



PBM Reform and the Future of Accountable Pharmacy Benefit Operations

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Executive Summary

On the backdrop of PBM reforms, this white paper was developed by RxLogic as an industry resource to examine the evolving landscape of pharmacy benefit management and the growing need for operational transparency.

Pharmacy benefit management is undergoing a structural shift driven by rising prescription drug costs, increasing regulatory scrutiny and growing demand for transparency. As expectations evolve, organizations are being asked not only to report outcomes but to demonstrate how those outcomes are produced.

This document demonstrates the value of the RxLogic's cloud-native, SaaS-based platform. Designed to support new regulatory requirements, the platform embeds transparency directly within pharmacy benefit operations. Through real-time claims adjudication, structured rebate administration and integrated financial workflows, RxLogic enables organizations to gain clearer visibility into pricing, reimbursement and financial performance.

Across the industry, oversight initiatives are reinforcing the need for greater accountability in pharmacy benefit management. The continued growth of specialty drug spending is increasing cost pressure and complexity for health plans, employers and administrators.

These dynamics are accelerating the move from retrospective reporting toward operational transparency. Organizations must be able to demonstrate how claims are priced, how rebates are applied and how financial outcomes are generated within their systems.

By providing configurable, transparent and scalable infrastructure, RxLogic supports the efforts of stakeholders across the pharmacy benefit ecosystem toward compliance while improving control, visibility and overall program performance.





I. Introduction

Overview of the Pharmacy Benefit Management Market

Pharmacy Benefit Managers (PBMs) administer prescription drug benefits on behalf of health plans, employers and government programs. PBMs negotiate drug prices with manufacturers, establish pharmacy networks and process prescription claims.

Approximately [80%](#) of U.S. prescription drug claims are processed by the three largest PBMs in the United States, reflecting a highly concentrated market structure. However, a broader group of regional and independent PBMs also manage significant prescription volume across employer-sponsored plans, government programs and specialty populations.

PBMs play a central role in determining how prescription drugs are priced, reimbursed and paid across the healthcare system.



Growth in Prescription Drug Spending

Regulators, policymakers and plan sponsors have increased scrutiny of PBM business practices related to drug pricing, rebate arrangements and spread pricing. Federal investigations have highlighted the complexity of PBM pricing structures and the limited visibility many plan sponsors have into how pharmacy benefit pricing methodologies are applied in practice.

The lack of transparency has been further underscored by recent federal investigations examining PBM practices, which identified significant pricing differences between what PBMs charge plan sponsors and what they reimburse pharmacies for certain prescription drugs.

Recent findings illustrate the scale of these pricing disparities. Federal [analysis](#) found \$1.4 billion in spread pricing income on specialty generic drugs and \$7.3 billion in dispensing revenue above estimated drug acquisition costs.

Transparency and Fiduciary Oversight Expectations

Employers sponsoring health plans have fiduciary obligations under [ERISA](#) to act prudently and in the best interests of plan participants. Greater transparency into pharmacy benefit pricing and rebate arrangements supports employers in fulfilling fiduciary oversight responsibilities.

As a result, plan sponsors are increasingly seeking clearer insight into how pharmacy benefits are administered in practice, including how claims are priced, how manufacturer rebates are applied and how PBMs and pharmacies are compensated.

These expectations are reshaping operational requirements across the PBM ecosystem, placing greater emphasis on transparency, auditability and financial accountability.

Collectively, these findings have intensified policy discussions around PBM transparency, pricing practices and the need for greater oversight of pharmacy benefit operations.

II. Background / Problem Statement

Regulatory Requirements and Operational Expectations

As policy discussions translate into regulatory action, organizations are now required to meet specific reporting, documentation and validation requirements across pharmacy benefit operations.

At the federal level, transparency requirements now require group health plans and insurers to report detailed data on prescription drug spending, rebates and pharmacy benefit arrangements to regulators. Prescription Drug Data Collection (RxDC) reporting [requirements](#) established under the [Consolidated Appropriations Act](#) mandate annual reporting of prescription drug costs, rebates and PBM compensation information for employer-sponsored health plans.

At the [state](#) level, organizations must also comply with a broad set of requirements, as all 50 states have enacted at least one law regulating pharmacy benefit managers.

As a result, organizations must now be able to capture, validate and report detailed data across pharmacy benefit operations, including claim pricing, rebate eligibility and financial transactions.

In addition to reporting requirements, organizations are increasingly expected to demonstrate how these outcomes are produced, including the ability to trace pricing decisions, apply consistent benefit rules and reconcile financial results across systems.

These expectations establish a clear set of operational requirements, where pharmacy benefit processes must be transparent, traceable and auditable in practice. Meeting these requirements involves moving beyond retrospective reporting to operational capabilities that support transparency, traceability and auditability within pharmacy benefit systems.

III. Infrastructure Requirements for PBM Reform

From Reporting Transparency to Operational Transparency

Historically, many organizations have relied on downstream reporting to explain pharmacy benefit outcomes. In this model, transparency is achieved retrospectively, through reports, audits and reconciliations conducted after claims have been processed.

