

Blocking and Tackling the Everyday Drivers of Drug Spend

Drug pricing doesn't usually spike because of one big, obvious change. More often, costs creep up quietly, one claim at a time, as the market shifts and new "workarounds" show up in prescribing patterns.

That's exactly why TrueScripts built **Formulary Guard**: a hands-on program designed to **consistently monitor the market and manage the formulary with intent**, so employers aren't paying more than they should for clinically equivalent therapy.

The problem: cost-creep happens fast (and it's often avoidable)

Certain medications start appearing in claims week after week, and the pattern is familiar:

- **Overpriced generics** that suddenly cost far more than expected, even though they're not new therapies
- **New versions of older medications** (new strengths, delivery systems, or minor reformulations) that carry a higher price tag without meaningful clinical improvement
- **Low-cost medications combined into one higher-priced product**
- **Brand drugs still being filled when a generic option exists** (or when a lower-cost therapeutic alternative is appropriate)

Why does this matter? Because the evidence is clear: **when true generic competition is available, prices can drop dramatically**, but only if the benefit design and day-to-day management actually drive utilization toward those lower-cost options.¹

What Formulary Guard does differently

Formulary Guard is built around a simple promise: **active formulary management that protects the client and the member**, with the goal of driving the **lowest net cost for the plan** (not maximizing PBM revenue).

That means we don't "set it and forget it." Instead, we continuously watch for pricing and market dynamics that can inflate spend and then take practical action, such as:

- Identifying medications that have become **cost outliers** (including generics that are suddenly overpriced)
- Catching **product shifts** (when a higher-priced "new" version of an older medication starts replacing a lower-cost option)
- Tightening coverage around **high-cost combinations** when separate components are clinically appropriate and far less expensive
- Ensuring there are guardrails when it's clinically appropriate to **encourage lower-cost alternatives** (while still allowing exceptions when needed)

This approach aligns with widely accepted benefit-management tools used across pharmacy benefits to ensure appropriate, cost-effective therapy, including formulary design and utilization-management guardrails. ²

What this means for your business

For employer clients (plan sponsors), Formulary Guard helps:

- **Prevent avoidable cost increases** tied to market shifts and pricing tactics
- Improve predictability by reducing “surprise” spend from high-cost substitutions
- Support better governance and fiduciary decision-making through ongoing oversight and documented rationale

For broker partners, Formulary Guard helps:

- Strengthen your consultative story with clients: you can confidently say the PBM is actively protecting the plan, not just processing claims
- Reduce disruption-driven escalations by addressing patterns early instead of reacting after costs spike
- Reinforce the value of a PBM partner whose incentives are aligned with the plan’s outcomes (clinical and financial)

What this means for members

Managing cost responsibly isn’t just about dollars. It’s also about protecting the member experience.

When a plan is actively managed, members are less likely to get caught in confusing switches, unnecessary brand fills, or higher-cost products that don’t add clinical value. And when guardrails are appropriate, there are established pathways for exceptions so members can still access the therapy they truly need. 3

The bottom line

Formulary Guard is the “blocking and tackling” work that keeps pharmacy benefits healthy: consistent monitoring, practical management, and fast action when the market shifts.

If you’re a client or broker partner, you don’t need to wonder whether cost creep is happening in the background. With Formulary Guard, you have a PBM actively watching the field and protecting both your plan and the people it covers.

1. <https://www.fda.gov/about-fda/center-drug-evaluation-and-research-cder/generic-competition-and-drug-prices>

2. <https://www.cms.gov/medicare/prescription-drug-coverage/prescriptiondrugcovcontra/downloads/part-d-benefits-manual-chapter-6.pdf>

3. <https://www.cms.gov/medicare/appeals-grievances/prescription-drug/exceptions>