

 **Mission:** Lower costs. Happier employees. A better way to do health care.

Value prop positioning

- + **Transparency-First:** “Radically transparent PBM” with 100% pass-through pricing and no hidden fees
- + Focus on **lowest net cost, auditability, and fiduciary alignment** for employers
- + Emphasizes *cost savings* (20-30% lower than legacy PBMs), *clinical programs*, and *member experience*

Background

- + **Founded** in 2016 by Jake Frenz in San Francisco, CA
- + Privately held, Series C funded with **\$60M raised in 2024** (\$89M in total)
- + **Scale:** Serves **4K+ employer clients** and nearly **1M member lives**; network includes 65K+ pharmacies nationwide

Primary differentiators

- + Offers **full transparency** with “simple, flat per-member-per-month (PMPM) admin fee”
- + **Tech forward** via Drug Pathways Engine and Connect 360 savings suite
- + **Auditability** and employer control (positioning as independent of GPO/manufacture ownership)

Key product positioning

- + **Drug Pathways Engine:** Proprietary platform identifies lowest-net-cost option for each claim (whether generic, brand, or biosimilar)
- + **Connect 360:** Comprehensive cost-savings suite (biosimilar adoption, formulary optimization, copay assistance)
- + **Member experience:** “White-glove” navigation to help members switch to lower-cost pathways where clinically appropriate

Specialty positioning

- + **Biosimilars:** Emphasizes proactive biosimilar steering as part of net-cost strategy (Humira and Stelara solutions)
- + **Outsources specialty fulfillment;** Positions “white-glove” support with partner dispensers

Known Third-Party Vendor Relationships:

- + **Mail Order:** Walmart Pharmacy and Amazon Pharmacy
- + **Specialty:** Senderra and Kroger for complex therapies
- + Partnership with **Mark Cuban Cost Plus Drug Company (MCCPDC)** for low-cost generics and brands
- + Partnership with **Costco Specialty Pharmacy and MCCPDC** for biosimilars

Instant insights

Usage: When you have limited time and want to make a big impact, focus on these key points to counter SmithRx's market positioning

01 Lacks the size and scale to drive strongest economics:

1 M – 5M ARx are estimated to be managed annually by SmithRx.

2B ARx is estimated for ESI in 2024, granting ESI the buying power for more cost-savings for clients.



SmithRx **uses a third-party** for rebate aggregation. Buying through another entity **adds more cost to the equation.**

02 Tech solutions not innovative:

SmithRx highlights their tech platforms of Drug Pathways Engine and Connect 360 as “revolutionizing prescription savings”



Clinical management and bundled cost-savings programs like the ones offered by SmithRx are **commonplace across PBMs**, while biosimilar adoption (similar to what is touted by SmithRx) is **widespread**

03 “Innovative” partnerships not differentiated:

SmithRx touts strategic partnerships with players such as Costco and Mark Cuban Cost Plus Drug Company as “innovative” and “cutting-edge”



Partnerships with Costco and Mark Cuban Cost Plus Drug Company are not innovative (e.g. MCCPDC is simply **in-network for their home delivery pharmacy**)

04 International Drug Sourcing a savings driver:

SmithRx offers the option to connect members with a third-party international sourcing company that can help members obtain select prescription drugs at a lower cost



International sourcing can lead to **legal compliance issues, supply chain disruptions, and patient safety concerns** due to differences in labeling, shipping conditions, and regulatory standards