However, evolving regulatory expectations are changing this approach. Organizations are increasingly required to demonstrate how claim pricing and financial outcomes are produced within their operational systems, not just how they are reported after the fact.

This shift moves the industry away from periodic, retrospective reporting toward continuous transparency embedded directly within operational workflows. Transparency is no longer a reporting function. It is becoming a system capability.

Across the industry, oversight initiatives are reinforcing the need for greater accountability in pharmacy benefit management.



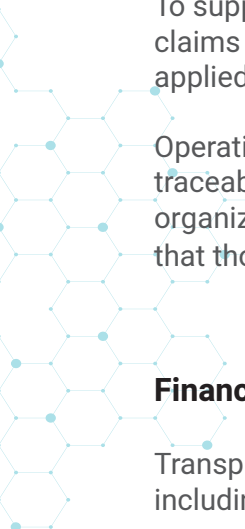


Reconstructable Claim Pricing Logic

A core requirement of operational transparency is the ability to reconstruct how claim pricing decisions were made at the point of adjudication.

To support this, systems must be designed with clearly defined, rule-driven logic that governs how claims are processed. This includes the ability to trace pricing inputs, benefit configurations and applied rules in a consistent and auditable manner.

Operational transparency depends on systems that support rule-driven claim processing, maintain traceable pricing logic and enforce consistent benefit configuration governance. This allows organizations to validate how pharmacy benefit pricing outcomes were generated and ensure that those outcomes align with plan design, contractual terms and regulatory expectations.



Financial Traceability Across Pharmacy Benefit Workflows

Transparent pharmacy benefit operations also require alignment across the full financial lifecycle, including claims processing, payments and rebate administration.

In many legacy environments, these functions operate across separate systems, creating fragmentation and limiting visibility into how financial outcomes are connected. As a result, organizations often rely on manual reconciliation and retrospective validation to explain financial results.

To meet evolving expectations, operational infrastructure must support:

- financial traceability across claim transactions.
- structured rebate eligibility tracking.
- consistent reconciliation across pharmacy payments and plan sponsor reporting.

These capabilities enable organizations to demonstrate financial accountability, reduce reliance on manual processes and support regulatory oversight with clear, verifiable data.

Structural Limitations of Legacy PBM Systems

Many PBM platforms were originally designed primarily to process pharmacy claims transactions rather than to demonstrate how pricing outcomes are produced. Investigations and policy [reports](#) have highlighted the complexity and limited transparency of PBM financial arrangements.

In practice, these legacy systems often introduce operational constraints that make transparency difficult to achieve. Common limitations include:

- fragmented rebate tracking across multiple systems.
- limited visibility into claim pricing logic.
- manual reconciliation of financial transactions.
- reliance on retrospective audits rather than continuous transparency.

As regulatory expectations expand, these operational gaps create challenges for PBMs and benefit administrators attempting to demonstrate pricing transparency and financial accountability.

While these pressures extend across both large and independent PBMs, the ability to demonstrate transparent and auditable pharmacy benefit operations is becoming a core operational requirement rather than a reporting exercise.

IV. RxLogic Technology Platform

Infrastructure Built for Transparent Pharmacy Benefit Operations

RxLogic provides SaaS-based technology designed to support pharmacy benefit operations across PBMs, TPAs, health plans and plan sponsors.

As regulatory expectations shift toward operational transparency, organizations require infrastructure that can demonstrate how pharmacy benefit outcomes are produced in real time. Rather than layering reporting capabilities onto legacy systems, the RxLogic platform embeds transparency directly within pharmacy benefit workflows.

Core capabilities include:

- claims adjudication.
- network access and integration.
- rebate administration.
- financial reconciliation tools.
- discount card technology.
- employer-sponsored drug buy-down programs.

Together, these capabilities form an integrated operational environment designed to support transparency, configurability and scalability across pharmacy benefit programs.

Transparency Embedded in the Claim Lifecycle

The RxLogic platform embeds pricing logic, rebate governance and financial reconciliation directly within the claim adjudication process. This approach ensures that transparency is not applied after the fact but is inherent in how claims are processed and managed.

Operational design principles include:

- rule-driven claims processing.
- reconstructable claim outcomes.
- structured rebate eligibility governance.
- alignment of financial artifacts across workflows.

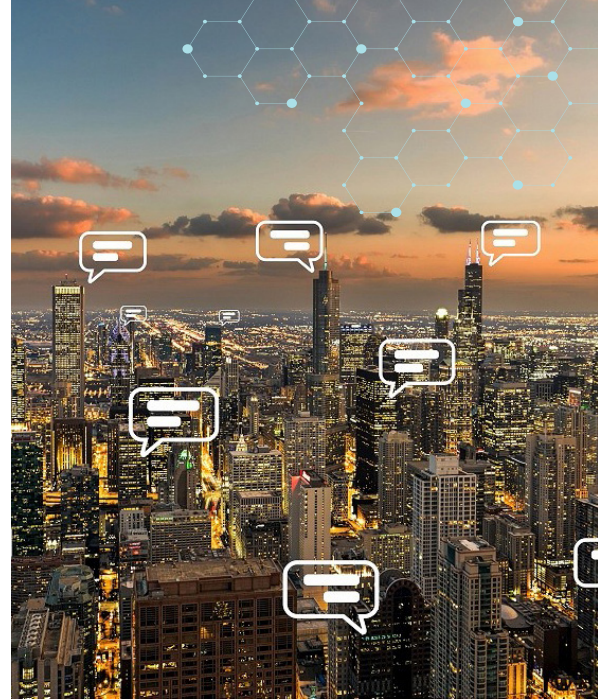
By structuring these elements within a single operational framework, organizations can clearly demonstrate how claim pricing decisions are made and how financial outcomes are produced. This level of visibility supports audit readiness, regulatory compliance and more informed decision-making.



