

MILLIMAN REPORT

# Top Pharmacy Services Administrative Organizations (PSAOs) based on Pharmacy Count by State

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## TABLE OF CONTENTS

<b>BACKGROUND</b> .....	<b>1</b>
<b>METHODOLOGY</b> .....	<b>1</b>
<b>CAVEATS, LIMITATIONS, AND QUALIFICATIONS</b> .....	<b>3</b>
<b>EXHIBIT I</b> .....	<b>4</b>

## BACKGROUND

### Pharmacy Services Administrative Organizations (PSAOs)

Pharmacy Services Administrative Organizations (PSAOs) act as intermediaries between pharmacies and pharmacy benefit payers (e.g., health plans, pharmacy benefit managers). PSAOs typically support independent and small chain pharmacies with a variety of services, including contract negotiations, regulatory compliance, reimbursement assistance, technology / data management, among others. Table 1 below lists the top six PSAOs as of January 1, 2024 by independent pharmacy count. For additional background information on PSAOs, please see our PSAO Landscape report, available here: <https://www.milliman.com/en/insight/pharmacy-services-administrative-organization-landscape>

Table 1	
Top Six PSAOs by Pharmacy Count - Nationwide	
As of January 1, 2024	
PSAO	Pharmacy Count
HEALTH MART ATLAS	6,077
CARDINAL HEALTH	5,416
ELEVATE PROVIDER NETWORK	5,014
ALIGNRX	3,998
PHARMACY FIRST	2,031
EPIC PHARMACY NETWORK INC	1,474

\*Includes pharmacies classified as "independent" and "independent that contract with a PSAO"

### Top PSAOs by State

The Pharmaceutical Care Management Association (PCMA) requested we summarize the top PSAOs in each state based on the number of pharmacies they serve. This information is provided in the associated exhibits. Our summary classifies retail pharmacies as either "chain," "independent," or "independent that contracts with a PSAO" using the methodology described below.

## EXHIBITS

### Exhibit I – Top Three PSAOs based on Pharmacy Count by State

Top three PSAOs based on independent pharmacy count in each state and US territory as of January 1, 2024. Pharmacy identification and exclusion detailed in the methodology section.

## METHODOLOGY

### Pharmacy Classification

The National Council for Prescription Drug Program's (NCPDP) provides a subscription service to a dataQ Pharmacy File. These files contain service and relationship information self-reported by pharmacies or their PSAO to NCPDP. We used these files as the key data source for this work.

We classified pharmacies as “Chain,” “Independent,” and “Independent that contracts with a PSAO.” Small chains that contract with PSAOs are counted as “Chain” pharmacies for the purposes of this summary. We determined these classifications from the primary parent organization relationship type codes, primary provider type codes, and dispenser class codes published by and provided to Milliman in NCPDP’s dataQ Pharmacy File.

We categorized pharmacies as a chain if the parent organization relationship type had a value of “01 Chain,” and pharmacies as PSAOs if the parent organization relationship type had a value of “05 Third-party Contracting Group.” We changed the classification of some pharmacies that had different parent organization type values, but had the same legal business names as chains or PSAOs that we had already classified. All other retail locations were classified as independent with no classification relationships to either a chain or PSAO. Both chains and PSAOs may possess multiple NCPDP Relationship IDs or Parent Organization IDs and names. We consolidated PSAO name variants to a single PSAO name.

We limited the report to community retail pharmacies only by using the NCPDP provider type code “01 Community / Retail pharmacy.”

### Exclusions

We excluded the following pharmacies from this analysis:

