


PBM's' MANAGEMENT OF SPECIALTY DRUGS



What is a specialty drug?

A specialty drug possesses any number of these common attributes:¹

- ➔ Prescribed for a person with a complex or chronic medical condition
- ➔ Treats rare or orphan diseases
- ➔ Requires advanced patient education, adherence, and support
- ➔ Is oral, injectable, inhalable, or infusible
- ➔ Has a high monthly cost
- ➔ Has unique storage or shipment requirements
- ➔ Is not stocked at a majority of retail pharmacies

What are specialty pharmacies?

- ➔ Payer-aligned specialty pharmacies have the **technology and clinical expertise** to enhance the safety, quality, and affordability of care for patients receiving specialty medications
- ➔ Pharmacists and clinicians at specialty pharmacies offer support to patients with complex medical conditions, such as:
 - Blood disorders
 - Cancer
 - Crohn's disease
 - HIV/AIDS
 - Infertility
 - Multiple sclerosis
 - Rheumatoid arthritis
 - Among others

Specialty pharmacies play an important role in patient care. They provide:



24/7 access to specially trained pharmacists and clinicians



Physician consultations to address patient side effects, adverse reactions, and non-adherence



Patient care management services to ensure patient safety



Data analytics that drive better patient outcomes

¹ sPCMA, *The Management of Specialty Drugs*. (2016).

Specialty drug benefit design and management

PBMs have developed key strategies to maintain access to high-quality care while ensuring that money spent on specialty drugs is not wasted:

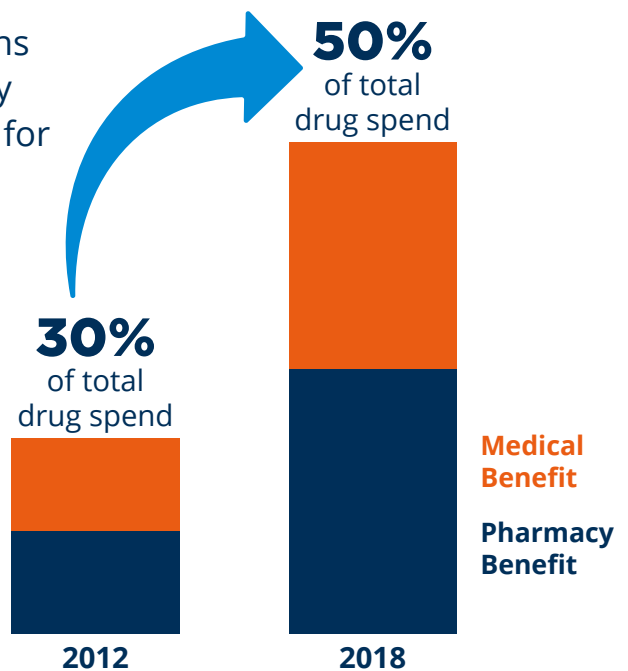
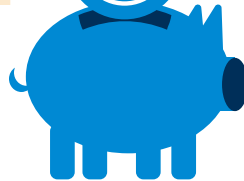
- ➔ Negotiating rebates from drug manufacturers
- ➔ Creating high-quality preferred networks
- ➔ Offering more affordable pharmacy channels, such as home delivery and specialty pharmacies
- ➔ Optimizing appropriate sites of care
- ➔ Encouraging use of the highest-value drug options
- ➔ Reducing waste and improving adherence

Effective management is needed

In 2020, **9 of the 10** best-selling drugs by revenue will be specialty drugs, compared with 3 out of 10 in 2010, and 7 out of 10 in 2014²



By 2018, projections show that specialty drugs will account for **50 percent** of all drug costs³



Compared to traditional retail drugstores, specialty pharmacies offer deeper discounts and enhanced services to employers and consumers. Specialty pharmacies will

save an estimated \$250 billion

over the 10-year period 2016–2025.⁴

² Drug Channels, *Pharma's Bright Future: Meet the Top 10 Drugs of 2020*. (July 28, 2015).

³ CVS Health, *Insights: Specialty Pipeline: Blockbusters on the Horizon*. (2016).

⁴ Visante, *Pharmacy Benefit Managers (PBMs): Generating Savings for Plan Sponsors and Consumers*. (February 2016).