Cloud-Native and API-First Architecture

RxLogic operates as a cloud-native platform designed to integrate with pharmacy networks, health plans, TPAs and financial systems. Its API-enabled architecture supports scalable connectivity across the pharmacy benefit ecosystem while maintaining operational visibility.

This approach allows organizations to implement configurable pharmacy benefit programs without replacing existing enterprise systems. Instead, the platform can integrate with existing infrastructure while providing the transparency, flexibility and performance required in a more regulated environment.



V. Operational Value Across the Pharmacy Benefit Ecosystem

PBMs and Benefit Administrators

PBMs and pharmacy benefit administrators operate at the center of pharmacy benefit delivery and are increasingly expected to demonstrate pricing transparency and regulatory compliance. As oversight expands, these organizations require operational systems that can clearly show how claims are processed and how financial outcomes are determined.

RxLogic supports these requirements by enabling:

- transparent claim pricing logic.
- structured rebate administration.
- improved audit readiness.
- operational traceability across financial workflows.

By embedding these capabilities directly within core operations, PBMs and administrators can move beyond retrospective reporting and establish a more transparent, accountable operating model.

Health Plans and Self-Insured Plan Sponsors

Health plans and employer plan sponsors are placing greater emphasis on visibility into pharmacy benefit spending and pricing methodologies. This shift is driven by both rising costs and increasing fiduciary responsibility.

Operational transparency enables plan sponsors to better understand pharmacy benefit cost drivers, support fiduciary oversight responsibilities and evaluate pharmacy benefit performance with greater confidence. With clearer insight into how claims are priced and how rebates are applied, plan sponsors are better positioned to make informed decisions and ensure alignment with plan objectives.



TPAs and Integrated Health Systems

Third-party administrators and integrated delivery systems often coordinate pharmacy benefit services across multiple stakeholders, systems and lines of business. This complexity increases the need for consistent data visibility and aligned operational workflows.



Operational transparency enables these organizations to manage pharmacy benefit programs with consistent data visibility, support plan sponsor reporting requirements and align clinical, financial and operational workflows. By establishing a unified and transparent operational framework, TPAs and integrated health systems can improve coordination, reduce administrative burden and deliver more consistent outcomes across the pharmacy benefit ecosystem.

RxLogic supports the efforts of stakeholders across the pharmacy benefit ecosystem toward compliance while improving control, visibility and overall program performance.

VI. Conclusion: Building the Infrastructure for Transparent Pharmacy Benefit Management

Prescription drug spending continues to grow, and pharmacy benefits represent a significant component of healthcare costs for employers, health plans and government programs. At the same time, regulatory reforms and policy scrutiny are raising expectations for transparency and accountability in pharmacy benefit management.

As these trends converge, PBM reform represents a structural shift in how pharmacy benefit operations must function. Organizations are no longer expected to rely solely on retrospective reporting.

Instead, they must be able to demonstrate, in a clear and consistent manner:

- how claims are priced.
- how rebates are governed.
- how financial outcomes are produced.

Meeting these expectations requires operational infrastructure capable of embedding transparency directly within pharmacy benefit workflows. Systems must be designed not only to process transactions but to provide continuous visibility into how those transactions are executed and reconciled.

RxLogic provides technology designed to support this evolving environment by enabling rule-driven claims processing, structured rebate governance and financial traceability across pharmacy benefit operations.

As PBM reform raises the standard for accountability, operational infrastructure must continue to evolve to support transparent, auditable and verifiable pharmacy benefit management.



About RxLogic, LLC

RxLogic performs pharmacy benefit operations for stakeholders across the pharmacy benefit ecosystem, delivering SaaS technologies that execute workflows at scale. RxLogic's solutions provide tools, automation, visibility and transparency to support compliance strategies without assuming compliance responsibility. Offering full-service claims adjudication, rebate administration, prior authorization solutions, network access and ancillary services with ease of integration, RxLogic supports operational excellence nationwide.

Visit www.RxLogic.com

About the Author

The Smart Thoughts Team of Experts brings together experienced professionals in healthcare technology, pharmacy benefit management and data-driven solutions. As the editorial voice behind this white paper, the team draws on deep industry expertise to provide insights into modern, transparent and strategic rebate administration. Their goal is to equip stakeholders across the healthcare ecosystem with practical guidance, emerging best practices and actionable tools that drive efficiency, accountability and value.



Contact RxLogic today to discover how our rebate administration platform can lower costs, improve transparency and drive measurable results for your organization.