- Parent Organization Relationship Type Codes:
  - 03 Drug Purchasing organization (not associated with payers of claims)
  - 04 Claims management organization (not associated with contracts between payers and providers)
  - Names containing "Long Term Care" or "LTC"
- Provider Type Codes:
  - 04 Long Term Care pharmacy
  - 05 Mail Order pharmacy
  - 06 Home Infusion Therapy Provider
  - 07 Non-Pharmacy Dispensing site
  - 08 Indian Health Service / Tribal / Urban Indian Health (I/T/U) Pharmacy
  - 09 Department of Veterans Affairs (VA) Pharmacy
  - 11 Institutional Pharmacy
  - 12 Managed Care Organization Pharmacy
  - 13 DME
  - 14 Clinic Pharmacy
  - 15 Specialty Pharmacy
  - 16 Nuclear Pharmacy
  - 17 Military / U.S. Coast Guard Pharmacy
  - 18 Compounding Pharmacy
  - 19 Oxygen Equipment
  - 20 Nursing Facility Supplies
  - 21 Customized Equipment
  - 22 Dialysis Equipment
  - 23 Parenteral and Enteral Nutrition
- Dispenser Type Codes:
  - 06 Government Pharmacy
  - 07 Alternate Dispensing Site

## Caveats, Limitations, and Qualifications

The results in this report have been prepared for the Pharmaceutical Care Management Association. We developed this information to provide a landscape of PSAOs. This information may not be appropriate, and should not be used, for other purposes. Milliman does not endorse any public policy or advocacy position on matters discussed in this report.

The information presented in this report is provided for PCMA. PCMA may share this information with outside entities with Milliman's permission. Milliman does not intend to benefit, and assumes no duty or liability to, other parties who receive this work product. Any third party recipient of this work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs. Any releases of this report to a third party should be in its entirety. This report must be read in its entirety and specialized knowledge of the industry is necessary to fully understand the report and its conclusions.

In performing this analysis, we relied on data and other information from the National Council for Prescription Drug Programs (NCPDP), and the Federal Information Processing Standards file obtained United States Census Bureau.<sup>1</sup> We have not audited or verified this data and other information but reviewed it for general reasonableness. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

This report outlines the review and opinions of the authors and not necessarily that of Milliman. Milliman does not provide legal advice, and recommends that Pharmaceutical Care Management Association consult with its legal advisors regarding legal matters.

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<sup>1</sup> [www2.census.gov/geo/docs/reference/codes2020/national\\_county2020.txt](http://www2.census.gov/geo/docs/reference/codes2020/national_county2020.txt)

## Exhibit I

### Top Three PSAs based on Pharmacy Count by State

State	PSAO	Pharmacy Count	% of Independent Retail Pharmacies*	% of Total Retail Pharmacies
AK	CARDINAL HEALTH	7	25%	8%
AK	HEALTH MART ATLAS	5	18%	6%
AK	ELEVATE PROVIDER NETWORK	5	18%	6%
AL	HEALTH MART ATLAS	299	48%	24%
AL	CARDINAL HEALTH	87	14%	7%
AL	ALIGNRX	80	13%	6%
AR	ELEVATE PROVIDER NETWORK	148	34%	20%
AR	HEALTH MART ATLAS	126	29%	17%
AR	EPIC PHARMACY NETWORK INC	65	15%	9%
AZ	HEALTH MART ATLAS	58	29%	5%
AZ	ALIGNRX	53	26%	5%
AZ	CARDINAL HEALTH	40	20%	4%
CA	ALIGNRX	581	25%	10%
CA	ELEVATE PROVIDER NETWORK	577	25%	10%
CA	HEALTH MART ATLAS	513	22%	9%
CO	HEALTH MART ATLAS	69	35%	9%
CO	CARDINAL HEALTH	48	25%	6%
CO	ALIGNRX	29	15%	4%
CT	HEALTH MART ATLAS	75	41%	12%
CT	CARDINAL HEALTH	53	29%	9%
CT	ELEVATE PROVIDER NETWORK	20	11%	3%
DC	CARDINAL HEALTH	16	29%	11%
DC	EPIC PHARMACY NETWORK INC	12	22%	8%
DC	HEALTH MART ATLAS	10	18%	7%
DE	CARDINAL HEALTH	11	27%	6%
DE	PHARMACY FIRST	9	22%	5%
DE	EPIC PHARMACY NETWORK INC	7	17%	4%
FL	HEALTH MART ATLAS	407	24%	8%
FL	ELEVATE PROVIDER NETWORK	350	20%	7%
FL	CARDINAL HEALTH	290	17%	6%
GA	ELEVATE PROVIDER NETWORK	255	29%	12%
GA	HEALTH MART ATLAS	244	28%	11%
GA	PHARMACY FIRST	97	11%	4%
GU	ELEVATE PROVIDER NETWORK	10	45%	43%
GU	HEALTH MART ATLAS	5	23%	22%
HI	ELEVATE PROVIDER NETWORK	44	59%	23%
HI	HEALTH MART ATLAS	18	24%	9%
HI	ALIGNRX	2	3%	1%
IA	HEALTH MART ATLAS	93	33%	15%
IA	CARDINAL HEALTH	60	21%	10%

