INAUGURAL ISSUE · ROSETTAFEST 2026

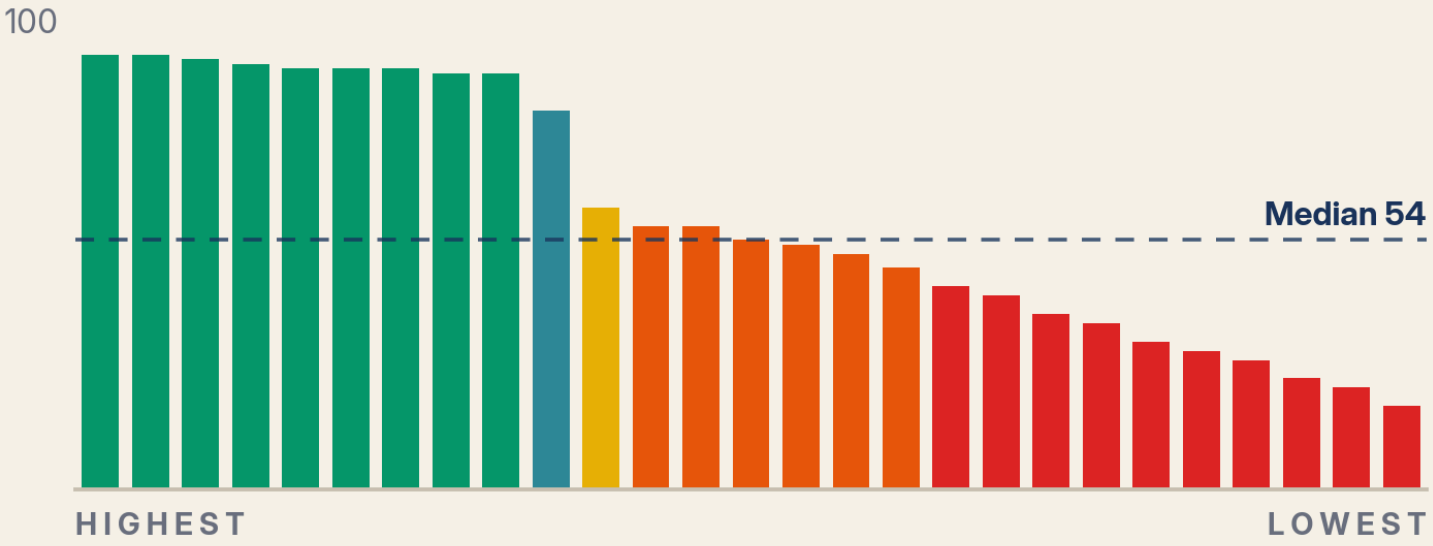
Nautilus

CAA 2026 Readiness Report

Most PBMs fall short of 60, even at their best. Nine clear 90.

For the first time, the difference is measured, not argued.

FIDUCIARY ALIGNMENT SCORE · 27 PBMs · 9 CONTRACTS RATED EXCELLENT



Analysis powered by Nautilus Contract X-Ray

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Key Findings

Nautilus Contract X-Ray scored the standard contracts of 27 PBMs and 37 plan sponsor contracts against ten fiduciary provisions. Scores range from 0 to 100 and fall into five tiers: Excellent 90 to 100, Good 75 to 89, Fair 60 to 74, Concern 45 to 59, Red Flag below 45.

Nine of the PBMs submitted their standard contract to independent scoring by Contract X-Ray, received a provision-level analysis showing exactly where the language fell short, rewrote it, and were scored again. Six went through four or more rounds.

Key Stats From Contract X-Ray Analysis

0 of 37	92 vs 32	7 of 10	+39
EMPLOYER CONTRACTS REACH GOOD	TRANSPARENT VS SPREAD AVERAGE SCORE	RED-FLAG ON CONFLICT OF INTEREST	AVERAGE GAIN TO EXCELLENT

Five findings stand out:

1. **Not one of 37 plan sponsor contracts clears the bar.** None reaches Good. 70% land at Red Flag. The best of them scored 61. These contracts cover real employees right now. At Red Flag, an employer can’t audit what the PBM charged, can’t shift a drug category to a cheaper vendor, and can’t exit without paying a penalty. The plan sponsor is handcuffed, and the door is locked.

2. **A contract that protects the plan sponsor already exists.** Nine of 27 PBM standard contracts now reach Excellent on fiduciary alignment after remediation. Those nine form the first CAA 2026 Ready cohort. The median PBM contract scores 54, deep in the Concern tier, 38 points behind them. What separates the best contract from the typical one is the PBM's willingness to align its interests with the plan sponsor.

3. **How a PBM makes money predicts its score.** The gap is 60 points. Transparent pass-through contracts average 92. Spread-priced contracts average 32. That gap comes from the contract's own pricing mechanics, not from how the PBM describes itself. Transparency is provable and verifiable. A PBM proves it in the contract terms. A plan sponsor confirms it in the claims data.

4. **The biggest risks for plan sponsors come from conflicts of interest.** Most trace to vertical integration. A PBM that owns the pharmacy, steers prescriptions to channels it owns, routes dollars through unauditable offshore entities, and buys from affiliate suppliers has many incentives to extract money from health plans. The conflict of interest provision red-flags in roughly seven of ten contracts, among the weakest of all ten.

5. **No PBM can call the standard impractical or unachievable.** On all ten provisions, a PBM has already signed language scoring 95 or higher. All nine in the Excellent tier started below the standard and gained 39 points on average. One climbed from 21. A willingness to support the fiduciary obligations of plan sponsors and make explicit contract commitments is the difference.

Foreword

Every plan sponsor understands the importance of exercising control over its pharmacy benefit. Too often, though, that control is signed away long before the first claim is paid, buried in a contract few plan sponsors have the time to read in full and fewer still have the specialized expertise to challenge. By the time a PBM's performance becomes a concern, the terms allowing it were fixed months or years earlier. Poor outcomes rarely begin with a formulary decision or a denied claim. They begin with a contract no one scrutinized closely enough.

Employers and purchasers need a healthcare marketplace in which prices, quality, and contractual terms are transparent and usable, not only to plan sponsors who can retain extensive legal and consulting resources, but to any employer willing to ask the right questions. This resource can help plan sponsors examine a contract the way a fiduciary should: provision by provision, against a defined standard, with nothing left unexamined in the fine print or obscured by vendor-defined terms.

This standard converts fiduciary duty from a legal abstraction into a standard an employer can apply directly. ERISA requires plan sponsors to act solely in the interest of participants and to see that the plan's costs are reasonable. That obligation extends fully to the pharmacy benefit, and it is not satisfied by accepting a vendor's representations at face value. It is satisfied by confirming, in the contract itself, that plan assets remain plan assets and that the sponsor retains the ability to verify this on an ongoing basis.

