



GOODRX: A PRESCRIPTION FOR DRUG SAVINGS

As Ann Kim entered the patient's room, she was relieved to see that she was ready and eager to go home; this particular stay in the intensive care unit had extended significantly beyond the anticipated three days. Kim came to counsel the patient on her discharge medications, which included a prescription for enoxaparin, an injectable anticoagulant to treat blood clots. As Kim explained the details of the medication and the anticipated \$788.94 out-of-pocket cost (the patient did not have insurance), the patient's jaw dropped, and she confessed that she could not afford the medicine. Without the means to fill the prescription, the patient would have to remain in the hospital because she did not have a safe discharge plan. If she left without the medication, she would risk exacerbating her condition and would likely face readmission.

Kim returned to her office to research whether the manufacturer offered any coupons or discount cards but instead stumbled upon GoodRx. She was previously unaware of the service and began exploring the GoodRx options. She typed in the patient's prescription details and a coupon immediately appeared, allowing the patient to pay only \$87.05 (an 89 percent savings) at the nearby pharmacy. She printed the coupon and excitedly returned to the patient's room to tell her the good news.

Technology innovation continued to revolutionize the practice of medicine, especially in the realm of prescription medications. But these advances were not without cost or controversy, generating a national debate surrounding the value of the U.S. pharmacy market, which totaled \$527 billion in 2022.¹ In the United States, patients could find prescription medication prices through three different channels: at the pharmacy; through their insurance; or by searching for prices online, though the online search approach often proved unreliable. GoodRx was launched in 2011 to create

¹ U.S. Pharmacy Market Size, Share & Trends Analysis Report By Product Type (Prescription, OTC), By Pharmacy Type (Hospital Pharmacy, Retail Pharmacy, ePharmacy), By Ownership, And Segment Forecasts, 2023 - 2030, Grand View Research, <https://www.grandviewresearch.com/industry-analysis/us-pharmacy-market-report> (February 17, 2024).

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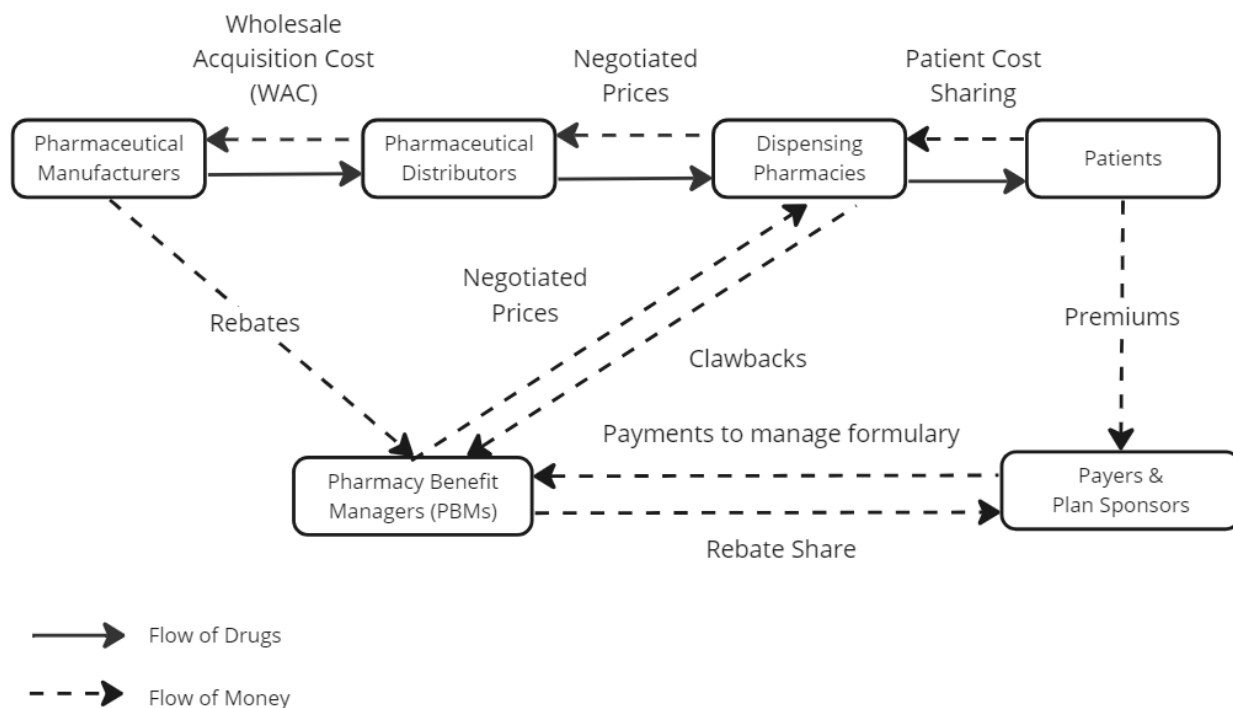
a platform where patients could get “free access to transparent and lower prices for brand and generic medications.”² By early 2024, the service had saved patients over \$65 billion in prescription costs and had made medications more accessible, especially for those who lacked health insurance.³

Over the years, GoodRx expanded its services to include telemedicine, veterinary medicine, a prescription subscription service, and even manufacturing of generics. These services, however, had not matched the success of their prescription savings program. With impending regulatory pressure on the pharmaceutical industry, changes in the company leadership, and the increased scrutiny of pharmacy benefit managers (PBM) practices, the GoodRx business model could face significant challenges going forward.

EVOLUTION OF THE PHARMACEUTICAL SUPPLY CHAIN

The U.S. pharmaceutical industry had long consisted of several key entities that contributed to the pharmaceutical supply chain, spanning from drug conception to consumption. Hidden from the public eye were the complex relationships and transactions that influenced the price of prescription medications for patients, payers, and society (Figure 1).

Figure 1: Traditional Pharmaceutical Supply Chain



Source: Original infographic produced by authors.

² “The GoodRx Effect: Delivering a Transformative Impact on the U.S. Healthcare System Through Prescription Savings,” GoodRx, January 11, 2024, <https://investors.goodrx.com/news-releases/news-release-details/goodrx-effect-delivering-transformative-impact-us-healthcare> (February 16, 2024).

³ Ibid.

Pharmaceutical Manufacturers

Research and development in drug discovery involved a lengthy process, which could last 10 to 15 years and cost up to \$2.3 billion.⁴ In the U.S. pharmaceutical market, companies (sponsors) applied for patents around their novel drug discoveries as a means of protecting their investment. Generally, while these patents remained in force, the only versions of the product on the market were the branded drugs manufactured by the original sponsor. There were two pathways to United States Food and Drug Administration (FDA) approval of new drugs: the small molecule pathway (New Drug Application – NDA), and the biologics pathway (Biologics License Application – BLA). For the NDA pathway, FDA approval included market exclusivity benefits preventing competitors, including generic manufacturers, from entering the market. Market exclusivity typically lasted five years for new chemical entities and seven years for drugs treating rare diseases, with potential extensions if certain conditions were met.⁵ Biologics approved under the BLA pathway had a longer period of exclusivity, 12 years.⁶ Once the patent expired, other manufacturers could produce the medicine as a generic (or biosimilar in the case of biologics).

Unlike the requirements for approval of novel therapies, generic drug approvals were streamlined through a third approval pathway, the Abbreviated New Drug Application (ANDA). Generic drug development was substantially less expensive and lengthy because the process relied on the extensive animal and human studies brand manufacturers had to undertake to demonstrate the safety and efficacy of the therapy. Thus, the generic approval process did not require new clinical studies. Generic drug manufacturers only needed to demonstrate that their generic version was bioequivalent to the brand-name product. When a drug patent expired, competition from multiple manufacturers entering the market resulted in lower prices for the generic version of a drug.⁷

Generic medications in the early 2020s accounted for 90 percent of prescriptions filled by Americans, while the remaining prescriptions were dispensed as brand-name medications. However, the cost of brand-name medications was significantly higher than those of generic drugs. As a result, 80 percent of the prescription drug spending in the United States involved brand-name medications.⁸ In 2023, the three leading pharmaceutical manufacturers by revenue were Johnson & Johnson, F. Hoffmann-La Roche AG (Roche), and Merck.⁹

⁴ “Research and Development in the Pharmaceutical Industry,” Congressional Budget Office, April 2021, <https://www.cbo.gov/publication/57126#> (December 4, 2023).

⁵ “Frequently Asked Questions on Patents and Exclusivity,” U.S. Food and Drug Administration, February 5, 2020, <https://www.fda.gov/drugs/development-approval-process-drugs/frequently-asked-questions-patents-and-exclusivity> (December 4, 2023).