State	PSAO	Pharmacy Count	% of Independent Retail Pharmacies*	% of Total Retail Pharmacies
IA	ELEVATE PROVIDER NETWORK	54	19%	9%
ID	HEALTH MART ATLAS	62	38%	20%
ID	ALIGNRX	30	18%	10%
ID	ELEVATE PROVIDER NETWORK	29	18%	9%
IL	HEALTH MART ATLAS	141	21%	7%
IL	ELEVATE PROVIDER NETWORK	138	21%	7%
IL	CARDINAL HEALTH	130	19%	6%
IN	ELEVATE PROVIDER NETWORK	65	27%	6%
IN	HEALTH MART ATLAS	56	23%	5%
IN	CARDINAL HEALTH	54	23%	5%
KS	HEALTH MART ATLAS	90	33%	15%
KS	ALIGNRX	78	29%	13%
KS	ELEVATE PROVIDER NETWORK	51	19%	9%
KY	ELEVATE PROVIDER NETWORK	195	31%	18%
KY	HEALTH MART ATLAS	160	25%	14%
KY	CARDINAL HEALTH	142	22%	13%
LA	PHARMACY FIRST	205	35%	18%
LA	ALIGNRX	109	18%	10%
LA	HEALTH MART ATLAS	81	14%	7%
MA	HEALTH MART ATLAS	73	30%	7%
MA	CARDINAL HEALTH	55	23%	5%
MA	ELEVATE PROVIDER NETWORK	44	18%	4%
MD	EPIC PHARMACY NETWORK INC	151	34%	13%
MD	CARDINAL HEALTH	84	19%	7%
MD	HEALTH MART ATLAS	65	15%	6%
ME	CARDINAL HEALTH	30	42%	11%
ME	ELEVATE PROVIDER NETWORK	19	27%	7%
ME	ALIGNRX	14	20%	5%
MI	HEALTH MART ATLAS	394	31%	17%
MI	CARDINAL HEALTH	332	26%	14%
MI	ELEVATE PROVIDER NETWORK	304	24%	13%
MN	HEALTH MART ATLAS	83	30%	9%
MN	PHARMACY FIRST	53	19%	6%
MN	ELEVATE PROVIDER NETWORK	49	18%	6%
MO	HEALTH MART ATLAS	191	35%	16%
MO	ELEVATE PROVIDER NETWORK	112	21%	9%
MO	ALIGNRX	102	19%	9%
MS	HEALTH MART ATLAS	105	24%	15%
MS	ELEVATE PROVIDER NETWORK	81	19%	12%
MS	CARDINAL HEALTH	65	15%	9%
MT	ALIGNRX	59	42%	26%
MT	HEALTH MART ATLAS	43	30%	19%



