employers gain access to timely, detailed information about pharmacy spend. They can see how pricing decisions affect costs in near real time. They can evaluate the impact of benefit changes without waiting for a full plan year to close.

This visibility supports better decision-making. Employers can identify cost drivers earlier, adjust strategies more quickly and engage in more informed conversations with their partners. It also strengthens their ability to meet fiduciary responsibilities by demonstrating active oversight rather than passive reliance.

Just as important, improved reconciliation reduces administrative burden. Finance and benefits

teams spend less time chasing down discrepancies and more time focusing on strategy and employee experience.

WHAT IT MEANS FOR PAYERS AND ADMINISTRATORS

For payers and administrators, flexible payment infrastructure is becoming a competitive necessity.

As companies demand more transparency and customization, rigid systems limit responsiveness. Administrators that can support multiple financial models, integrate diverse networks and reconcile complex arrangements efficiently are better positioned to meet evolving expectations.

Operationally, modern reconciliation tools reduce manual work and error rates. Automated workflows replace spreadsheets and ad hoc processes. Exceptions are flagged early, when they can be resolved with minimal disruption.

Strategically, this flexibility enables innovation. New benefit designs, alternative pricing arrangements and value-based approaches are easier to pilot and scale when the underlying payment system can support them without extensive rework.

WHAT IT MEANS FOR PHARMACIES

Pharmacies often feel the effects of payment inefficiency most directly. Delayed reimbursement, unclear pricing and post-adjudication adjustments strain cash flow and relationships.

Flexible, transparent payment systems improve predictability. When reimbursement rules are applied consistently and reconciliation is timely, pharmacies can operate with greater confidence. Administrative burden decreases, allowing staff to focus

more on patient care and less on billing disputes.

This is especially important as independent and community pharmacies navigate thin margins and increasing complexity. Fair, timely payment is not just an operational issue. It is a sustainability issue.

When payment systems are clear and reconciliation is transparent, pharmacies can spend less time managing uncertainty and more time focusing on patient care. That alignment strengthens the entire ecosystem.

WHAT IT MEANS FOR MEMBERS

Members may not see reconciliation processes directly, but they feel the consequences when those processes fail.

Unexpected charges, delayed adjustments and inconsistent pricing undermine trust in the pharmacy benefit. Members want to know what they owe at the point of sale and why. They want confidence that their benefit works as described.

Modern payment technology supports this expectation by reducing surprises. When pricing is accurate and final at the time of purchase, members experience fewer disruptions. Clearer cost-sharing improves satisfaction and reduces calls to customer service.

Over time, this consistency strengthens the perceived value of the benefit and reinforces trust in the employer or plan sponsor.

MOVING FROM REPAIR TO DESIGN

The most important change currently underway is grounded in the philosophy that pharmacy payment and reconciliation are no longer about repairing issues after they occur. They are about designing systems that prevent issues in the first place.

This requires rethinking priorities. Speed matters but accuracy matters more. Automation is valuable but transparency is essential. Flexibility must be balanced with controls that ensure consistency and compliance.

Organizations that invest in modern payment infrastructure are not chasing novelty. They are immediately responding to a reality in which pharmacy benefits are too complex, too visible and too important to manage with outdated tools.

LOOKING AHEAD

As pharmacy programs continue to evolve, the gap between flexible and inflexible systems will widen. Stakeholders can no longer rely upon delayed reconciliation and rigid payment models that increase friction. Those that move quickly to adaptable, transparent approaches will be better equipped to manage cost, complexity and trust.

Flexible payment and reconciliation technology has become a prerequisite for any program or health plan that aims to operate with clarity, accountability and confidence in a rapidly changing environment. The shift underway is not about technology for its own sake. It is about aligning financial processes with the realities of modern pharmacy care and the expectations of the people who depend upon it. 🌟

NOTES

1. <https://www.businessgrouphealth.org/resources/trends-to-watch-in-2026>.
2. <https://pubmed.ncbi.nlm.nih.gov/39612254/>.
3. <https://blog.nisbenefits.com/hubfs/blog-supporting-docs/bulletin-2025-key-health-cost-drivers.pdf>.
4. <https://www.cms.gov/files/document/2026-pace-part-d-application-final.pdf>.
5. <https://www.gao.gov/assets/gao-19-277.pdf>.

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