PBMs’ 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

By 2018, projections show that specialty drugs will account for 50 percent of all drug costs.\(^3\)

By 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 2014.\(^2\)

Effective management is needed

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

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.\(^4\)

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