⁶ Background Information: List of Licensed Biological Products with Reference Product Exclusivity and Biosimilarity or Interchangeability Evaluations (Purple Book), U.S. Food and Drug Administration, August 3, 2020, <https://www.fda.gov/drugs/biosimilars/background-information-list-licensed-biological-products-reference-product-exclusivity-and> (February 16, 2024).

⁷ “Generic Drugs: Questions and Answers,” U.S. Food and Drug Administration, March 6, 2021, <https://www.fda.gov/drugs/frequently-asked-questions-popular-topics/generic-drugs-questions-answers> (December 6, 2023).

⁸ “Trends in Prescription Drug Spending,” U.S. Department of Health and Human Services, September 2022, <https://aspe.hhs.gov/sites/default/files/documents/88c547c976e915fc31fe2c6903ac0bc9/sdp-trends-prescription-drug-spending.pdf> (December 4, 2023).

⁹ Kevin Dunleavy “The top 20 pharma companies by 2023 revenue,” Fierce Pharma, April 15, 2024 <https://www.fiercepharma.com/pharma/top-20-pharma-companies-2023-revenue> (April 29, 2024).

Pharmaceutical Distributors

Pharmaceutical distributors, or wholesalers, played a crucial role in the pharmaceutical supply chain. They purchased medications in bulk from pharmaceutical manufacturers and subsequently distributed them to pharmacies, hospitals, nursing homes, and clinics. This market was based on the wholesale acquisition cost (WAC)—the manufacturer’s list price. Distributors often paid less than WAC after accounting for discounts they negotiated with the manufacturer. Three major distributors—Cardinal Health, McKesson Corporation, and Amerisource Bergen—dominated the market and collectively accounted for more than 90 percent of pharmaceutical distribution in the United States.¹⁰

Distributors were required to obtain a license from the FDA to function as a pharmaceutical wholesaler. During the 2010s, the FDA introduced new regulations mandating a uniform nationwide licensing standard for wholesalers. This measure was designed to safeguard the integrity of the drug supply chain by mitigating drug diversion and preventing the distribution of counterfeit, stolen, or contaminated medications. Compliance with the new regulation entailed several criteria including regular facility inspections and comprehensive background checks for personnel.¹¹

Dispensing Pharmacies

While in theory retail pharmacies had the option to purchase directly from manufacturers, partnering with pharmaceutical distributors remained a more efficient and cost-effective option for most of these pharmacies. Distributors could supply a broad range of products and benefited from bulk discounts negotiated with manufacturers, lowering unit costs. Additionally, distributors offered pharmacy services to help streamline inventory management activities for retail pharmacies.¹²

Patients typically filled their prescriptions at a pharmacy either by bringing a paper copy of the prescription to the pharmacy, having the provider call in the prescription or, most commonly, having their health care provider send the prescription electronically to the pharmacy. The pharmacy would then fill the prescription, with a pharmacist analyzing its accuracy and validity, reviewing clinical factors such as drug-drug interactions, ensuring the correct medication was dispensed, and automatically submitting the prescription order for payment to the patient’s insurance provider or pharmacy benefits manager.

If there were any issues with the patient’s prescription or payment, the pharmacy staff could contact the patient, the health care provider, or the insurance provider to resolve it. However, disjointed prescription processing communication systems made this process cumbersome and time-intensive, even though the widespread adoption of electronic prescribing (e-prescribing) platforms had simplified the process for sending a prescription to a pharmacy. Further, in 19 states,

¹⁰ Elizabeth Seeley, “The Impact of Pharmaceutical Wholesalers on U.S. Drug Spending,” The Commonwealth Fund, <https://www.commonwealthfund.org/publications/issue-briefs/2022/jul/impact-pharmaceutical-wholesalers-drug-spending> (December 22, 2023).

¹¹ “National Standards for the Licensure of Wholesale Drug Distributors and Third-Party Logistics Providers,” U.S. Food and Drug Administration, <https://www.fda.gov/media/155954/download> (December 12, 2023).

¹² Committee on Understanding the Global Public Health Implications of Substandard, Falsified, and Counterfeit Medical Products; Board on Global Health; Institute of Medicine; GJ Buckley and LO Gostin, editors, *Countering the Problem of Falsified and Substandard Drugs*, National Academies Press, 2013, Ch. 5: “Weaknesses in the Drug Distribution Chain,” <https://www.ncbi.nlm.nih.gov/books/NBK202523/> (December 12, 2023).

all prescriptions for small-molecule medications were automatically substituted with a chemically equivalent generic if one was available, unless the patient or their health care provider specified that the prescription should be dispensed with a brand-name medication. The remaining states permitted but did not require generic substitution.¹³

Surescripts had become the most common e-prescribing platform, enabling e-prescribing since 2001.¹⁴ E-prescribing, however, did not begin to gain widespread traction until the implementation of the Medicare Modernization Act of 2003, which established standards for the implementation and use of e-prescribing.¹⁵ This was followed by several regulatory developments over the next decade,^{16, 17, 18, 19} transforming patient care by integrating prescription history with medical records and streamlining prescription processing from the doctor's office to the pharmacy.

E-prescribing also revolutionized the fulfillment of prescriptions through mail-order pharmacies. Before the 1980s, sending prescriptions through the mail was a known, but uncommon, practice that began with the Veterans Administration in 1946. The growth of the internet during the 1990s increased the cost-effectiveness and convenience of these pharmacies.²⁰ A seasoned pharmacist from Express Scripts, one of the largest mail-order pharmacies in the United States, highlighted e-prescribing as the technology with the largest impact on mail-order pharmacies.²¹

Prescription Financing Models

In the United States, 92.1 percent of patients have either private health insurance (such as UnitedHealthcare and Blue Cross/Blue Shield) or public health insurance (Medicare and Medicaid) providers.²² For private insurance, insurance could be obtained through employment or via a state-level individual health care market insurance plan (Obamacare exchanges). Health insurance typically included prescription drug coverage, but there were wide variations in how coverage was administered, formularies, cost-sharing structures, costs of premiums, and pharmacy and provider networks.

¹³ SA Sacks, VL Van de Wiele, LA Fulchino, L Patel, AS Kesselheim, and A Sarpatwari, "Assessment of Variation in State Regulation of Generic Drug and Interchangeable Biologic Substitutions," *JAMA Internal Medicine*, 2021;181(1):16–22, <https://jamanetwork.com/journals/jamainternalmedicine/fullarticle/2769770> (December 21, 2023).

¹⁴ "Our History: Built to make healthcare better for all," Surescripts, <https://surescripts.com/who-we-are/our-history> (December 21, 2023).

¹⁵ "E-Prescribing," Centers for Medicare and Medicaid Services, September 6, 2023, https://www.cms.gov/medOur_History/Surescriptsicare/regulations-guidance/electronic-prescribing (January 7, 2023).

¹⁶ "FAQS About Affordable Care Act and Consolidated Appropriations Act, 2021 Implementation Part 57," op. cit.

¹⁷ Cynthia Tudor, "Supporting Electronic Prescribing under Medicare Part D," Memo, Centers for Medicare and Medicaid Services, September 19, 2008, <https://www.cms.gov/files/document/supporting-electronic-prescribing-under-medicare-part-d-hpms-memorandum-september-19-2008.pdf> (December 22, 2023).

¹⁸ "Final Rule: Transfer of Electronic Prescriptions for Schedules II-V Controlled Substances Between Pharmacies for Initial Filling," U.S. Department of Justice Drug Enforcement Agency, July 27, 2023, <https://www.govinfo.gov/content/pkg/FR-2023-07-27/pdf/2023-15847.pdf> (December 30, 2023).

¹⁹ Meghan Hufstader Gabriel and Matthew Swain, "E-Prescribing Trends in the United States Meghan," Office of the National Coordinator for Health Information Technology, Office of Planning, Evaluation, and Analysis, July 2014, <https://www.healthit.gov/sites/default/files/oncdatabriefe-prescribingincreases2014.pdf> (January 7, 2023).

²⁰ Nicole Kruczek, "What is the Role of the Mail-Order Pharmacy?" *Pharmacy Times*, January 20, 2020, <https://www.pharmacytimes.com/view/what-is-the-role-of-the-mail-order-pharmacy> (January 7, 2024).

²¹ "Celebrating 35 years of home delivery for Express Scripts Pharmacy," Express Scripts, February 1, 2022, <https://www.express-scripts.com/pharmacy/blog/35-years-of-home-delivery> (January 7, 2024).

²² "Percentage of People by Type of Health Insurance Coverage and Change From 2021 to 2022," U.S. Census Bureau, <https://www.census.gov/content/dam/Census/library/visualizations/2023/demo/p60-281/figure1.pdf> (December 22, 2023).

