

 **Mission:** Improve member health and minimize their out-of-pocket costs

Value prop positioning

- + **Transformative pass-through approach:** Touts its “unique” pass-through model, enabling them to provide “greater savings and align to each client’s best interests”.
- + **MAC list clarity:** Navitus offers a single MAC list that “outperforms the competition and is updated weekly”.

Background

- + Categorized as a **Health System PBM** due to its ownership (SSM Health)
- + Estimated 2024 ARx – 95M ARx
- + <1% market share
- + Recent wins include UCare and Foot Locker

Primary differentiators

- + **Zero-spread, pass-through model** and its resulting cost-savings with new and existing clients.

- + **Connection to a health system** (SSM Health) has shown ability to resonate with prospective health system clients.
- + **Smaller size signals flexibility** and unlike larger PBMs it lacks ties to “Wall Street expectations”.

Key product positioning

Core positioning: Its pass-through PBM model leads to cost-savings for prospective and existing clients.

Secondary positioning: Echoes similar sentiment in general size of the company leading to flexibility overall—especially when it comes to customer service.

Clinical model highlights: Offers “safety-focused” clinical programs in its PMPM administrative fee and offers several cost-focused clinical programs on a Pay-for-Performance (share-of-savings) basis.

Specialty positioning

- + **Building out its specialty pharmacy** capabilities and has recently acquired EpiphanyRx to further strengthen its clinical capabilities.
- + **Joined CivicaScript** as a founding member in July 2022—CivicaScript is a subsidiary of CivicaRx that manufactures and distributes generic medications.

Known Third-Party Vendor Relationships:

- + **Owned by SSM Health; Costco has a minority interest**

- + **Prime Therapeutics for rebate aggregation**

1. *Navitus: Six Reasons to Choose the Navitus Model*

Instant insights

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

01 Lacks the size and scale to drive strongest economics:

Navitus is estimated to manage 90M ARx annually – making up a smaller portion of the market leads to Navitus using another PBM (Prime Therapeutics) to aggregate rebates.



Navitus uses Prime Therapeutics for rebate aggregation. This ultimately **adds more costs to the equation** as they're buying through another entity.

02 Promoted pricing model is not full-picture:

Navitus is a smaller “transparent” PBM that promotes its 100% pass-through model—however, **Prime Therapeutics collects a portion of rebates prior to “passing through” to clients.**



Despite leading with transparency, they do not make it clear to clients that entities are taking a cut of rebates prior to them passing through. Therefore, their clients are only receiving 100% of a reduced rebate amount.

03 Claims it's small size, but owned by larger entities:

Navitus is **owned by SSM Health** (large hospital system) and is **also partially owned by Costco** (owns retail pharmacies and another PBM [Costco Health Solutions])



Navitus will often use “anti-big” sentiment towards integrated PBMs and Health Plans; however, **it is an integrated player as its parent companies own hospitals, retail pharmacies, and another PBM.**

What you need to know:

Navitus lacks the size as a PBM to gain strong economics, but it's tie to larger entities leaves it unable to honestly claim independence.