



Consultant Connections



Employers Health™



Consultant Connections is a quarterly newsletter, specifically for employee benefit and health and welfare consultants, dedicated to providing details and data needed to help employer clients maintain high-quality care for their plan participants while keeping prescription drug and related health care costs sustainable.

From Mike

It's been a busy first quarter here at Employers Health and if you're like me, you wonder where the time has gone so far in 2023!

Thank you to everyone who has participated in one of our webinars or in-person meetings. If you missed them, I'd encourage you to visit our website for on-demand recordings. We work to make our webinars educational in nature and not a sales pitch, which I think is appreciated by the audience. Part of the value of participating in a coalition is the information sharing that occurs in this ever-changing and sometimes chaotic marketplace.

Our pipeline is beginning to fill up for 1/1/24 starts and we are appreciative of each opportunity. If you have clients who would benefit from our solution, we encourage you to send the RFP our way. If you are unsure where to send it, you can always email me at mstull@employershealthco.com.

The 2024 market check negotiations are well underway and we hope to be able to start sharing pricing in April as part of bid responses and BAFO opportunities. We expect that more biosimilar launches for Humira in July and the recent moves to cut insulin prices by Eli Lilly and Novo Nordisk will continue to be moving pieces that we need to watch.

Finally, we continue to invest in new talent as we prepare for future growth. Our teams are regularly adding new members to ensure we deliver on existing promises and position ourselves for the future. All our newer team members have seasoned individuals supporting them in the background. I'm both confident and excited for the possibilities ahead!

My best wishes to you and your families for a safe and happy spring!



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As an employee benefits consultant, it is crucial to have a comprehensive understanding of the strategies that pharmacy benefit managers (PBMs) use to manage specialty medications. Specialty drugs now account for about 53% of pharmacy spend yet only between 1-2% of prescription fills. Astonishingly, the cost of these medications grew by 43% between 2016 and 2021, totaling \$301 billion in 2021. PBMs like CVS Health and Optum Rx utilize a range of management strategies to help control costs while ensuring that patients receive the appropriate medications to manage their conditions. In this article, we will highlight a few of the specialty management options provided by these PBMs.

CVS Specialty Management

Currently, one of the biggest contributors to specialty cost savings under the CVS Health arrangement is its relationship with PrudentRx. PrudentRx is an innovative co-pay plan design strategy that utilizes manufacturer co-pay card assistance for over 95% of specialty medications. It is a non-needs-based assistance program for commercially insured populations that traditionally worked for Preferred Provider Organization (PPO) plans and now is available for High-Deductible Health Plans (HDHPs) as well. As long as the drug is on the plan's exclusive specialty drug list and filled by CVS Specialty, the member pays \$0 out-of-pocket (OOP). HDHP

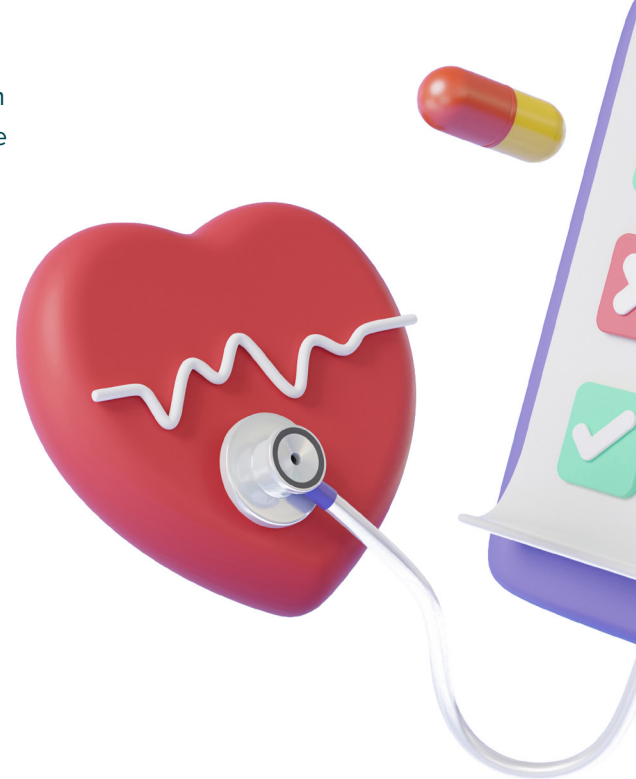
members would first need to satisfy their deductible, unless the member has been prescribed a “preventive care” medication under Internal Revenue Code. In 2022, Employers Health's CVS clients using PrudentRx saw an average 18% savings on specialty drug spend. For consultants who are interested in the program, Employers Health can provide an employer-level savings analysis at any time.