The stakes involved are real and meaningful. Every dollar a PBM is permitted to retain through a spread, an undisclosed fee, or a rebate excluded by contract definition is a dollar unavailable for the medication a participant requires at a price the plan can sustain. A deficient contract does more than increase cost. It limits the plan's capacity to direct employees and their families toward the appropriate medication at the lowest reasonable cost, which remains the fundamental purpose of offering a pharmacy benefit.

We encourage purchasers to take two actions in response to this resource. First, determine where their own contract currently stands. Second, treat terms such as “transparent,” “pass-through,” and “fiduciary aligned” as commitments to be verified rather than claims to be assumed.

The report findings can serve as a starting point for candid conversations with your current PBM, and as a practical tool when evaluating new PBM partners during a procurement or RFP. What a plan sponsor does with the results remains its own decision, but the absence of a tool to examine the question is no longer a valid explanation for inaction.

1. What Good Looks Like

For years, the most important health plan document was written to be unreadable. The contract.

The words that should have meant the most, like “transparent,” “pass-through,” “fiduciary aligned,” meant whatever the vendor wanted them to mean. You can’t hold anyone to a word you can’t define. And a whole industry was built on keeping those words hard to define.

As Dave Chase of Health Rosetta put it when they set out to measure health plan performance:

> **“Every dysfunction in healthcare is codified in health plan contracts.”**

If the dysfunction is codified there, then the contract is where you go to find it and fix it. And you can’t manage what you can’t measure. So Nautilus devised a way to measure it.

Contract X-Ray reads a PBM contract in detail. No word or phrase escapes measurement even when buried in the longest contract, most opaque language, and smallest fine print.

Contract X-Ray compares its findings against model contract language written by a panel of experts in benefits law, pharmacy contracting, and plan fiduciary duty. The panel grouped the model language into ten provisions and built a scoring rubric to measure the alignment between the ten provisions and the vendor contract language. See Appendix A: The Ten Provisions.

The rubric uses a 0 to 5 scoring scale: 0 when the contract language works against the plan, 1 when the contract is silent, 5 when it matches model language, and 2 to 4 for partial commitments in between. Each provision's 0 to 5 rating becomes a 0 to 100 score, the scale used throughout this report. Nautilus calibrated the results across contracts from PBMs of all sizes and business models.

After years of these terms being little more than marketing jargon, there is now a clear-cut way to measure and compare them across PBM contracts, something the market has never had.

2. What the Score Actually Measures

Contract X-Ray shines a light into contracts. But it works more like an MRI than a snapshot.

Each of the ten provisions is a thin slice, and each slice can be read alone or in combination to examine a different aspect of the contract in detail. Fiduciary alignment is all ten slices at once. Transparency is five of them. Pass-through is two. That’s how Contract X-Ray puts a precise, objective measure on terms the marketplace has distorted and vendor contracts have twisted. For example:

Fiduciary Alignment

Reads all 10 provisions

Does the contract hold the plan’s interests above the PBM’s?



DEFINITION	Every provision read at once, across all three domains: fiduciary conduct, financial integrity, and oversight and control. Transparency asks whether you can see the money. Alignment asks the harder question: does the contract, top to bottom, put the plan’s interests ahead of the PBM’s.
MEASUREMENT	All ten provisions, each weighted equally, combined into a single Fiduciary Alignment Score from 0 to 100. Excellent is 90 or higher.

Transparency

Reads 5 of 10 provisions

Can you see the money, and check it yourself?



DEFINITION Whether the plan knows where every dollar is meant to go and can prove it. Disclosure means the vendor shows every dollar paid and every dollar retained. Verification means the plan can check those figures itself, on data it owns, through an audit it controls.

MEASUREMENT Disclosure on pricing, rebates, and administrative fees. Verification on data ownership and audit rights. All five must clear Good, 75 of 100.

Pass-Through

Reads 2 of 10 provisions

Does the money stay a plan asset, or does the PBM keep a cut?



DEFINITION The plan pays the pharmacy's actual price, receives every manufacturer dollar, and pays only the administrative fee the contract names. It is not pass-through if the PBM retains a spread, a share of rebates, or other manufacturer compensation.

MEASUREMENT Pricing: actual cost, no retained spread or post-adjudication clawback. Rebates: every manufacturer dollar reaches the plan. Both must clear Good.

3. Two Questions the Basics Can't Answer

Measure the basics and harder questions surface, ones the market could never answer.

Procurement specialists and finance leaders asked for views into the questions they care about most, those tied to operational and financial control:

Data Sovereignty

Reads 5 of 10 provisions

Do you own your data, and control the money it documents?



DEFINITION Whether the plan owns its claims data and controls the economics that data is supposed to govern. Owning the data matters only if the plan can also audit on it, capture the rebate and manufacturer dollars it records, resist steering to channels the PBM owns, and hold the PBM to lowest net cost.

MEASUREMENT Per-provision floors on five provisions: data ownership, audit rights, rebate and manufacturer revenue, conflicts of interest and network neutrality, and lowest net cost. A designation requires clearing every floor, not an average.

Revenue Leakage

Reads 5 of 10 provisions

Are all the leak channels named and closed?



DEFINITION Whether the contract names and closes every channel margin can move through. A dollar the contract doesn't account for is a dollar the PBM keeps. Leakage hides in what a contract defines away, leaves open-ended, or fails to catch.

MEASUREMENT Reads pricing and rebates for what is defined away, administrative fees for what is left open-ended, and audit and network neutrality for whether revenue routed through an affiliate can still be caught.

4. Population Analytics Yield Entirely New Insights

Examining your own contract can yield plenty of insights. Comparing it against a whole population of contracts answers questions a single review never can.

Below are six questions Contract X-Ray can help fiduciaries answer about their contracts.

Question 1: Do PBMS live up to their marketing?

Transparency, pass-through, fiduciary alignment. Three words every PBM claims in their marketing. Each is now a score you can check against the contract.

