

PBM Contracting: A Good Time to Make Sure You Have Carve Out Capabilities

The PBM industry has earned its scrutiny—from Congress and employers alike—by doubling down on anti-competitive practices. Employers are weary of the same process, led by the same consultants, delivering the same results: double-digit specialty trends, slow biosimilar adoption, and opaque pharmacy-through-medical arrangements.

At a minimum, employers should contractually guarantee the right to carve out services—especially specialty pharmacy, without penalty. When PBMs impose carve-out fees, they reveal the margin they make off of your drug spend. If services are removed, administrative fees should decrease accordingly.

Specialty Rx carve-outs represent a significant opportunity. As Heather Sundar, CEO of Archimedes, notes, “Specialty drugs continue to drive a growing share of spend with double-digit trends. Carving out to a strong specialty manager can flatten or reverse trend and reduce specialty Rx PMPMs by \$30–\$40.”

PBMs seeking to repair their reputations may now be more open to negotiating penalty-free carve-outs. Hold the line—and ensure your consultant does the same. HCTN is hosting a PBM contracting workshop in Nashville on April 14, 2026, to help employer members gain PBM practical insights, challenge the status quo, and improve transparency and control.