

# Guaranteed Cost Rx

## Introduction

Guaranteed Cost Rx is innovative risk management through a blend of specific/aggregate and fully-insured concepts. Guaranteed Cost Rx is a prescription drug program that provides the employer with the stability and efficiency of a fully-insured plan plus the flexibility and creativity of a self-insured plan. The table below is self explanatory:

FULLY-INSURED	Guarantee Rx	SELF-INSURED
<p><b>Stability</b> →</p> <p>Employer expenses remain steady every month.</p>	<p><b>Stability</b></p>	
<p><b>Efficiency</b> →</p> <p>Competitiveness to buyer moving from fully insured plan – retention, premium tax.</p>	<p><b>Efficiency</b></p>	
	<p><b>Flexibility</b> ←</p>	<p><b>Flexibility</b></p> <p>Avoid state mandates and limited benefit programs</p>
	<p><b>Creativity</b> ←</p>	<p><b>Creativity</b></p> <p>Underlying plan design</p>

Guaranteed Cost Rx guarantees to the employer a monthly max cost during the contract year. Just like an insured plan, the employer is not liable for eligible claims in excess of the annual max cost. If claims are less than the stop loss attachment factor, the funds deposited in the employer benefit plan trust (EBPT), these excess funds will be returned to the employer at the end of the contract year.