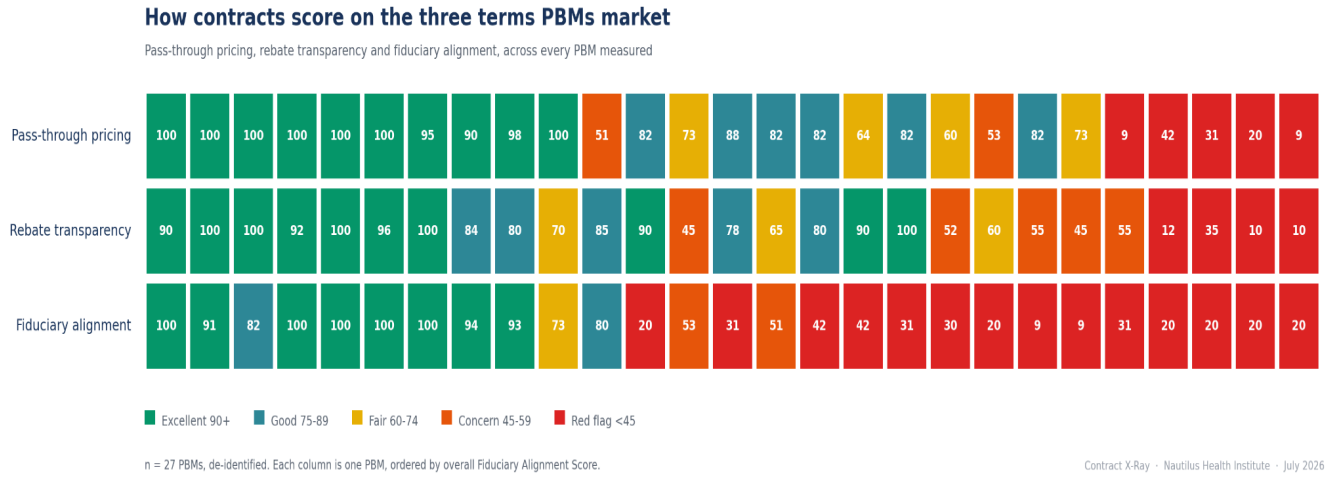


Figure 1. *How contracts score on the three terms PBMs market.*

Nine contracts cleared all three. Everyone else fails at least one, and often all three.

Question 2: Do you have the control you need?

Data, audit, carve out, and termination rights. These four provisions determine how much control you can exercise. Each is now a score you can check against the contract.

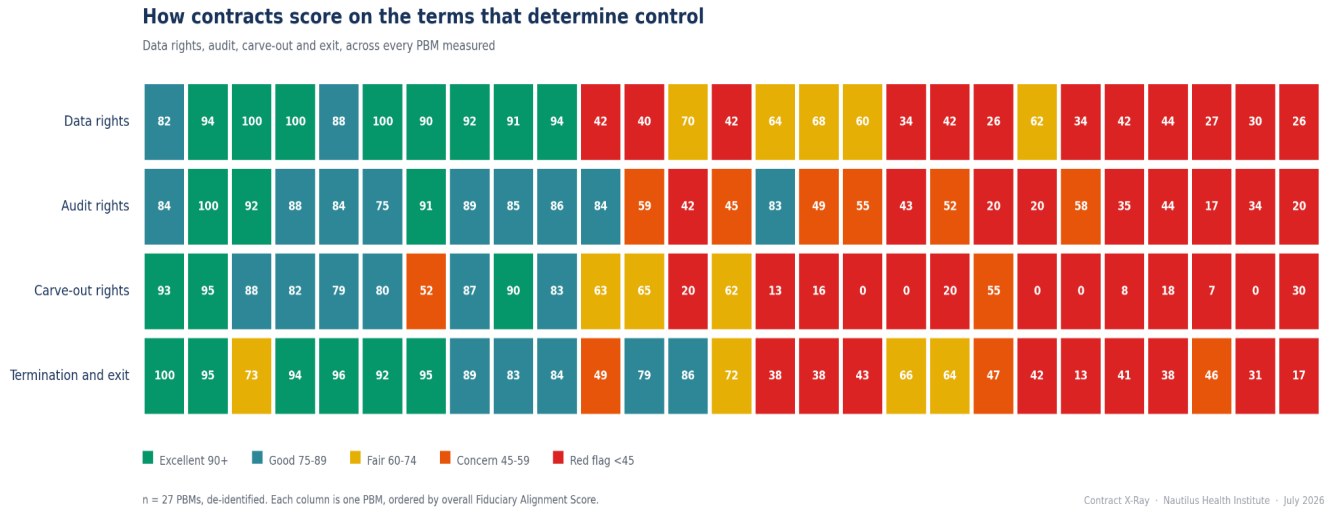


Figure 2. *How contracts score on the terms that determine control.*

The same nine give you control. Everyone else makes it hard to verify, audit, carve out, or leave.

Question 3: How does my contract compare?

Of 27 PBMs measured to date, nine reached Excellent. The median sits nearly forty points behind them at 54, and most fall into Red Flag territory.

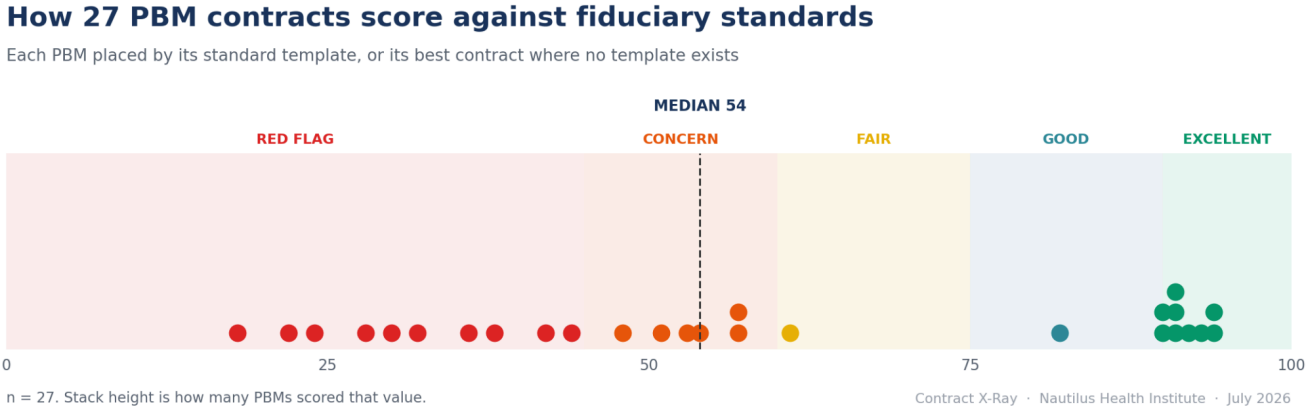


Figure 3. *How 27 PBM contracts score against fiduciary standards.*

The majority of the market falls into Concern and Red Flag territory, where the contract works for the PBM, not the plan.

Question 4: What determines a contract's score?

One thing predicts the score better than any single clause: how the PBM makes its money as reflected in contract provisions. Transparent pass-through averages 92. Spread-priced averages 32.