In the 1950s, pharmacy benefits managers emerged to address the need for management of prescription drug benefits.²³ Health plan sponsors (employers, insurers, or public programs) contracted with PBMs to manage prescription drug benefits, which could include establishing a retail pharmacy network of contracted pharmacies, setting up a formulary, and negotiating rebates or cash payments from the manufacturer to the PBM. PBMs, in turn, shared the rebates with the health plan sponsor. Over the years, the role of PBMs in overseeing crucial aspects of the drug access and supply chain had expanded significantly. The three largest PBMs operating in the United States in 2023 were United Healthcare’s Optum, Cigna’s Express Scripts, and CVS Aetna’s Caremark. Combined, the three PBMs processed 79 percent of all U.S. prescription claims.²⁴ PBMs, such as Aetna CVS Health and Cigna’s Express Scripts, might also own retail or mail-order pharmacies.

On the retail pharmacy side of the transaction, the negotiating power of PBMs stemmed from the economics of the PBM networks, where being in the network provided pharmacies access to more patients and consequently increased prescription sales (and helped the pharmacy receive volume-based discounts from distributors²⁵). PBMs often had their greatest negotiating leverage in contracting with independent pharmacies.

PBMs also negotiated prices with drug manufacturers. Although PBMs could obtain some savings through negotiations with the retail pharmacy, ultimately, these savings were limited because the pharmacy paid for products based on the WAC price. In order to garner greater savings, PBMs negotiated with manufacturers for a rebate payment based on the WAC price charged to the pharmacy. This was a direct transaction between the PBM and the manufacturer and did not involve the distributor or pharmacy. The manufacturer paid rebates to the PBM based on total volume of products purchased nationally. The price the manufacturer received after a rebate was the net price, which could be a fraction of the WAC price. For popular drugs like Ozempic, the net price was approximately 50 percent of the WAC price in 2019.²⁶ In 2019, 3 of 13 manufacturers provided rebates (and other discounts in the form of chargebacks) of over 100 percent of the net price of a drug across their entire portfolio of products. In 2019, \$141.4 billion in rebates and chargebacks generated \$209.9 billion in net sales for 13 pharmaceutical firms that were studied.²⁷

The primary tool PBMs used to secure a rebate was a drug formulary. The PBM’s decision to include a drug in the formulary involved a comprehensive evaluation, including clinical practice guidelines, the drug’s cost, efficacy, safety, and other pertinent considerations. Formularies assigned medications to copayment or coinsurance preferred or non-preferred “tiers,” typically consisting of two generic and three brand tiers. Products with preferred formulary placement (lower cost-sharing) generated higher revenue for the manufacturer.²⁸ Beyond formulary tier

²³ L. R. Burns, *The Healthcare Value Chain: Demystifying the Role of GPOs and PBMs*, Palgrave Macmillan, 2022.

²⁴ T.J. Mattingly, D.A. Hyman, and G. Bai, “Pharmacy Benefit Managers: History, Business Practices, Economics, and Policy,” *JAMA Health Forum*, 2023;4 (11): e233804, <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2811344> (February 16, 2024).

²⁵ “Follow the Pill: Understanding the Prescription Drug Supply Chain,” Avalere, <https://avalere.com/insights/follow-the-pill-understanding-the-prescription-drug-supply-chain> (January 7, 2024).

²⁶ I. Hernandez, “Decomposition of Pharmaceutical Manufacturer Discounts into Voluntary and Mandatory Discounts for Glucagon-Like Peptide-1 Receptor Agonists,” HMPI.org, September 1, 2023, <https://hmpi.org/2023/09/19/decomposition-of-pharmaceutical-manufacturer-discounts-into-voluntary-and-mandatory-discounts-for-glucagon-like-peptide-1-receptor-agonists/> (February 16, 2024).

²⁷ E.P. Weinstein and K. Schulman, “Exploring payments in the US pharmaceutical market from 2011 to 2019: Update on pharmacy benefit manager impact,” *American Heart Journal*, 2020, pp:107-110, <https://doi.org/10.1016/j.ahj.2020.06.017> (February 16, 2024).

²⁸ Mattingly, et al., “Pharmacy Benefit Managers: History, Business Practices, Economics, and Policy,” op. cit.

placement, over the past decade PBMs had developed a practice of formulary exclusion if the manufacturer did not provide enough of a rebate on their products.²⁹ Should a manufacturer's brand medication be excluded from the formulary or placed on a less favorable tier, they might offer coupons to increase access to their medication. Access to these coupons, however, could prove difficult due to the cumbersome application process and inconsistent eligibility criteria across manufacturers.³⁰ PBMs further managed the patient's utilization of pharmaceuticals through processes such as prior authorizations and cost-sharing mechanisms such as deductibles and co-payments.³¹

Prescriptions were processed as a cash-pay transaction if a patient could not (or chose not to) use health insurance to pay for the medication.

Pharmacies generally did not post retail prices for medications. The list price for a cash-pay medication at a pharmacy was called the usual and customary (U&C) price. The cash price of a prescription was often higher than what it would cost with insurance, and was dependent on the pharmacy's U&C price and additional dispensing fees.³² The U&C price was higher than the WAC price and was set by each pharmacy to ensure that they did not underprice their PBM contracts.³³ PBMs paid the lower of the U&C price or the PBM contract price, but the pharmacy did not know the PBM pricing when they set their U&C price, which led to artificially high U&C prices (which were an issue only for patients paying cash, rather than relying on a health care network). There were data to approximate the contribution of each entity within the pharmaceutical supply chain to brand and generic prescription costs (Exhibit 3).³⁴

Simultaneous increases in prescription drug prices and the prevalence of high-deductible health plans (HDHPs) helped make prescription drug prices a growing problem for patients.³⁵ In 2023, 29 percent of patients with employer-sponsored insurance had an HDHP.³⁶ These patients had to pay for their health care costs up to the deductible amount—which could run several thousand dollars. To assist with covering these costs, some patients used a health savings account (HSA) to help pay for the deductible.

Patients were not able to access the itemized breakdown of the cost of a prescription as these details were part of a confidential negotiation between manufacturers, PBMs, and insurers.³⁷ Further, patients were never informed about a rebate on the product from the manufacturer to the PBM.

²⁹ A.J. Fein, "The big three PBMs' 2023 Formulary Exclusions: Observations on Insulin, Humira, and Biosimilars," *Drug Channels*, January 10, 2023, <https://www.drugchannels.net/2023/01/the-big-three-pbms-2023-formulary.html> (February 16, 2024).

³⁰ E.K. Collier, K.N. Price, J.L. Hsiao, and V.Y. Shi, "Demystifying pharmaceutical patient assistance programs," *Journal of Dermatological Treatment*, 2022;33(1): 336-34, <https://pubmed.ncbi.nlm.nih.gov/32308069/> (February 16, 2024).

³¹ Mattingly, et al., "Pharmacy Benefit Managers: History, Business Practices, Economics, and Policy," op. cit.

³² "Chapter 3: Prescription Drug Prices," U.S. Department of Health and Human Services, <https://aspe.hhs.gov/sites/default/files/private/pdf/172171/c3.pdf> (December 22, 2023).

³³ B. Teasdale, A. Nguyen, J. van Meijgaard, and K.A. Schulman, "Trends and determinants of retail prescription drug costs," *Health Services Research*, June 2022, 57(3): 548-556.

³⁴ S. Hughes and N. Rapfogel, "Following the Money: Untangling U.S. Prescription Drug Pricing," October 12, 2023, <https://www.americanprogress.org/article/following-the-money-untangling-u-s-prescription-drug-financing/> (December 16, 2023).

³⁵ S. Abdus, "Financial Burdens of Out-of-Pocket Prescription Drug Expenditures under High-Deductible Health Plans," *Journal of General Internal Medicine*, September 2020, 36(9), 2903–2905, <https://doi.org/10.1007/s11606-020-06226-x> (December 16, 2023).

³⁶ "2023 Employer Health Benefits Survey," KFF, October 18, 2023, <https://www.kff.org/report-section/ehbs-2023-section-8-high-deductible-health-plans-with-savings-option> (February 16, 2024).

³⁷ Ibid.

