Employers Are Buying Drugs Directly to Cut Out Payers, PBMs

A new crop of companies are hoping to sell drugs directly to employers, potentially hurting payers and their PBMs in the process.

By Jiselle Lee | October 28, 2026

Listen to this story

Pharmaceutical companies are finding increasingly creative ways to sell drugs directly to employers, cutting payers and their pharmacy benefit managers out of the equation.

The trend first emerged with popular GLP-1s, where a supply shortage, high sticker costs and spotty insurance coverage pushed many people to seek out compound versions of the drugs on alternative platforms such as **Hims & Hers** and **Ro**. These companies took it a step further, compounding other popular drugs for sexual health, attention-deficit/hyperactivity disorder and hair loss, among others.

They largely grew by selling drugs to patients directly, not through their employer-sponsored coverage. But as pharmaceutical costs take up an increasing share of money that employers set aside for healthcare bills, some are looking to alternative platforms to help them acquire medications for their workers.

For example **Andel**, a startup based in New York City, has leveraged its employer network to strike up two new deals: adding **Novo**'s **Wegovy** to its drug list and using **Humana** affiliate pharmacy **CenterWell** to distribute eight kinds of immunology drugs.

Andel's founder and CEO **Jay Bregman** told Health Payer Specialist his company takes over and replaces prior authorizations, and connects employers to several drug manufacturers through its own app-based marketplace.

Employers need several options because they don't know what medications their workers are on, he said. The company also has a partnership with **Eli Lilly**.

"[Pharma companies] had the idea, but they just couldn't execute it because that's not their business," Bregman said. "No pharma company can figure out how to work with the other pharma companies. There has to be a marketplace to have them all together. I think that's where we add value."

Through its app, Andel will offer immunology drugs that will be mailed by Humana's dispensing pharmacy CenterWell. Also known as anti-inflammatory drugs, these medications fight off inflammatory diseases and are in the highest-cost specialty category, at more than $22 per member per month, according to Andel.

This is a role that would previously be filled by a pharmacy benefit manager. However, the PBM industry is earning a bad reputation, eating much of the blame for high costs in the U.S., and new models are shifting away from traditional discount-based pricing and moving toward flat-fee and cost-plus models.

For example, employers pay Andel a cash contribution for every drug, from $100 to as much as 100% of the sticker cost. The startup coordinates with the pharmacy and eventually pays the drug dispenser their share.

With a fee-per-prescription model, payers that are also third-party administrators for employee health plans are no longer needed to oversee this domain. This would cut into the business of payers that manage a lot of group insurance such as **Cigna** and **Elevance Health**.

Lilly and Novo have also partnered with other online healthcare platforms like **Waltz Health** to administer its weight-loss drugs directly to employers. Waltz's former CEO and President Jeff Park was just named the new president of **Elevance Health** affiliate Elevance subsidiary **Carelon** — a potential sign this new venture is gaining respect across the industry.

Hurdles to Clear

Some consultants are more skeptical about how far direct-to-employer platforms can expand, especially when three national pharmacy benefit managers control

roughly 80% of the market.

"The direct-to-employer process should make it more transparent and simpler for the employees and the employer. The problem is you have to disaggregate the whole model," said **Amy Ball**, chief consulting officer at **Innovative Rx Strategies**, which advises employers who are seeking pharmacy benefit management services.

Ball said that it is unlikely to flip the system where drug manufacturers are paying the pharmacy benefit managers rebates through the discount-pricing model.

"I don't see all the manufacturers running to do direct-to-employer for other drugs that are routinely covered by most plans," she said.

Specialty drugs, including immunology or weight-loss drugs, are still the main areas of growth for these platforms because employers need to shoulder most of the costs.

So, as long as people cannot afford to pay full price, direct-to-employer platforms can benefit from this niche.

"I think the person who comes up with a way to contract directly with manufacturers for cost net of rebates is going to be the one that wins in the whole scheme of things," she said.