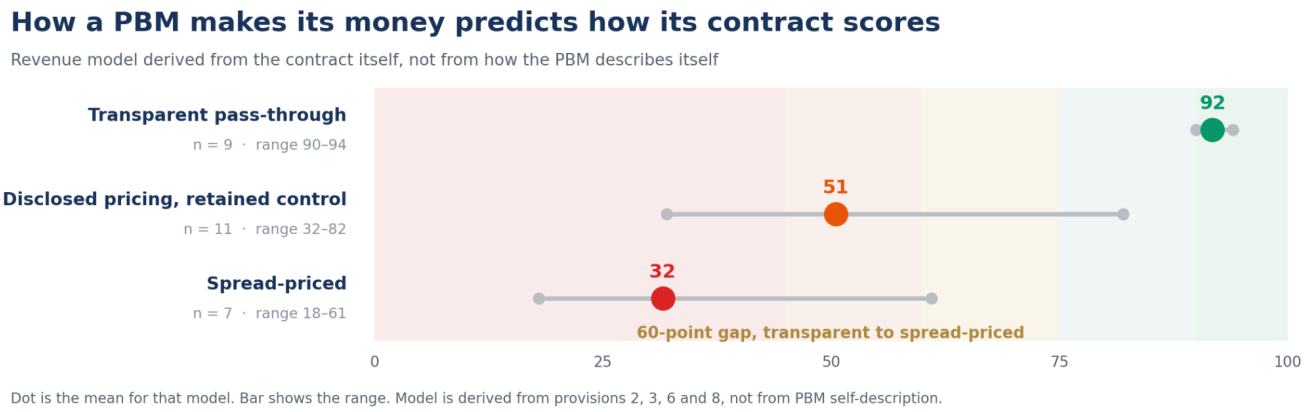


Figure 4. *How a PBM makes its money predicts how its contract scores.*

See how a PBM makes money and you know something before you even open the contract.

Question 5: Which contract terms fail most?

Six in ten contracts fail outright on conflict of interest, and more than half on fiduciary loyalty and carve-out rights. The two terms every PBM advertises, pass-through pricing and rebate transparency, fail the least.

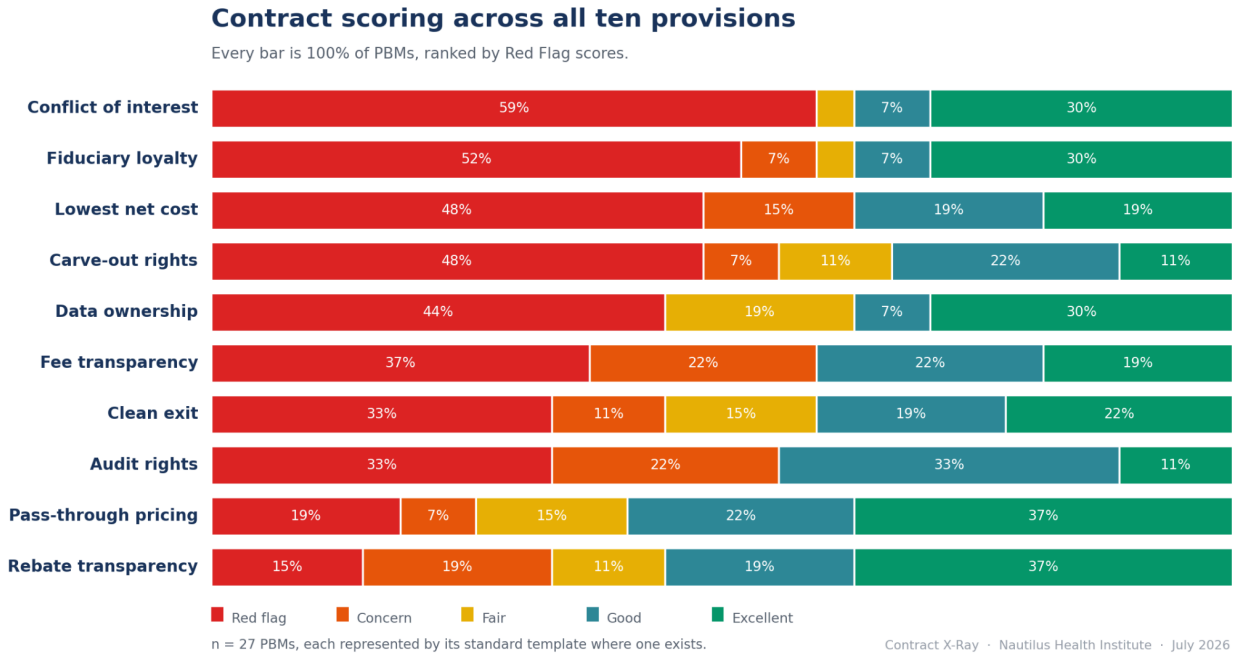


Figure 5. *Contract scoring across all ten provisions.*

The provisions that fail most are the ones to raise first. A PBM rarely offers them unasked.

Question 6: Is it possible to get a better contract?

On all ten provisions, a PBM has already signed near-perfect language.

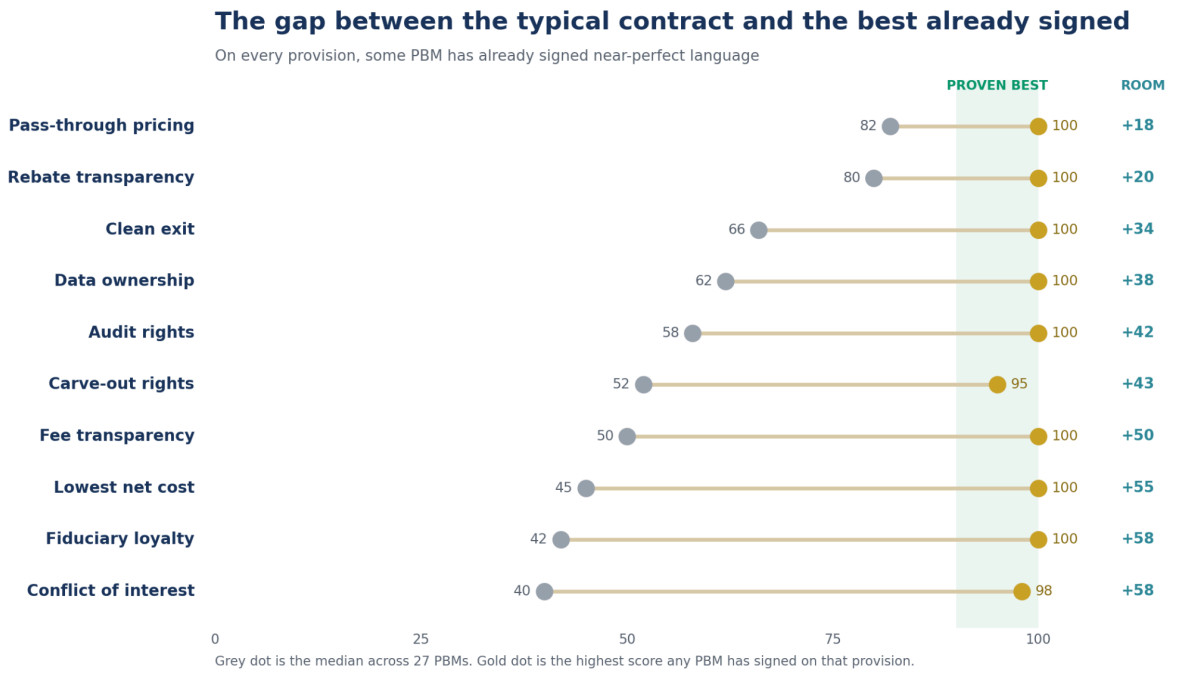


Figure 6. *The gap between the typical contract and the best already signed.*

Every point between your contract and the best one has already been conceded by a PBM.