Some states previously allowed PBM contracts with pharmacies to contain a “gag clause” that prohibited pharmacists from sharing information on a lower prescription price with patients if it was available.³⁸ To comply with the Consolidated Appropriations Act, group health plans and health insurance issuers were required to adhere to the Gag Clause Prohibition Compliance Attestation, which prohibited them from entering into partnerships with companies that restrict the sharing of provider-specific costs, among other requirements.³⁹

High prescription drug costs prompted patients to question the value of drug benefits through their insurance. In almost one out of every four prescription claims, the patient’s copay was greater than the cost of the drug to the patient’s insurer.⁴⁰ Over a quarter of adults with prescriptions reported difficulty affording them and about 30 percent of adults reported costs as a reason for not taking medications as prescribed.⁴¹ One study estimated that just a \$10 increase in the out-of-pocket cost of a prescription could result in 33 percent higher mortality among newly eligible Medicare patients.⁴²

GOODRX OVERVIEW

GoodRx was founded in 2011 by Trevor Bezdek and former Facebook executives Doug Hirsch and Scott Marlette.⁴³ The idea for the company was inspired by Hirsch’s personal experience with searching for a lower price for his own alarmingly expensive prescription—and discovering the significant price variations across different pharmacies.⁴⁴

GoodRx, a free website and mobile app, addressed many of these concerns by enabling users to compare prices of brand and generic prescription medications across pharmacies in the United States. Users could search for GoodRx coupons for prescription drugs, without having to provide any personal information or create an account.⁴⁵ By the second quarter of 2020, GoodRx achieved a significant scale with 4.4 million monthly active consumers and 15 million monthly visitors to their site. The company stood out in the market as a consumer-facing platform with low prices for a large number of generic and brand prescriptions at over 70,000 pharmacies.⁴⁶

GoodRx had identified “an \$800 billion market opportunity that combined \$524 billion in prescription support, \$30 billion in pharmaceutical manufacturer solutions, and \$250 billion in

³⁸ Colleen Becker, “Prescription Drug Updates: State Efforts to Boost Access and Lower Costs,” National Conference of State Legislatures, April 28, 2022, <https://www.ncsl.org/state-legislatures-news/details/prescription-drugs-update-state-efforts-to-boost-access-and-lower-costs> (February 18, 2024).

³⁹ “FAQS About Affordable Care Act and Consolidated Appropriations Act, 2021 Implementation Part 57,” Centers for Medicare and Medicaid Services, February 23, 2023, <https://www.cms.gov/files/document/aca-part-57.pdf> (March 3, 2024).

⁴⁰ Stephanie Hedt, “Study finds consumer copays frequently exceed cost of common prescriptions,” USC Schaeffer, June 22, 2021, <https://healthpolicy.usc.edu/article/study-finds-consumer-copays-frequently-exceed-cost-of-common-prescriptions/> (February 16, 2024).

⁴¹ A. Kirzinger, “Public opinion on prescription drugs and their prices,” KFF, August 29, 2023, <https://www.kff.org/health-costs/poll-finding/public-opinion-on-prescription-drugs-and-their-prices/> (February 16, 2024).

⁴² A. Chandra, E. Flack, and Z. Obermeyer, “The health costs of cost-sharing,” NBER, February 8, 2021, <https://www.nber.org/papers/w28439> (February 16, 2024).

⁴³ B. Dickinson, “These ex-Facebook guys want to help you find cheaper drugs,” *Business Insider*, February 16, 2012, <https://www.businessinsider.com/these-ex-facebook-guys-want-to-help-you-find-cheaper-drugs-2012-2> (February 16, 2024).

⁴⁴ GoodRx Doug Hirsch, GoodRx, <https://www.goodrx.com/about/bio/doug-hirsch> (February 16, 2024).

⁴⁵ “Prescription prices, Coupons & pharmacy information,” GoodRx, <https://www.goodrx.com/> (February 16, 2024).

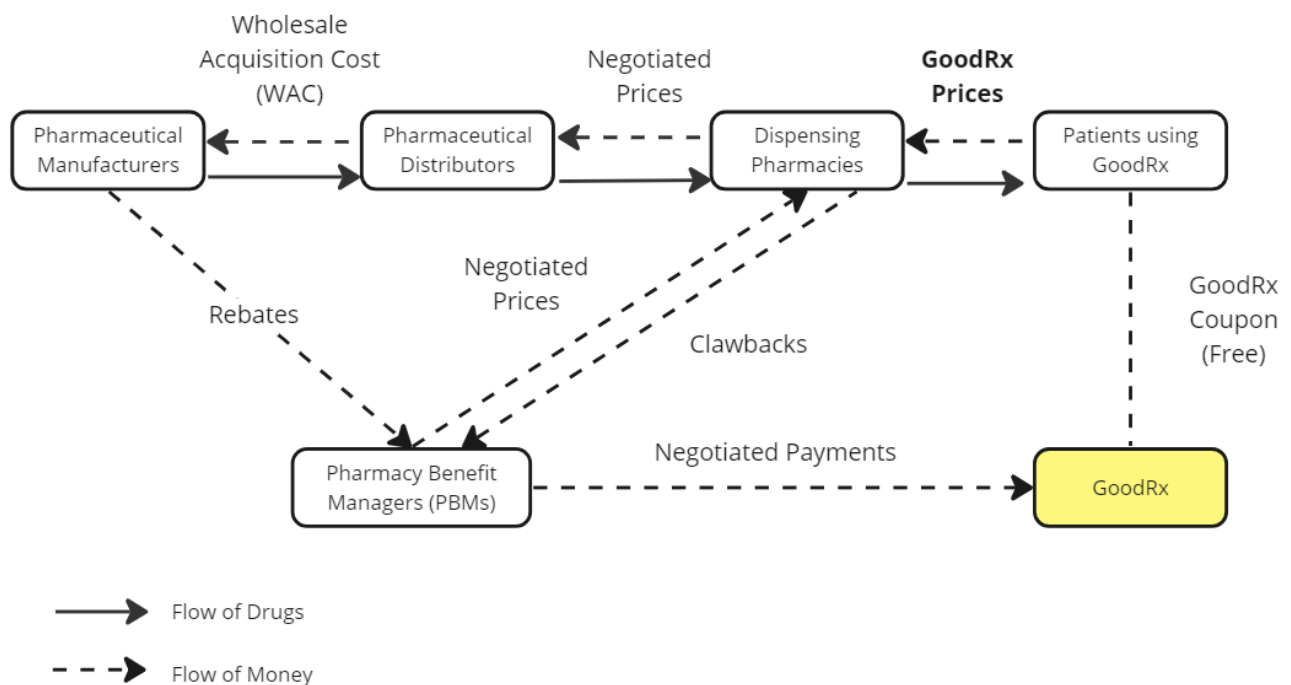
⁴⁶ Unites States Securities and Exchange Commission form S-1, Securities and Exchange Commission, 2020, <https://www.gov/Archives/edgar/data/1809519/000119312520234662/d949310ds1.htm> w.se (December 22, 2023).

telehealth services.”⁴⁷ Strong financial performance helped them go public in September 2020 through an Initial Public Offering (IPO) at \$46 per share that raised \$1.1 billion at a value of \$12.7 billion.⁴⁸ GoodRx stock price peaked at \$56.63 on February 5, 2021, but then reached a low of \$4.66 in December of 2022. In April 2023, cofounders Doug Hirsch and Trevor Bezdek stepped down from their leadership roles at GoodRx.⁴⁹

Business Model

Cash-pay prescription networks were previously established by PBMs, but it was a challenge to aggregate patients on their network. GoodRx built a platform to aggregate cash prices from PBM platforms and retail pharmacies that “normalized” data to show patients the differences between U&C prices across retail pharmacies. Patients win by receiving discounts on retail cash prices on both brand and generic medications, PBMs win by profiting from the new cash-pay market delivered by GoodRx, and GoodRx wins from a financial model built around patient savings (as described below).

Figure 2: GoodRx Replaces Payers & Plan Sponsors in the Pharmaceutical Supply Chain



Source: Original infographic produced by authors.

GoodRx primarily relied on PBMs to supply the discounted cash price of medications, forming the basis of their cost-saving coupons. Since WAC prices are inflated compared with net prices to manufacturers, and generic medication U&C retail prices are inflated compared with PBM list prices, there was a “spread” available to capture. Additionally, brand-name medications purchased

⁴⁷ Ibid.

⁴⁸ Heather Landi, “GoodRx raises \$1.1B in IPO as it sell shares above target,” Fierce Healthcare, September 23, 2020, <https://www.fiercehealthcare.com/tech/goodrx-sells-shares-above-target-raising-1-1b-ipo> (February 22, 2023).

⁴⁹ GoodRx United States Securities and Exchange Commission Form 10Q, GoodRx, September 30, 2023, <https://investors.goodrx.com/node/9341/html> (February 16, 2024).

with cash represented unclaimed rebates in the market that PBMs could capture. PBMs found value in partnering with GoodRx by reaching a new market segment of uninsured patients who paid cash for their prescriptions (Exhibit 1). Over time, GoodRx contracted with multiple PBMs and other pricing sources, creating a price-competitive market on their platform.⁵⁰ The savings on GoodRx coupons also turned out to be advantageous for both the uninsured and the insured individuals who opted to forego using insurance in favor of a lower-cost GoodRx coupon. This practice resulted in fewer insurance claims for prescriptions. Patients used GoodRx to compare prescription prices across different local brick-and-mortar pharmacies, with potential discounts of up to 80 percent off what they would pay with insurance.⁵¹

When a patient used a GoodRx coupon for their prescription (Exhibit 4), the company received a transaction fee from PBMs, who paid either a fixed fee or a percentage of the medication cost. In 2022, 72 percent of GoodRx's total revenue came from prescription transactions, primarily paid by PBMs (Exhibit 5). Much of GoodRx's revenue generation was highly concentrated with a few large PBMs, who had non-recurring contracts with GoodRx. Additionally, the majority of GoodRx's revenue was generated from prescription transactions at brick-and-mortar pharmacies.⁵² GoodRx made approximately 15 percent from the sale of a prescription that used a GoodRx coupon.⁵³ For instance, if a patient paid \$10 for a medication with a GoodRx coupon, GoodRx would receive \$1.50 from that sale. In 2023, approximately 6 million consumers used GoodRx every month.

