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Jordan Feldman, Rightway CEO

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Health Tech

How an upstart pharmacy benefit manager has been winning over companies like TikTok and Zoom

Ngai Yeung

(This story is from our new Health Tech newsletter. If you'd like to sign up, just click here.)

In a market long dominated by three giants, a different kind of pharmacy benefit manager has been winning business from companies like TikTok, Zoom and eBay.

Rightway, a unicorn that raised **\$109 million** this spring, markets itself as a transparent alternative to traditional PBMs and says it passes along all discounts and savings to its customers. It made headlines in January when it scored a contract with Tyson Foods, which had previously worked with CVS Caremark, one of the biggest PBMs.

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Now, Rightway, which handles pharmacy benefits for a little more than two million people, says it's on track to double its 2023 membership by the end of this year, signing on more Fortune 100 customers it has yet to announce, co-founder and CEO Jordan Feldman told *Endpoints News* in an interview.

"We're seeing a market environment where employers are incredibly frustrated and disenfranchised by the big three and how they've managed pharmacy benefits over the last decade," Feldman said.

Rightway is among several PBMs going head-to-head with traditional firms whose secretive business practices have become the [target of federal and state antitrust regulators](#). PBMs are middlemen that handle prescription-drug benefits for health plans and employers, and negotiate discounts from pharmaceutical companies.

Upstarts that claim to offer more transparency seem to be gaining steam as employers grow frustrated with rising pharmacy costs. Nearly 40% of employers said they're thinking of implementing a transparent PBM program in 2026 or 2027, according to the [Business Group on Health's annual survey](#) released earlier this month. A quarter of employers said they already have a transparent PBM.

Still, CVS Caremark, Cigna's Express Scripts, and United-Health Group's OptumRx [control 79%](#) of the market for managing prescription drug benefits, and there's little sign they're losing much business to smaller players. Each of them handled more prescriptions or processed more pharmacy claims in 2023 compared to 2022, according to their annual filings.

A spokesperson for CVS Caremark said it retained 99.7% of its commercial business for 2025, and he pointed to a January survey by TD Cowen that found that most employers using Caremark were happy with the PBM. An OptumRx spokesperson said the PBM has a customer retention rate of over 90%. A spokesperson for Express Scripts said clients choose the company because it offers drug savings and clinical expertise for better outcomes.

All of the companies claimed that they offer transparent so-

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Traditionally, PBMs have made money by keeping a secret percentage of the rebates they negotiate, or charging health plans more than what they pay pharmacies for a drug and pocketing the difference — a practice known as spread pricing. More recently, some traditional PBMs have [launched new models](#) that they say simplify drug pricing.

Rightway [says](#) it can save employers 15% on pharmacy costs by passing along drug discounts and having pharmacists follow up with patients to take their medicine or help them find lower-cost treatment options.

It's focusing on midsize companies, and other clients include grocery delivery company Instacart, data firm Qualtrics, investment bank Evercore, and private equity firm TPG. Feldman declined to disclose Rightway's financials when asked over email whether the company is profitable.

During an August [webinar](#) hosted by Rightway, Rob Paczkowski, eBay's senior director of global benefits, said it was difficult to communicate with eBay's previous PBM, which he said wasn't responsive. eBay switched to Rightway after discovering that it could lower costs, he said.

"We had resistance from our own leadership as well saying 'No, no, no, no, Rob, we don't use untested smaller vendors for these kinds of things. We use proven partners, proven vendors,'" he said. "But when I was able to share that data point on the haircut we were seeing on the rebates, that really got people's attention."

Editor's note: This article has been updated to include a comment from Express Scripts received after publication.

AUTHOR

Ngai Yeung

nyeung@endpointsnews.com
@nyeungs
Ngai Yeung on LinkedIn

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