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5. Are You CAA 2026 Ready?

CAA 2026 turned fiduciary best practices into law. Contract X-Ray measures whether they reached actual contracts.

The passage of CAA 2026 set an entirely new standard for disclosure. DOL rules, FTC actions, and new state laws created unprecedented protections for employers. The challenge comes from the sheer breadth of changes with each having different implications and timing that can be confusing.

Timing is the part most often misread, and the part worth getting right before anyone asks. CAA 2026 was signed on February 3, 2026. Most of its PBM reporting and rebate pass-through requirements take effect for plan years beginning on or after August 3, 2028, which means January 1, 2029 for calendar-year plans.

The expanded ERISA 408(b)(2) compensation disclosure arrives far sooner, reaching contracts entered into or renewed now. So a contract signed in 2026 or 2027 will still be in force when the rest of the law lands. The contracting cycle is what makes this urgent, not the compliance date.

Employers don’t have to wait for it all to be sorted out. What’s clear is there’s a growing consensus on what provisions a good contract should contain. Contract X-Ray helps plan sponsors in three ways.

1. **Forward-looking**. The ten provisions draw on CAA 2026, the DOL's proposed 408(b)(2) disclosure rule, FTC enforcement activity, and state PBM statutes, so you negotiate toward a CAA 2026 Ready contract.

2. **Employers are acting together.** A single employer negotiating alone faces the best-resourced legal teams in the country. National Alliance coalitions and members demanding the same standard, measured the same way, move the market faster than any one employer can.

3. **The market is moving**. Proactive PBMs are already adapting their contracts. For plan sponsors, getting a CAA 2026 Ready contract from these proactive PBMs is a simple request, not a long negotiation.

6. How Nine PBMs Rewrote Their Contracts

Nine PBMs did something rare. They willingly opened their contracts to be scored. Contract X-Ray identified where they met the standard and provided independent analysis on areas in need of remediation.

No contract started at the top. The first PBM contracts we scored came from employers, from their advisors, and through open procurements. Not one reached Good or Excellent.

The market had moved on but their contracts had not.

As purchasers brought the Contract X-Ray reports to the negotiation table and wrote the model language into their procurements, PBMs began asking what it would take to meet the standard.

The language is public, and the door is open to any PBM willing to adopt it.

Every PBM recognized in this report started below the standard. Two began in Red Flag, four in Concern, three in Fair. Not one began at Good. Each earned its way to Excellent by rewriting its contract, climbing from as low as 21 points. All nine reaching Excellent gained 39 points on average.

Their business practice was often sound. Their contract language was not. Contract X-Ray is designed to read what is explicitly in the contract. Not the marketing, or proposal prose, or verbal representations.

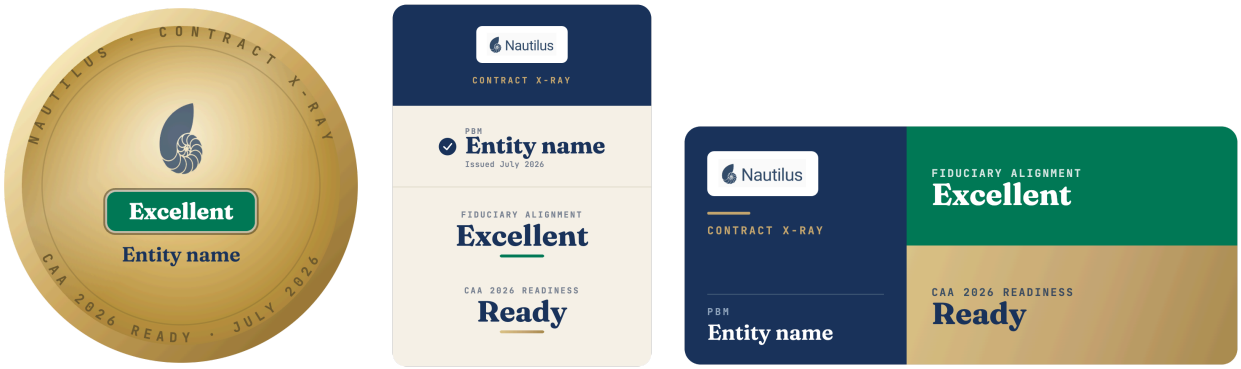
Nautilus scored each contract against the same rubric as every other contract in this report. By the end, all nine were found to be CAA 2026 Ready: a defensible place for plan sponsors to start an RFP, a market test, or a shortlist.

Reaching Excellent took real commitment on their part. For some, it took as many as five rounds of review, each one aligning the contract language closer to the standard.

A plan sponsor inherits all of that effort by asking these PBMs for a CAA 2026 Ready contract. The negotiation is short because the language is already settled. You ask a PBM for its CAA 2026 Ready contract, and that work is already done.

Two limits on the badge are worth stating plainly. It certifies a PBM's standard contract, so be sure to confirm the agreement in front of you matches the language scored here. And it reflects that contract as of the date scored.

To obtain a CAA 2026 Ready contract, look for these badges when evaluating PBMs:



7. CAA 2026 Ready Contracts

These nine PBMs earned their place in the first CAA 2026 Ready cohort. Each adopted Nautilus model language in their standard contract and now scores Excellent on fiduciary alignment.

This is recognition a contract earns when its terms meet the new standards. It can't be bought. Earning it means accepting contractual commitments that support the fiduciary obligations of plan sponsors.

The First CAA 2026 Ready Cohort

PBMs that chose to publicly disclose their Fiduciary Alignment Score.