As a consumer platform, GoodRx invested heavily in sales and marketing to acquire customers, which accounted for approximately 50 percent and 47 percent of their costs in 2021 and 2022 respectively. GoodRx's three channels of sales and marketing highlighted their value in saving patients money on prescriptions: paid media with TV commercials and online ads (Exhibit 6), owned media with blog articles featuring health content, and partnerships with health care providers who may recommend GoodRx to their patients.⁴³

Strategic Partnerships

GoodRx originally built its core business around partnering primarily with PBMs and providing cash prices for prescriptions directly to consumers. However, as the company grew, it expanded its focus to include strategic partnerships that support its pharmacy services while expanding to additional revenue streams.

- **Pharmacies:** GoodRx started by providing coupons to use at select pharmacies to purchase prescriptions at a cash price. The prices were determined indirectly through partnerships with PBMs. Over time, GoodRx has partnered directly with pharmacy chains like Walgreens to offer even more savings on nearly 200 prescriptions.⁵⁴ (Presumably,

⁵⁰ GoodRx 2022 Annual Report, February 28, 2023, <https://investors.goodrx.com/static-files/55e29e28-3604-433c-834d-3cb6cc855229> (December 22, 2023).

⁵¹ Nguyen et al., "The GoodRx Effect," GoodRx, January 2024, https://assets.ctfassets.net/4f3rgqwzdznj/4SQiVHgMx9Ld8e9h99qS9V/4462d23939f2e16a5893e538ae9e4101/GoodRx_Effect_2023_White_Paper.pdf (February 16, 2024).

⁵² GoodRx 2022 Annual Report, op. cit.

⁵³ "Building the Leading Digital Platform for Consumer Healthcare," GoodRx, October 2020, <https://investors.goodrx.com/static-files/271f2a2f-3bb5-4a77-8292-047ab8853cc2> (February 16, 2024).

⁵⁴ "GoodRx now offers 40% more savings on nearly 200 medications at Walgreens," GoodRx, September 11, 2023, <https://investors.goodrx.com/news-releases/news-release-details/goodrx-now-offers-40-more-savings-nearly-200-medications> (February 17, 2024).

Walgreens would benefit from accessing rebate dollars available from GoodRx coupon purchases).

- **Pharmaceutical Manufacturers:** GoodRx generated revenue from pharmaceutical manufacturers by partnering with them in marketing campaigns. For example, GoodRx could offer patients access to manufacturer savings programs and discounts on brand-name medications. An example was their collaboration with DexCom to provide users with a 57 percent discount on the average retail price of Dexcom G7, a continuous glucose monitoring system, and Lantus, a long-acting insulin, for \$35 per 30-day supply.⁵⁵
- **Digital Health Companies:** Health care journeys were increasingly moving online. GoodRx partnered with white label telehealth provider Wheel to integrate coupons directly into their virtual care platform for patients.⁵⁶ For providers, GoodRx integrated with Surescripts to deliver drug discount price information directly to the prescribers in their electronic workflow.⁵⁷
- **Employers:** GoodRx partnered with various employers, such as DoorDash⁵⁸ and Capital One Spring,⁵⁹ to help their employees afford their prescriptions.

COMPETITIVE LANDSCAPE

The U.S. pharmaceutical market was valued at \$527 billion in 2022,⁶⁰ with the total number of prescriptions reaching 6.7 billion.⁶¹ From 2015 to 2018, 48.6 percent of people in the United States used at least one prescription in the past 30 days. In the same timeframe, 24 percent of people used three or more prescriptions and 12.8 percent used five or more prescriptions.⁶² Attracted by the economic potential and widespread impact, nontraditional newcomers began to establish businesses in this sector.

While GoodRx had been a leader in empowering consumers to shop for the best prices for their prescriptions, its ongoing challenge was attracting and retaining customers. The options through which patients obtained their prescriptions had evolved and expanded (Exhibit 2).⁶³ Traditionally, patients filled prescriptions at brick-and-mortar pharmacies such as Walgreens or CVS. By 2021,

⁵⁵ Nguyen et al., op. cit.

⁵⁶ “Wheel announces integration with GoodRx to help millions of patients follow treatment plans & Save On Medication,” GoodRx, December 15, 2021, <https://investors.goodrx.com/news-releases/news-release-details/wheel-announces-integration-goodrx-help-millions-patients-follow> (February 17, 2024).

⁵⁷ “GoodRx announces agreement with Surescripts to provide real-time drug discount pricing in electronic health records,” GoodRx, August 2021, <https://investors.goodrx.com/news-releases/news-release-details/goodrx-announces-agreement-surescripts-provide-real-time-drug> (February 17, 2024).

⁵⁸ “GoodRx and DoorDash Partner to Provide Dashers Nationwide with Access to GoodRx Gold,” GoodRx, July 8, 2021, <https://investors.goodrx.com/news-releases/news-release-details/goodrx-and-doordash-partner-provide-dashers-nationwide-access> (March 9, 2024).

⁵⁹ “GoodRx and Capital One Spring introduce new program for small businesses,” GoodRx, May 2, 2022, <https://www.goodrx.com/corporate/business/goodrx-capital-one-spring-bring-low-cost-medications-to-small-businesses> (February 17, 2024).

⁶⁰ “U.S. Pharmacy Market Size, Share & Trends Analysis Report By Product Type,” op. cit.

⁶¹ “The use of medicines in the U.S. 2023,” IQVIA, May 2, 2023, <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-use-of-medicines-in-the-us-2023> (February 17, 2024).

⁶² “Therapeutic Drug Use, Centers for Disease Control and Prevention,” November 3, 2023, <https://www.cdc.gov/nchs/fastats/drug-use-therapeutic.htm> (February 17, 2024).

⁶³ S. Parasrampurua and S. Murphy, “Trends in Prescription Drug Spending, 2016-2021,” Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, September 2022.

consumers enjoyed the convenience of receiving prescriptions at their doorstep, with prices rivalling the prescription savings offered by GoodRx coupons. The change in consumer behavior was fueled by the entry of mail-order pharmacies, such as Mark Cuban Cost Plus Drugs and Amazon Prime Rx, which offered convenient service along with affordable access to medications.

Brick-and-Mortar Pharmacies

Brick-and-mortar pharmacies were spread out across the country and could be found on almost every major street corner. In total America had approximately 10,000 CVS pharmacies, 9,000 Walgreens pharmacies, and 5,000 Walmart pharmacies in 2021.⁶⁴ The same three companies held a concentration of the prescription drug market shares: CVS Health at 25.6 percent, Walgreens Boots Alliance at 15.5 percent, and Walmart Stores at 4.4 percent.⁶⁵

For decades, drugstore chains had been opening stores to compete with each other. This trend had slowed and reversed over a five-year period, with the major chains announcing store closures. Between 2018 to 2024, CVS planned to close over 1,000 stores and Walgreens has announced 350 store closures. With its low market share and inability to compete with other pharmacies, Rite Aid filed for bankruptcy in October of 2023 and reportedly planned to close roughly 400 to 500 of its 2,200 stores.⁶⁶

GoodRx had generated a substantial portion of its revenue from consumer transactions at brick-and-mortar pharmacies.⁶⁷ Fewer brick-and-mortar pharmacies represented less opportunity to use GoodRx coupons overall.

Online Pharmacies

Convenience and price were key factors for consumers considering switching to mail-order pharmacies. A 2023 study found that 44 percent of consumers who used a mail-order or home delivery service reported choosing these services over other delivery options more often than they did two or three years earlier.⁶⁸ While CVS and Walgreens had offered prescription home delivery for some time, their services were not as convenient and affordable as newer online pharmacies that could keep costs low by offering commonly used generic medications at affordable prices.⁶⁹

Mark Cuban's Cost Plus Drugs

In 2016, Dr. Alex Oshmyansky founded a small company to provide patients with affordable generic medications. Two years later he sent Mark Cuban a cold email with a business plan for a transparent pharmaceutical company, which later became Mark Cuban's Cost Plus Drugs. The

⁶⁴ "U.S. National Pharmacy Market Summary 2021," IQVIA, November 2021,

https://www.onekeydata.com/downloads/reports/2021_US_Pharmacy_Market_Report.pdf (January 16, 2024).

