THE PBM COMPENSATION BENCHMARK

Find the plans whose PBM disclosures *don't add up.*

Even before the 2029 disclosure expansion, 10,812 Schedule C filings already disclose enough to flag the plans where PBM compensation is structurally opaque. Named. Sized. Patterned across five years.

IN ONE LINE

You already know comingled PBM compensation is a fiduciary problem. What you need is the ability to interrogate the public filings — by segment, by incumbent, by structural fingerprint — and identify the plans where the disclosure proves it.

WHAT THE BENCHMARK SURFACES

SAMPLE FLAGGED PLAN — *drawn from public Schedule C disclosures, 2020–2024*

REDACTED *— claims pass-through comingling*

348 lives. $1.27M to the PBM. Five years of public filings. The fee inside that number? Unknown.

5 YEARS ON SCHEDULE C

YEAR	LIVES	TOTAL PBM	PEPM	VS PRIOR YEAR	% OF SCHEDULE C
2020	318	$499K	**$131**	—	74%
2021	328	$633K	**$161**	+23%	78%
2022	338	$915K	**$226**	+40%	80%
2023	343	$1.26M	**$306**	+35%	85%
2024	348	$1.27M	**$304**	−1%	85%

$1.27M reported to the PBM. Not the admin fee.
Schedule C captures total compensation flowing to the PBM as a covered service provider — admin, spread, retained rebates, and claims pass-through, comingled in one line. **The fiduciary committee can't see inside it.**

26× the segment median by year five.
Peer plans in the 100–499 tier disclose median PBM compensation of $4–11 PEPM. This plan reports $304 PEPM. **That's not a 26× fee.** It's a disclosure structure that buries the fee inside total drug spend.

The pattern is the signal.
Medical TPA: $220K, flat across five years — normal admin structure. PBM: $499K → $1.27M, scaling with prescriptions — claims pass-through structure. **Same Schedule C. Two different things being measured.**

At least 1,000 plans in the dataset carry signatures this opaque — each one a named account you can investigate, profile, and approach with the analyst.

THE BENCHMARK BEHIND THE FLAG

Defensible when *the prospect asks where the list came from.*

10,812 PBM compensation records — the plans currently disclosing enough on Schedule C to benchmark. Pulled directly from federal filings, not industry surveys. **By 2029, every plan with 100+ participants files semiannually.** The dataset only grows from here.

P10	LOW COST	**$0.61**	$7 / yr
P50	MEDIAN	**$4.09**	$49 / yr
P75	ELEVATED	**$16.44**	$197 / yr
P90	EXTREME OUTLIER	**$160.49**	$1,926 / yr

Half of all plans disclose under $50/member/year to the PBM. One in ten disclose over $1,900. The case-study plan disclosed $3,648 — almost certainly not the fee.

WHY SIZE AND PBM TIER MATTER

The cell where compensation *is least visible.*

At the median, all four PBM tiers disclose within a dollar of each other. The story is in the tails — where Schedule C reporting structure varies so widely that comparing plans becomes guesswork.

SIZE EFFECT

Mega-employers disclose **$2.49 PEPM** — likely the actual admin fee. Mid-market plans disclose **$53.10** — the median in their tier, and almost certainly something else mixed in. **Same Schedule C form. Two different reporting realities.**

PBM TIER EFFECT

Transparent PBMs cap at **$14.50 PEPM** even at the 90th percentile — their fee model is the disclosure. Big Three plans hit **$199.08** — a **13.7× spread** that signals comingled compensation, not a more expensive PBM.

Mid-market plan, Big Three incumbent, comingled disclosure — the cell where transparent fee models win on the first conversation.

THE DISCLOSURE TIMELINE

By 2029, the comingling *becomes illegal.*

CAA 2026 doesn't just expand disclosure — it forces the PBM to disaggregate. Spread reported separately. Rebates reported separately. Admin fees reported separately. The $1.27M black box becomes itemized, by federal mandate.

Now FEB 2026 → RENEWAL	**CAA 2026 enacted.** PBMs reclassified as covered service providers under ERISA §408(b)(2). All direct and indirect compensation disclosable to fiduciaries. Expanded at contract renewal to TPAs, stop-loss, and most other service providers.	*PBMs already owe fiduciaries a clean breakdown. Most haven't been asked.*
Apr 2026 DOL FAB 2026-01	**Documented fiduciary process is the enforcement standard.** EBSA will not write new rules through enforcement — but will enforce	*"Reasonable" requires knowing the fee. Comingling doesn't survive enforcement.*

	procedural prudence vigorously. "Show your work" applies now.	
Jan 1, 2029 CAA 2026 PBM PROVISIONS LIVE	**Mandatory semiannual PBM reporting** for plans with 100+ participants: spread pricing, rebates, fees, drug-associated remuneration. **100% rebate pass-through** becomes statutory default. $10K/day late penalties. $100K for false reporting.	*The $1.27M black box gets itemized. Every plan. Every six months. By law.*

Today, the benchmark names the plans whose compensation is buried. In 2029, the law unburies it for everyone. The vendors with the analytical muscle to read the filings now win the accounts before the disclosures arrive — and define the category once they do.

HOW THE FLAGGING WORKS

1. **Find the cell.** Participant tier × PBM tier. The two dimensions that define peer pricing.
2. **Compare PEPM to P75 and P90.** Benchmarks pulled from the dataset itself. Refreshed as filings arrive.
3. **Flag and load the trend.** NORMAL ELEVATED EXTREME OUTLIER — with five years of history already attached.

1,000+ *plans*

named, sized, sourced — every one of them an account you can interrogate with the analyst before the first outreach.

~31%	~10%
ABOVE P75 (ELEVATED)	ABOVE P90 (EXTREME)

THE PITCH

A research analyst *you can ask.*

Surface the flagged plans, then keep going. Pull the five-year compensation trend. Show me everything that looks like this account. Identify the incumbent broker. Map the carrier ecosystem. Build the outreach plan.

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