	FIDUCIARY ALIGNMENT	CAA 2026
AffirmedRx PUBLIC BENEFIT CORPORATION	• Excellent	• Ready
DisclosedRx The Fiduciary and Fully Disclosed PBM®	• Excellent	• Ready
Lucy Rx	• Excellent	• Ready
RESCRIPTION TAKE CHARGE OF YOUR MEDICINE	• Excellent	• Ready
ServeYou Rx	• Excellent	• Ready
Slate Rx	• Excellent	• Ready
SmithRx	• Excellent	• Ready
US-Rx Care	• Excellent	• Ready
Ventegra®	• Excellent	• Ready

Figure 7. *Alphabetical listing of standard contracts scoring in the Excellent tier of 90 to 100.*

8. How Does The Rest Of The Market Compare?

Only 9 of 27 PBMs reached Excellent and make up the first CAA 2026 Ready cohort.



Figure 8. *CAA 2026 readiness: where 27 PBMs land.*

The other 18 are clustered in the Concern and Red Flag tiers. Every PBM in the Concern tier discloses pricing but still keeps control. Spread-priced contracts sink to the Red Flag tier. Vertically integrated PBMs cluster below the Red Flag line.

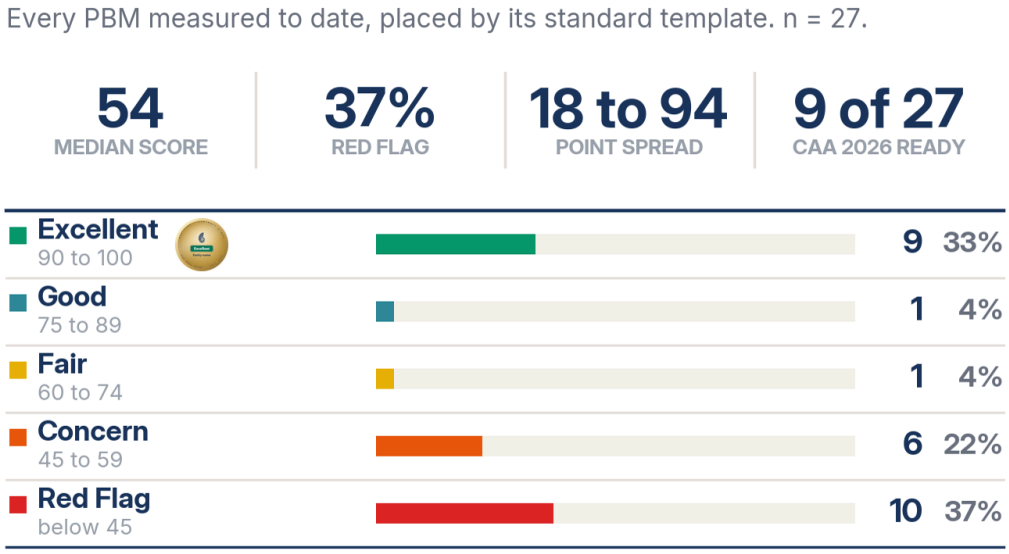


Figure 9. *Broader market statistics across all 27 PBMs.*

Most of the contracts sit below the point where a contract starts protecting the plan sponsor.

9. How These Contracts Were Measured

This report covers 27 PBM standard contracts scored between March and July 2026. PBM standard contracts came from the PBM and Employer evaluations. Additional employer-held contracts came from employers, their advisors, and open procurements.

Contract X-Ray scores a contract across ten provisions in three domains: Fiduciary Conduct, Financial Integrity, and Oversight and Control. Each provision is scored on the contract language as written, with a clause-level citation behind every judgment. The overall Fiduciary Alignment Score is the evenly weighted average of the ten.

A panel of benefits, legal, and PBM experts developed the methodology. If you see something in the methodology you would challenge, say so. We would rather be corrected than wrong.

The nine contracts in the CAA 2026 Ready cohort reached Excellent through rounds of revision following an initial score. Other contracts in this report were scored once, as written, with no remediation cycle.

Scoring Bands: Excellent 90 to 100, Good 75 to 89, Fair 60 to 74, Concern 45 to 59, Red Flag below 45. Think of it like report card grades where Excellent is rare and nobody should want to score below Good. A high score is meaningful because most contracts don’t earn one.

10. What This Report Is and Is Not

Every contract was scored on its language alone, by the same rubric, with a clause-level citation behind every judgment. No PBM paid to be included. The nine rated Excellent are not the PBMs we prefer. They are simply the PBMs whose contracts, as written, meet the standard. Nothing else.

No PBM paid any fee to be scored, to be remediated, or to be listed. Nautilus does not have a commercial arrangement with any of the PBMs. Scoring and remediation advice are performed by Nautilus authorized personnel with no ties to PBMs. Any PBM can participate. The methodology rates contract language, not companies. A strong result means the contract is sound. It says nothing about a PBM’s service, price, or fit, and choosing among sound contracts is still the plan’s responsibility.

The rating measures language, not conduct. A contract can score Excellent and still be administered poorly, and a PBM with sound practice can score badly because its contract never says so. This report speaks only to what the contract commits. Scoring is run only on contracts shared with proper consent or already in the public domain.

11. How to Participate and Use This Report

For plan sponsors and their advisors. Take full advantage of Contract X-Ray and the other resources available at nautilushealth.org/pbm.

1. **Educate your team.** Have them read the PBM Field Guide outlining everything they need to know to procure and contract a PBM.
2. **Build awareness with leadership.** Read The Middleman's Cut. Give a copy of the book and this report to the people who make plan decisions and control the budget.
3. **See where you stand.** Run a free Contract X-Ray Quick Look report. Consider a Full Assessment with a detailed Scorecard, Executive Brief, Negotiation Report, and Data Sovereignty Report.

4. **Adopt the language.** Ask your advisor and PBM to adopt CAA 2026 Ready Model Contract Clauses or require a CAA 2026 Ready contract as a condition to bid on your next procurement.
5. **Act together.** Encourage other peer companies to join the movement. The same terms, asked for by many, move the market faster than any one employer can.

One question comes up as soon as a sponsor sees its own score. Does knowing create exposure? Documenting a prudent process is protective, not incriminating. The committee minutes showing you measured the contract, raised the failing provisions, and recorded the response is the deliverable a fiduciary wants in the file. The risk runs the other way, toward having never asked.

Once you see it, you can change it.

12. About Nautilus

Nautilus Health Institute is a 501(c)(3) nonprofit advancing fiduciary-aligned contract standards for employer plan sponsors.

Contract X-Ray is its scoring platform and can be accessed at contractxray.com.

Visit www.nautilushealth.org/PBM for more information and other Nautilus resources.



Sean Schantzen, is a co-founder of Health Rosetta and the Executive Director of the Nautilus Health Institute. Sean leads Nautilus with a mission to establish open-source standards, model contracts, and data platforms to make fairness, accountability, and measurable outcomes the new norm in healthcare.