⁶⁵ A.J. Fein, "The top 15 U.S. pharmacies of 2022: market shares and revenues at the biggest companies," Drug Channels, March 8, 2023, <https://www.drugchannels.net/2023/03/the-top-15-us-pharmacies-of-2022-market.html> (February 17, 2024).

⁶⁶ Nathaniel Meyersohn, "CVS, Walgreens and Rite Aid are closing thousands of stores. Here's why," *CNN Business*, October 17, 2023, <https://www.cnn.com/2023/10/16/business/drug-stores-closing-rite-aid-cvs-walgreens/index.html> (February 17, 2024).

⁶⁷ Nguyen et al., op. cit.

⁶⁸ A. Ladsariya, A. McLeod, N. Sahni, B. Tevelow, and G. Noh, "Meeting changing consumer needs: The US retail pharmacy of the future," McKinsey & Company, March 17, 2023, <https://www.mckinsey.com/industries/healthcare/our-insights/meeting-changing-consumer-needs-the-us-retail-pharmacy-of-the-future> (February 17, 2024).

⁶⁹ Lisa L. Gill, "Online pharmacies can help you save big on prescription drugs," *Consumer Reports*, April 5, 2022, <https://www.consumerreports.org/online-pharmacies/online-pharmacies-can-help-you-save-big-on-prescription-drugs/> (February 17, 2024).

company adopted a social mission to lower prices for generic drugs by removing the PBMs and middlemen and charging a cost-plus price directly to consumers by purchasing medications directly from manufacturers.⁷⁰

Cost Plus Drugs, a mail-order pharmacy, had accredited pharmacists fill prescriptions through Truepill, a service with a wide network of mail-order and specialty pharmacies. Cost Plus Drugs also partnered with hundreds of dispensing pharmacies nationwide to allow patients to fill their prescriptions locally. Customers could expect to pay a set price with a 15 percent markup, a \$5 pharmacy fee, and a \$5 shipping fee, without having to use insurance. While Cost Plus Drugs did not accept any coupons or discount cards, the mail-order pharmacy did accept select insurance plans.⁷¹ In its first two years of operations, Cost Plus expanded the list of available generic medications to 2,500 and opened a manufacturing facility to help address drug shortages.⁷²

Amazon Pharmacy and RxPass

Amazon branded itself as a consumer-centered company that offered convenience and ever-increasing value to its members. Amazon Prime, its subscription service, had an estimated 168 million members in the United States in 2023—over half of the U.S. population.⁷³ The company had strategically invested in health care with bets like cofounding Haven (discontinued in 2021); acquiring the online pharmacy PillPack (2018) and primary care clinic One Medical (2022); launching the telehealth service Amazon Care (discontinued in 2022), virtual care Amazon Clinic (2022), and pharmacy subscription service Amazon RxPass (2023).⁷⁴

Amazon Prime Pharmacy's RxPass offered a subscription service in 2024 that granted members of its Prime Club unlimited access to over 50 generic medications for a fixed subscription fee of just \$5 a month. These prescription savings were also available at over 60,000 local pharmacies, helping users with insurance save money on medications by sharing “both the copay price with insurance and the lowest price without insurance, including any savings for Amazon Prime members,” the company claimed.⁷⁵

In 2023, health insurer Blue Shield of California announced its Pharmacy Care Reimagined Initiative, which dropped their PBM contract to partner with both Mark Cuban and Amazon.⁷⁶

⁷⁰ Charlotte Caccam, “Cost Plus Drugs: An Altruistic Capitalist Venture,” *Harvard Political Review*, November 15, 2023, <https://harvardpolitics.com/cost-plus-drugs-an-altruistic-capitalist-venture/> (March 8, 2024).

⁷¹ Questions Frequently Asked and Answers | Mark Cuban Cost Plus Drugs Company, <https://costplusdrugs.com/faq/> (February 17, 2024).

⁷² Heather Landi, “Mark Cuban says Cost Plus Drugs targeting generic meds in short supply as it opens manufacturing facility,” *Fierce Healthcare*, March 4, 2024, <https://www.fiercehealthcare.com/health-tech/mark-cuban-says-cost-plus-drugs-has-couple-million-patients-2500-generic-drugs-it-moves> (March 9, 2024).

⁷³ E. Kim, “Amazon's prime membership program stopped growing in the US for the first time ever, according to new estimates,” *Business Insider*, January 18, 2023, <https://www.businessinsider.com/amazon-shopping-prime-membership-us-stopped-growing-first-time-ever-2023-1> (February 17, 2024).

⁷⁴ L. Pflanzler, “Amazon has been trying to break into healthcare for years. Here's a look at everything it's done,” *Business Insider*, April 24, 2023, <https://www.businessinsider.com/amazon-healthcare-rxpass-pharmacy-clinic-one-medical> (March 8, 2024).

⁷⁵ Amazon Pharmacy: RxPass, https://pharmacy.amazon.com/rxpass?ref=sf2_rxpass2_t1 (February 17, 2024).

⁷⁶ “Blue Shield of California unveils first-of-its-kind model to transform prescription drug care; save up to \$500 million on medications annually,” *Blue Shield of California News*, August 17, 2023, <https://news.blueshieldca.com/2023/08/17/pharmacy-care-reimagined> (February 17, 2024).

Generic Pharmaceutical Manufacturer

Civica Rx, a nonprofit manufacturer of essential generic medications, was established to mitigate the challenges hospitals faced with persistent drug shortages and sudden price increases.⁷⁷ Along with their sister company CivicaScript, they planned to offer all patients with diabetes three types of insulin for \$30 per vial and no more than \$55 for a box of pens. They partnered with the state of California in this initiative.⁷⁸

CivicaScript also manufactured generics for retail prescriptions with one generic on their list and plans to manufacture more generics in the coming years.⁷⁹

SUMMARY

GoodRx had helped millions of patients afford their medications.⁸⁰ Shifts in the U.S. health care market, however, might require the company to adapt its business model and explore new avenues to provide value to customers. To continue to lead in this market, what strategic partnerships should GoodRx explore? What will be the potential impact of the leadership changes at the company? How might advancements in artificial intelligence and digital health technologies change or constrain GoodRx services, including the availability of their coupons? How should GoodRx navigate impending regulations expected to affect many stakeholders in the pharmaceutical industry?

⁷⁷ CP Wiske, OA Ogbechie, and KA Schulman, "Options to Promote Competitive Generics Markets in the United States," *Journal of the American Medical Association*, 2015 November 24, 2015;314(20): 2129-30.

⁷⁸ "California Selects Civica Rx as Its Insulin Manufacturing Partner," CivicaRx, March 18, 2023, <https://civicarx.org/california-selects-civica-rx-as-its-insulin-manufacturing-partner/> (February 17, 2024).

⁷⁹ "Civica to manufacture and distribute affordable insulin," Civica Rx, August 22, 2023, <https://civicarx.org/civica-to-manufacture-and-distribute-affordable-insulin/> (February 17, 2024).

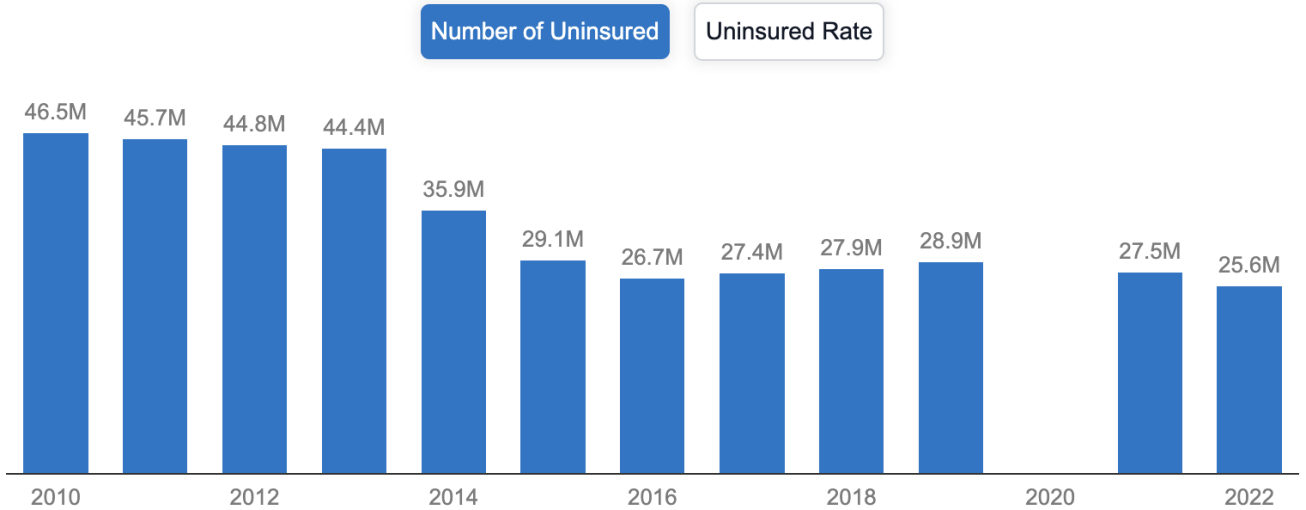
⁸⁰ The GoodRx Effect, op. cit.