State	PSAO	Pharmacy Count	% of Independent Retail Pharmacies*	% of Total Retail Pharmacies
MT	CARDINAL HEALTH	29	21%	13%
NC	EPIC PHARMACY NETWORK INC	282	36%	14%
NC	ELEVATE PROVIDER NETWORK	150	19%	8%
NC	CARDINAL HEALTH	105	13%	5%
ND	PHARMACY FIRST	34	30%	21%
ND	HEALTH MART ATLAS	23	20%	14%
ND	CARDINAL HEALTH	14	12%	9%
NE	HEALTH MART ATLAS	99	46%	24%
NE	ELEVATE PROVIDER NETWORK	39	18%	10%
NE	CARDINAL HEALTH	31	14%	8%
NH	HEALTH MART ATLAS	12	35%	5%
NH	ALIGNRX	5	15%	2%
NH	CARDINAL HEALTH	4	12%	2%
NJ	CARDINAL HEALTH	397	37%	19%
NJ	ELEVATE PROVIDER NETWORK	252	23%	12%
NJ	HEALTH MART ATLAS	187	17%	9%
NM	CARDINAL HEALTH	24	30%	8%
NM	HEALTH MART ATLAS	20	25%	7%
NM	ELEVATE PROVIDER NETWORK	19	24%	7%
NV	HEALTH MART ATLAS	34	26%	7%
NV	ELEVATE PROVIDER NETWORK	30	23%	6%
NV	ALIGNRX	20	16%	4%
NY	CARDINAL HEALTH	1,226	37%	24%
NY	HEALTH MART ATLAS	476	14%	9%
NY	ELEVATE PROVIDER NETWORK	386	12%	8%
OH	ELEVATE PROVIDER NETWORK	190	26%	9%
OH	HEALTH MART ATLAS	182	25%	8%
OH	CARDINAL HEALTH	174	24%	8%
OK	ALIGNRX	382	79%	46%
OK	HEALTH MART ATLAS	48	10%	6%
OK	ELEVATE PROVIDER NETWORK	12	2%	1%
OR	HEALTH MART ATLAS	44	26%	8%
OR	CARDINAL HEALTH	37	22%	7%
OR	ALIGNRX	34	20%	6%
PA	CARDINAL HEALTH	248	24%	9%
PA	PHARMACY FIRST	180	17%	7%
PA	ELEVATE PROVIDER NETWORK	168	16%	6%
PR	PHARMACY FIRST	272	31%	26%
PR	COOPHARMA	269	31%	26%
PR	CARDINAL HEALTH	131	15%	13%
RI	HEALTH MART ATLAS	14	48%	9%
RI	CARDINAL HEALTH	6	21%	4%

State	PSAO	Pharmacy Count	% of Independent Retail Pharmacies*	% of Total Retail Pharmacies
RI	ELEVATE PROVIDER NETWORK	6	21%	4%
SC	HEALTH MART ATLAS	131	31%	12%
SC	ELEVATE PROVIDER NETWORK	93	22%	9%
SC	EPIC PHARMACY NETWORK INC	57	13%	5%
SD	HEALTH MART ATLAS	42	37%	23%
SD	CARDINAL HEALTH	33	29%	18%
SD	ALIGNRX	17	15%	9%
TN	ALIGNRX	169	26%	11%
TN	HEALTH MART ATLAS	139	21%	9%
TN	CARDINAL HEALTH	102	16%	7%
TX	ALIGNRX	564	25%	10%
TX	HEALTH MART ATLAS	454	20%	8%
TX	ELEVATE PROVIDER NETWORK	418	18%	8%
UT	HEALTH MART ATLAS	110	46%	22%
UT	CARDINAL HEALTH	63	26%	13%
UT	ALIGNRX	36	15%	7%
VA	CARDINAL HEALTH	99	24%	7%
VA	ELEVATE PROVIDER NETWORK	85	20%	6%
VA	EPIC PHARMACY NETWORK INC	79	19%	5%
VI	CARDINAL HEALTH	3	20%	15%
VT	ALIGNRX	8	23%	6%
VT	HEALTH MART ATLAS	7	20%	6%
VT	CARDINAL HEALTH	7	20%	6%
WA	HEALTH MART ATLAS	84	27%	8%
WA	ALIGNRX	69	22%	6%
WA	CARDINAL HEALTH	55	17%	5%
WI	HEALTH MART ATLAS	138	37%	15%
WI	ELEVATE PROVIDER NETWORK	61	16%	6%
WI	ALIGNRX	59	16%	6%
WV	CARDINAL HEALTH	80	29%	16%
WV	ELEVATE PROVIDER NETWORK	56	20%	11%
WV	EPIC PHARMACY NETWORK INC	41	15%	8%
WY	HEALTH MART ATLAS	20	37%	18%
WY	ALIGNRX	13	24%	12%
WY	ELEVATE PROVIDER NETWORK	11	20%	10%
<b>Grand Total</b>		<b>18,954</b>		

\*Includes pharmacies classified as "independent" and "independent that contracts with a PSAO"



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