Steve Ditto is a healthcare executive with 30 years experience across health plans and health systems. He is a board adviser to the Nautilus Health Institute and leads the PBM Project and Contract X-Ray development. He is the author of *The Middleman's Cut* and the *Health Plan Compliance Advantage* newsletter.

Appendix A: The Ten Provisions

Every score in this report is built from these ten provisions, grouped in three domains. All ten together are the Fiduciary Alignment Score.

Domain 1 · Fiduciary Conduct. Does the PBM act in the plan's interest?

- **Fiduciary Loyalty.** Whether the contract commits the PBM to act in the plan's interest, not its own.
- **Conflicts of Interest and Neutrality.** Whether the PBM can steer to its own pharmacies or affiliates.
- **Lowest Net Cost and Clinical Integrity.** Whether the formulary is built for the lowest total cost of the right drug, not the highest rebate.

Domain 2 · Financial Integrity. Does the plan's money stay the plan's?

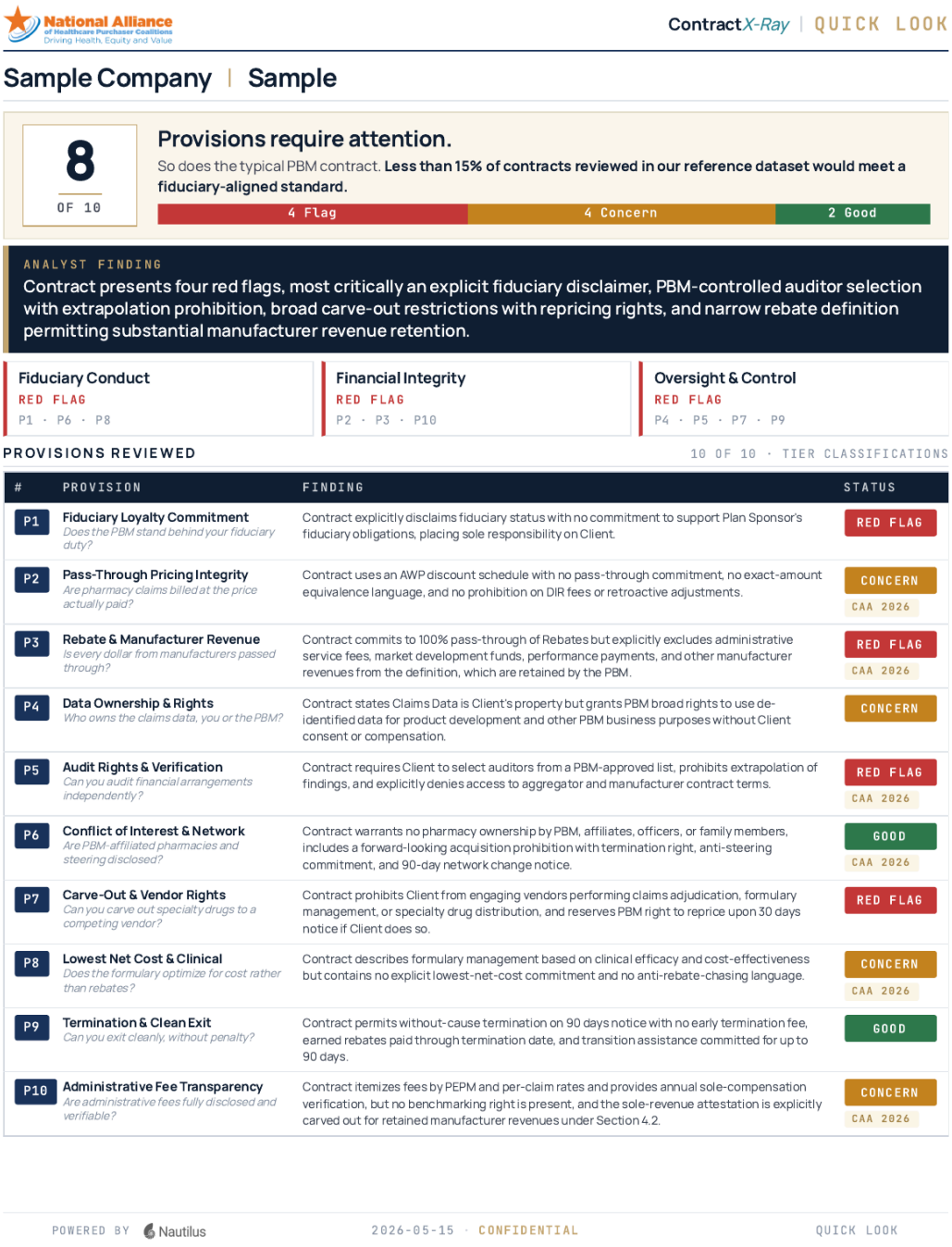
- **Pass-Through Pricing.** Whether the plan pays the pharmacy's actual cost, with no retained spread or post-adjudication clawback.
- **Rebate and Manufacturer Revenue.** Whether every manufacturer dollar reaches the plan.
- **Administrative Fee Transparency.** Whether every fee the PBM earns is named and disclosed.

Domain 3 · Oversight and Control. Can the plan sponsor see and enforce the deal?

- **Data Ownership.** Whether the plan owns its claims and pricing data and can leave with it.
- **Audit Rights.** Whether the plan can independently verify the numbers.
- **Carve-Out and Vendor Rights.** Whether the plan can adopt a better point solution without penalty.
- **Termination and Clean Exit.** Whether the plan can leave, and at what cost.

Appendix B: A Sample Analysis

Every Contract X-Ray analysis starts with a free Quick Look report, a two-page triage showing where each provision lands, a single recommendation, and a CAA 2026 readiness picture. This sample shows the methodology on a de-identified employer PBM contract.



National Alliance of Healthcare Purchaser Coalitions
Driving Health, Equity and Value

ContractX-Ray | QUICK LOOK

Sample Company | Sample

8 OF 10

Provisions require attention.

So does the typical PBM contract. **Less than 15% of contracts reviewed in our reference dataset would meet a fiduciary-aligned standard.**

4 Flag | 4 Concern | 2 Good

ANALYST FINDING

Contract presents four red flags, most critically an explicit fiduciary disclaimer, PBM-controlled auditor selection with extrapolation prohibition, broad carve-out restrictions with repricing rights, and narrow rebate definition permitting substantial manufacturer revenue retention.