DISCUSSION QUESTIONS

1. What is the financial model behind GoodRx? Who benefits (or loses): patients, pharmacy, PBMs, GoodRx?
 - How would you assess GoodRx's revenue per brand name and generic prescription filled? National prescription volume is 90 percent generic and 10 percent brand name. GoodRx reported that customers utilized the GoodRx platform for 25 million prescriptions in 2024. The income statement from the 2023 10-K is shown in Exhibit 5. Prescription transactions revenue represents all generic prescriptions, and Pharma manufacturer solutions revenue represents all brand prescriptions. What assumptions do you have to make to answer this question?
2. What is the barrier to entry for GoodRx? What is their "moat"?
3. Given the economic model behind GoodRx, why would a pharmacy chain start its own cash card?
4. How is GoodRx a model for new digital services? How is it not?
5. GoodRx spent a decade building a consumer brand and platform, but new entrants into the market threatened their position. What action would you recommend to the board:
 - A. Leverage the brand to grow new revenue streams (what products/services?)
 - B. Vertical integration-mail order or manufacturing (what would be the economics here?)
 - C. Revisit the financial model (what changes would you recommend?)
 - D. Exit—who might be a potential buyer in the market (and why)?

Exhibit 1 Nonelderly Uninsured Individuals

Number of Nonelderly Uninsured, 2010-2022



NOTE: Due to disruptions in data collection during the first year of the pandemic, the Census Bureau did not release ACS 1-year estimates in 2020. Includes nonelderly individuals ages 0 to 64

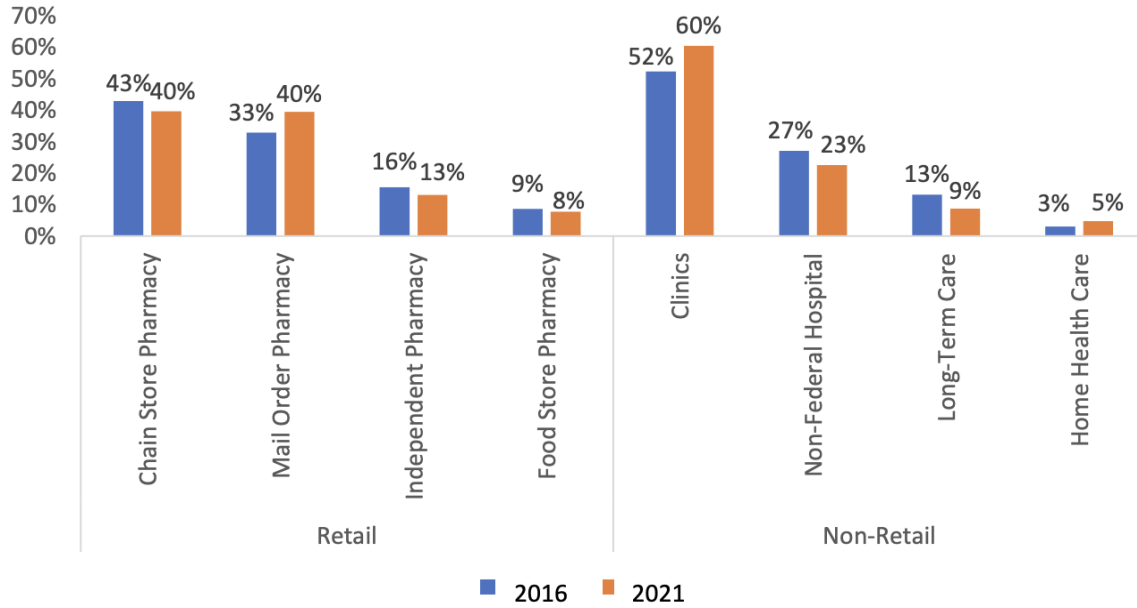
SOURCE: KFF analysis of 2010-2022 American Community Survey, 1-Year Estimates • PNG



Source: J. Tolbert, P. Drake, A. Damico, “Key Facts about the Uninsured Population,” KFF, December 18, 2023, <https://www.kff.org/uninsured/issue-brief/key-facts-about-the-uninsured-population/> (January 16, 2024).

Exhibit 2 Retail and Non-Retail Drug Spending

Figure 2. Percent of Spending on each Location of Sale, 2016-2021

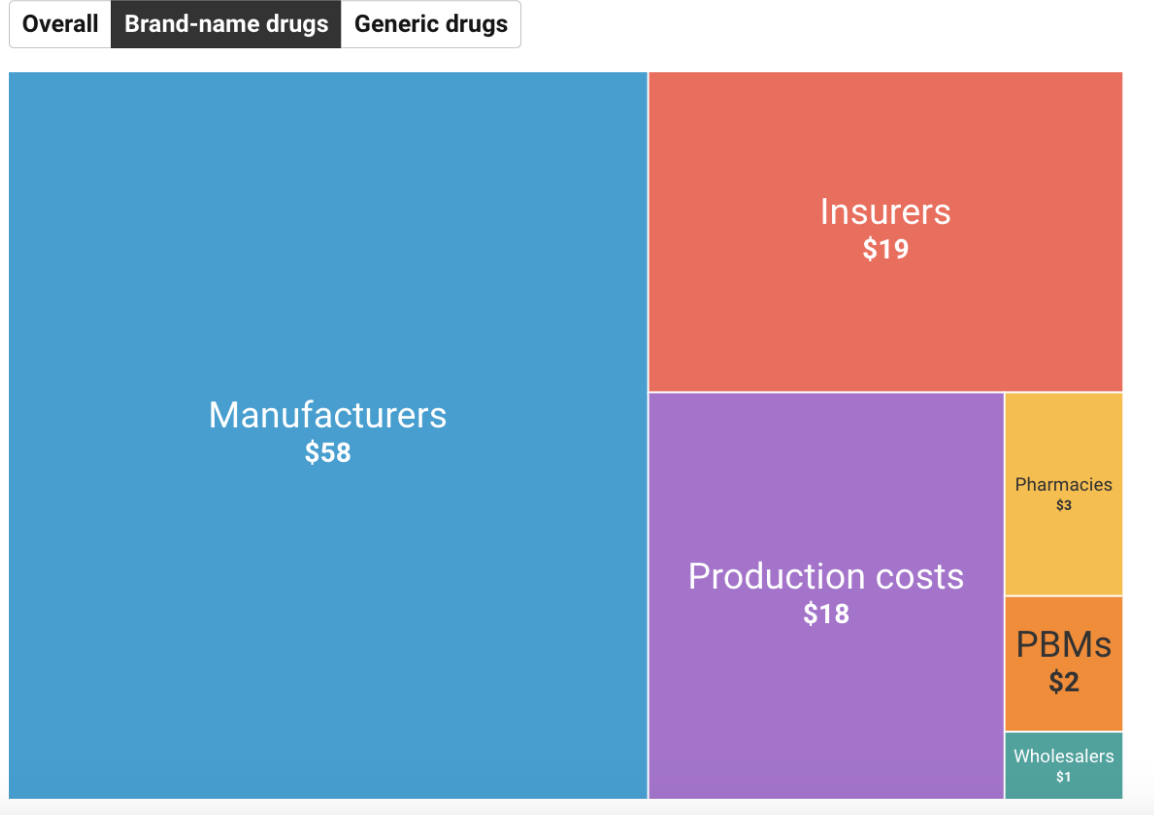


Source: S. Parasrampur, and S. Murphy, “Trends in Prescription Drug Spending, 2016-2021,” Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, September 2022.

Exhibit 3 Figure 3a: Breakdown of Brand-name Prescription Cost

Where does \$100 spent on a prescription drug go?