In addition to Specialty Guideline Management (SGM), a program that promotes safe and effective utilization of specialty drugs, CVS also offers Enhanced Specialty Guideline Management (eSGM). The enhanced version is a tighter cost-control strategy that targets top spend and/or complex therapies, including

rheumatoid arthritis (RA), hereditary angioedema (HAE), atopic dermatitis (AD) and psoriasis (PsO). Enhanced SGM programs achieve greater cost savings by utilizing more aggressive clinical criteria for approval. For some of these programs, additional care or case management services may be included to provide plan member support and help reduce medication utilization. Fees and savings projections vary per program. Currently, 59% of the Employers Health's CVS book-of-business participates in eSGM for RA and 52% for AD.

Additionally, site-of-care management has proven to save overall plan costs. CVS Specialty's Site of Care Alignment program specifically focuses on steering members to

the most cost-effective site when receiving their infused specialty medication. Select clinician-infused specialty drugs that can be appropriately shifted over from hospital administration to physician office or home infusion can provide savings to the plan sponsor and provide more comfortable and convenient options for members themselves. This program can offer up to 19% savings in the respective managed classes, however, clients must have more than 15,000 total lives to qualify.





Optum Rx Specialty Management

Optum Rx also offers a “Specialty Redirection Program.” Infusion treatment at a hospital can cost, on average, two to three times that of the same treatment given at an infusion clinic, doctor’s office or even at a member’s home. Before changes are made, the member’s provider is consulted to discuss alternative sites. There are two flavors offered for this given program: Open and Optum Exclusive. Open does not require patients to move but they can choose to do so on their own. Optum Exclusive requires patients to move to an Optum infusion suite, Optum home infusion or doctor’s office. The projected savings are about \$0.39 per member per month (PMPM) or

\$1.26 PMPM for the different offerings, respectively.

Optum Rx’s Orphan Drug Program is a comprehensive program designed to provide patients with rare diseases access to essential medications and support services. The program engages with health care providers to optimize therapy and ensure the most appropriate use of orphan drugs. Moreover, the program uses data-driven insights to tailor education for members and improve patient outcomes. Optum Rx’s team of pharmacists and clinicians analyzes patient data and medication usage to identify opportunities for therapy optimization and cost savings, which generally comes from driving to cheaper alternatives or discontinuing unnecessary therapy.

This approach helps ensure that patients receive the most effective care while managing the costs associated with orphan drugs.

Specialty Fusion, launched in the first quarter of 2022, aims to simplify specialty care overall for patients and plan sponsors alike. It's a first-of-its-kind solution that provides a simpler experience for providers and quicker treatment approvals for patients, all while delivering about 17% total cost savings. It brings medical and pharmacy benefits together on one platform where data is analyzed at the point of care to determine the most cost-effective treatment that will lead

to optimal health outcomes. In simpler terms, it is a cross-benefit decision support tool on a prior authorization platform. This innovative solution can save clients up to \$15 PMPM when considering medical and pharmacy savings combined and 50% faster time to therapy for patients.





Client Considerations

With more and more specialty medications gaining FDA approval each year, including high-cost options like gene therapies, it is critical that consultants and clients are aware of what is provided under both their pharmacy and medical carrier arrangements. Infusion therapies like Ocrevus for multiple sclerosis (MS), Berinert for hereditary angioedema (HAE) or autoimmune medications like Entyvio for inflammatory bowel disease (IBD) can be shifted from the medical benefit to the pharmacy. It's been found that this can save plan sponsors on average around 33-52% per month when a drug is given at a physician's office or the patient's home instead of the hospital. Optimizing a plan sponsor's pharmacy

benefit with enhanced utilization management options, data integration and site-of-care management can help best manage overall plan sponsor spend and patient outcomes.

It is also worth mentioning that both PBMs utilize data analytics to identify patients who are at risk of non-adherence to their medication regimen. Even among specialty drugs, non-adherence is a common problem. Approximately 40-50% of members remain on a specialty drug after one year. Patients may not understand the importance of adhering to their treatment plan, so any inconvenience, such as side effects or cost, could lead to drug abandonment. By identifying at-risk patients and educating them on their condition, CVS Health and Optum Rx can

intervene early and provide support to improve adherence. Both PBMs have greatly increased their investments in digital technologies via apps and other programs, such as two-way messaging, to communicate with patients in their preferred methods.

In conclusion, specialty medications are a crucial aspect of health care, and they can be expensive. PBMs like CVS Health and Optum Rx employ a range of management strategies to help control costs while ensuring patients receive the appropriate medications to manage their conditions. Prior authorization, step therapy and quantity limits are essential tools that PBMs utilize to ensure the appropriate

use of specialty medications. The improvements in documentation requirements for prior authorizations have led to overall specialty approval rates around 70%. Additionally, PBMs offer various programs and services to help patients manage their medication and improve adherence.

As an employee benefits consultant, it is essential to work with your clients to ensure their PBM's management strategies align with their goals and the needs of their employees. By understanding the programs and services offered by PBMs like CVS Health and Optum Rx, you can help your clients make informed decisions about their health care benefits.

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