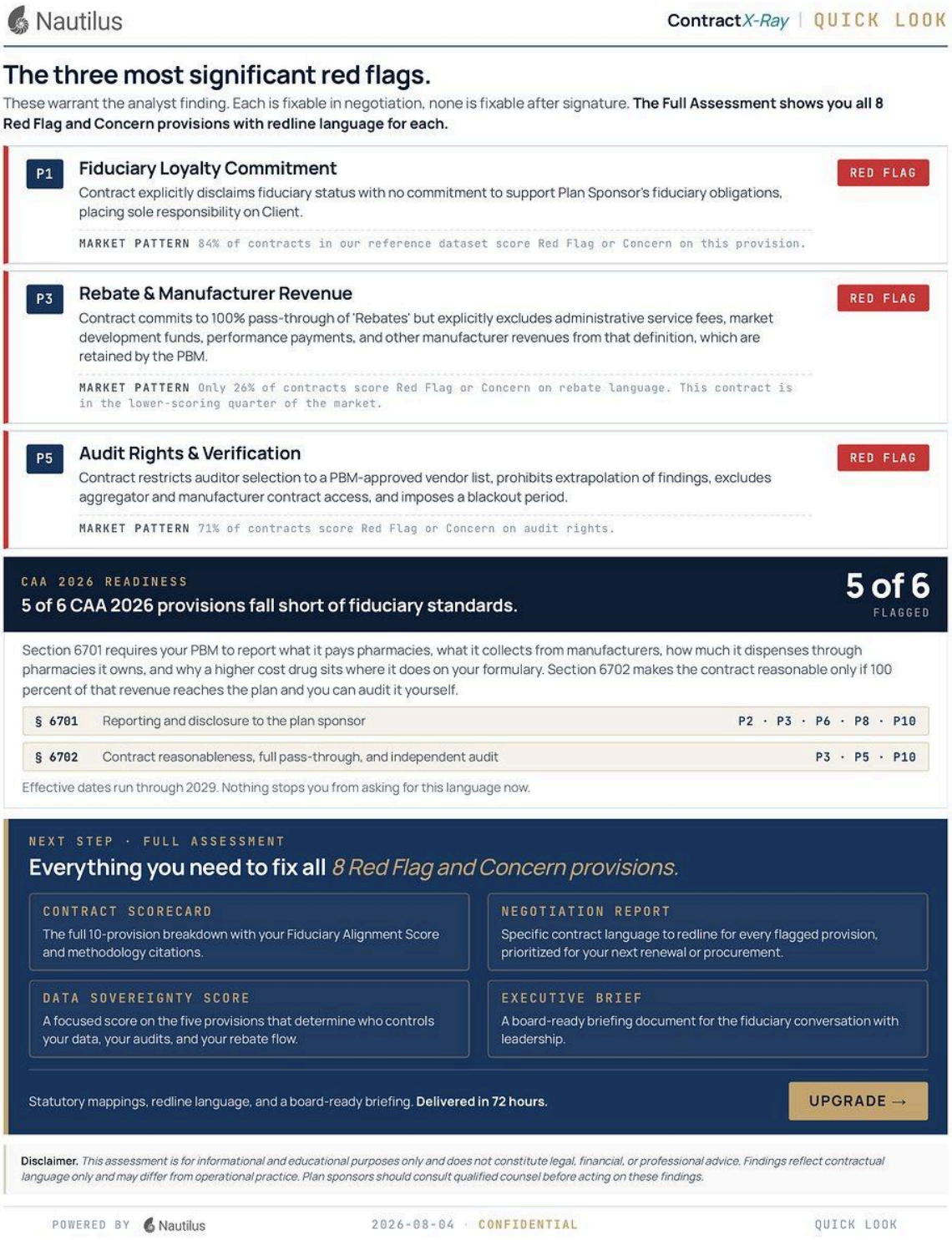
Fiduciary Conduct	Financial Integrity	Oversight & Control
RED FLAG	RED FLAG	RED FLAG
P1 · P6 · P8	P2 · P3 · P10	P4 · P5 · P7 · P9

PROVISIONS REVIEWED — 10 OF 10 · TIER CLASSIFICATIONS

#	PROVISION	FINDING	STATUS
P1	**Fiduciary Loyalty Commitment** *Does the PBM stand behind your fiduciary duty?*	Contract explicitly disclaims fiduciary status with no commitment to support Plan Sponsor's fiduciary obligations, placing sole responsibility on Client.	RED FLAG
P2	**Pass-Through Pricing Integrity** *Are pharmacy claims billed at the price actually paid?*	Contract uses an AWP discount schedule with no pass-through commitment, no exact-amount equivalence language, and no prohibition on DIR fees or retroactive adjustments.	CONCERN CAA 2026
P3	**Rebate & Manufacturer Revenue** *Is every dollar from manufacturers passed through?*	Contract commits to 100% pass-through of Rebates but explicitly excludes administrative service fees, market development funds, performance payments, and other manufacturer revenues from the definition, which are retained by the PBM.	RED FLAG CAA 2026
P4	**Data Ownership & Rights** *Who owns the claims data, you or the PBM?*	Contract states Claims Data is Client's property but grants PBM broad rights to use de-identified data for product development and other PBM business purposes without Client consent or compensation.	CONCERN
P5	**Audit Rights & Verification** *Can you audit financial arrangements independently?*	Contract requires Client to select auditors from a PBM-approved list, prohibits extrapolation of findings, and explicitly denies access to aggregator and manufacturer contract terms.	RED FLAG CAA 2026
P6	**Conflict of Interest & Network** *Are PBM-affiliated pharmacies and steering disclosed?*	Contract warrants no pharmacy ownership by PBM, affiliates, officers, or family members, includes a forward-looking acquisition prohibition with termination right, anti-steering commitment, and 90-day network change notice.	GOOD CAA 2026
P7	**Carve-Out & Vendor Rights** *Can you carve out specialty drugs to a competing vendor?*	Contract prohibits Client from engaging vendors performing claims adjudication, formulary management, or specialty drug distribution, and reserves PBM right to reprice upon 30 days notice if Client does so.	RED FLAG
P8	**Lowest Net Cost & Clinical** *Does the formulary optimize for cost rather than rebates?*	Contract describes formulary management based on clinical efficacy and cost-effectiveness but contains no explicit lowest-net-cost commitment and no anti-rebate-chasing language.	CONCERN CAA 2026
P9	**Termination & Clean Exit** *Can you exit cleanly, without penalty?*	Contract permits without-cause termination on 90 days notice with no early termination fee, earned rebates paid through termination date, and transition assistance committed for up to 90 days.	GOOD
P10	**Administrative Fee Transparency** *Are administrative fees fully disclosed and verifiable?*	Contract itemizes fees by PEPM and per-claim rates and provides annual sole-compensation verification, but no benchmarking right is present, and the sole-revenue attestation is explicitly carved out for retained manufacturer revenues under Section 4.2.	CONCERN CAA 2026

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Sample Quick Look report, page 1 (de-identified employer)



Sample Quick Look report, page 2

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This report describes contracts scored by Contract X-Ray on contract language as written. Inclusion of a PBM reflects its decision to disclose and is not an endorsement or certification.