Share of \$100 spent at retail pharmacies retained by each entity in the drug supply ecosystem

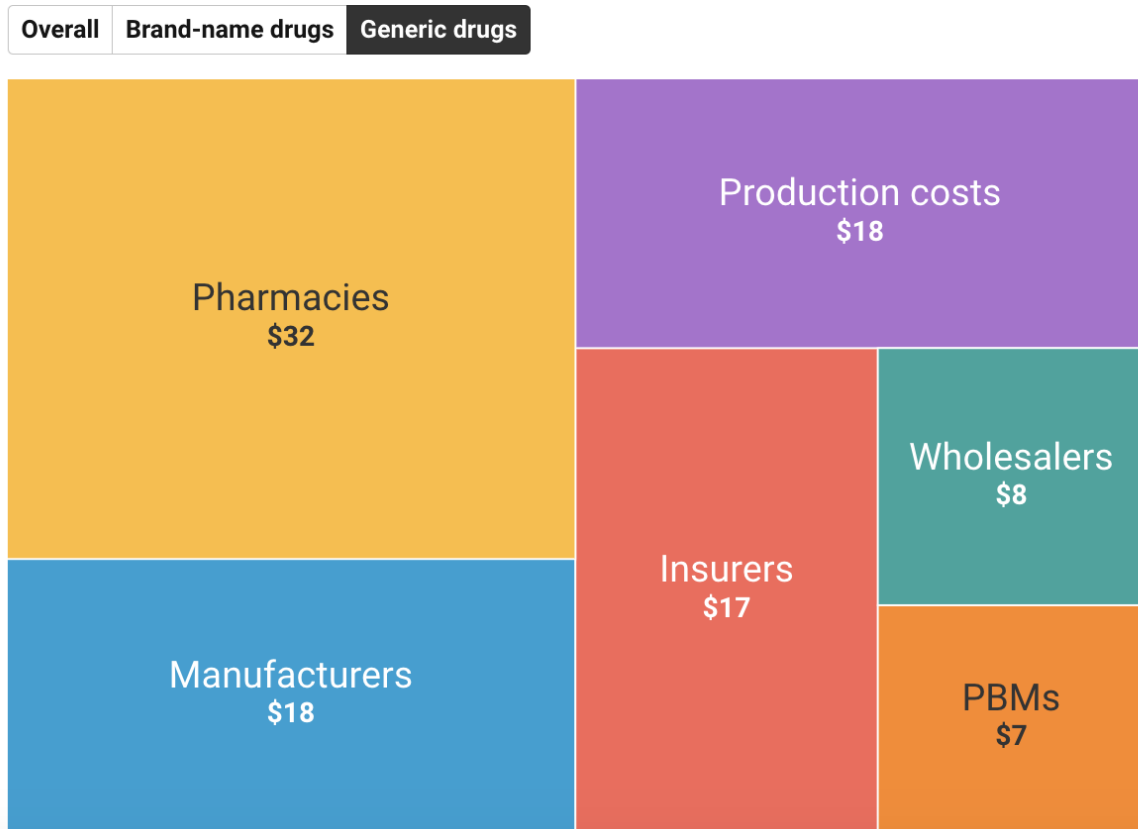


Source: This figure was published by The Center for American Progress. See: Sam Hughes and Nicole Rapfogel, “Following the Money: Untangling U.S. Prescription Drug Financing,” The Center for American Progress, October 12, 2023, <https://www.americanprogress.org/article/following-the-money-untangling-u-s-prescription-drug-financing/> (January 16, 2024).

Figure 3b: Breakdown of Generic Prescription Cost

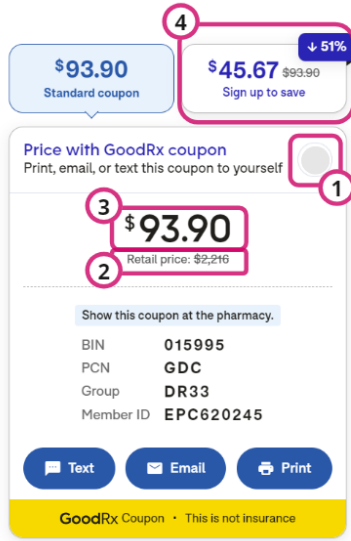
Where does \$100 spent on a prescription drug go?

Share of \$100 spent at retail pharmacies retained by each entity in the drug supply ecosystem



Source: This figure was published by The Center for American Progress. See: Sam Hughes and Nicole Rapfogel, “Following the Money: Untangling U.S. Prescription Drug Financing,” The Center for American Progress, October 12, 2023, <https://www.americanprogress.org/article/following-the-money-untangling-u-s-prescription-drug-financing/> (January 16, 2024).

Exhibit 4 GoodRx Prices for Enoxaparin



Example: Prices for enoxaparin (12 syringes, 40mg/0.4ml)

Retail Pharmacy

		1
\$2,216	Retail Price	2
Unknown	Formulary Price (<i>depends on your insurance negotiation with PBM</i>)	
\$93.90	GoodRx Coupon Price	3
\$45.67	GoodRx Gold Subscription Price	4

Screenshot captured from GoodRx website on 1/13/24

Source: GoodRx.com.

Exhibit 5 Result of Operations from GoodRx 2023 10-K

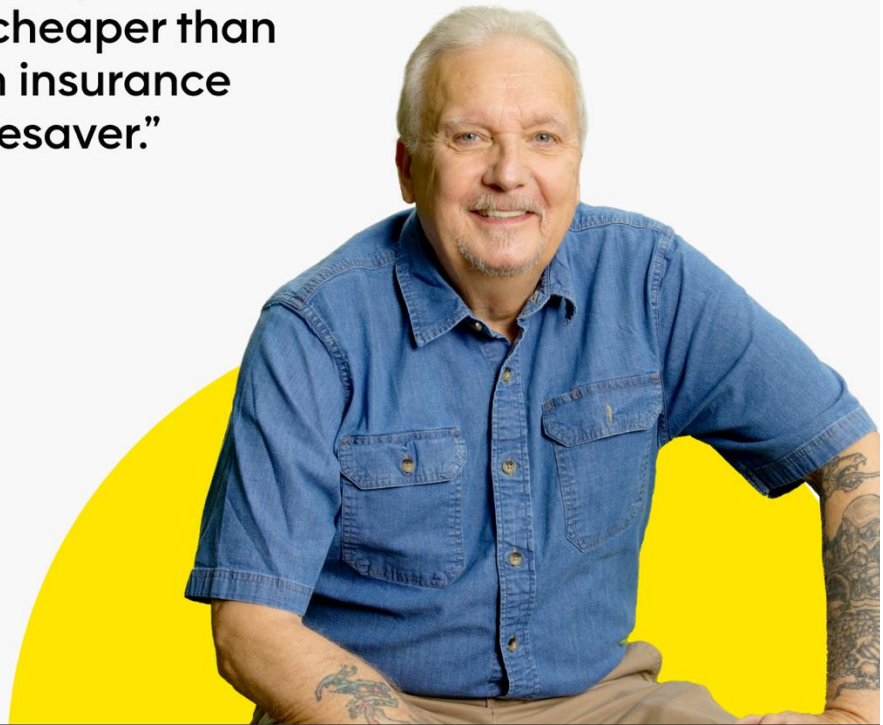
<i>(dollars in thousands)</i>	Year Ended December 31, 2023	% of Total Revenue	Year Ended December 31, 2022	% of Total Revenue	Change (\$)	Change (%)
Revenue:						
Prescription transactions revenue	\$ 550,738	73%	\$ 550,536	72%	\$ 202	0%
Subscription revenue	94,410	13%	96,167	13%	(1,757)	(2%)
Pharma manufacturer solutions revenue ⁽¹⁾	85,065	11%	99,425	13%	(14,360)	(14%)
Other revenue	20,052	3%	20,426	3%	(374)	(2%)
Total revenue	750,265		766,554			
Costs and operating expenses:						
Cost of revenue, exclusive of depreciation and amortization presented separately below	66,925	9%	65,079	8%	1,846	3%
Product development and technology	135,836	18%	143,137	19%	(7,301)	(5%)
Sales and marketing	341,328	45%	357,631	47%	(16,303)	(5%)
General and administrative	125,515	17%	144,792	19%	(19,277)	(13%)
Depreciation and amortization	107,668	14%	54,177	7%	53,491	99%
Total costs and operating expenses	777,272		764,816			
Operating (loss) income	(27,007)		1,738			
Other expense, net:						
Other expense	(4,008)	1%	—	0%	(4,008)	n/m
Interest income	32,171	4%	9,274	1%	22,897	247%
Interest expense	(56,728)	8%	(34,243)	4%	(22,485)	66%
Total other expense, net	(28,565)		(24,969)			
Loss before income taxes	(55,572)		(23,231)			
Income tax benefit (expense)	46,704	6%	(9,597)	1%	56,301	(587%)
Net loss	\$ (8,868)		\$ (32,828)			

Source: GoodRx 2023 Annual Report, February 29, 2024, <https://investors.goodrx.com> (June 10, 2024).

Exhibit 6
Good Rx Advertisement

**“With GoodRx, my
medicine is cheaper than
with my own insurance
plan. It’s a lifesaver.”**

Ed Doyle
GoodRx Consumer



Source: GoodRx 2023 Annual Report, February 29, 2024, <https://investors.goodrx.com>.