

# *Pharmacy Benefit Management (Past, Present & Future)*

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# *Prescription Drug Business*

- ① **Pre-1960**
  - ▶ Major medical
  - ▶ Shoe box effect
- ① **1960 - today**
  - ▶ Drug cards (Pharmacy Benefit Managers)
    - ❖ Point of sale copayments
    - ❖ Cost control
  - ▶ Mail service
  - ▶ Specialty pharmacy

# Pharmacy Benefit Managers

- ⊖ PCS (Pharmaceutical Card System) 1968
- ⊖ Manufacturer acquisitions
  - Medco acquisition of Merck 1993
  - Eli Lilly acquisition of PCS 1994
  - Smith Kline Beacham buys  
Diversified Pharmaceutical Services 1994
- ⊖ Current ownership
  - Express Scripts & Medco 2007
  - United Health & Catamaran 2015
  - CVS & Caremark 2007
  - Rite-Aid & Envision 2015

# Top 15 Drug Classes

RANKED BY 2016 PMPY\* SPEND

RANK	TYPE	THERAPY CLASS	PMPY SPEND	TREND		
				UTILIZATION	UNIT COST	TOTAL
1	S	Inflammatory conditions	\$118.21	11.3%	15.1%	26.4%
2	T	Diabetes	\$108.80	5.3%	14.1%	19.4%
3	S	Oncology	\$60.70	11.9%	9.6%	21.5%
4	S	Multiple sclerosis	\$58.63	-1.3%	7.4%	6.1%
5	T	Pain/inflammation	\$51.64	0.6%	0.9%	1.5%
6	S	HIV	\$39.92	5.5%	16.2%	21.7%
7	T	High blood cholesterol	\$38.45	-0.9%	-6.5%	-7.4%
8	T	Attention disorders	\$36.30	5.6%	-5.5%	0.1%
9	T	High blood pressure/heart disease	\$34.52	1.5%	-10.6%	-9.1%
10	T	Asthma	\$30.42	3.3%	-2.6%	0.7%
11	S	Hepatitis C	\$25.26	-27.3%	-6.7%	-34.0%
12	T	Depression	\$23.46	4.8%	-6.4%	-1.6%
13	T	Contraceptives	\$20.97	3.0%	-2.8%	0.2%
14	T	Heartburn/ulcer disease	\$20.93	-1.3%	-22.7%	-24.0%
15	T	Skin conditions	\$20.76	1.2%	0.4%	1.6%
Other thera classes			\$389.07	0.0%	0.3%	0.3%
<b>TOTAL</b>			<b>\$1,078.04</b>	<b>1.3%</b>	<b>2.5%</b>	<b>3.8%</b>

S = Specialty T = Traditional \* Per member per year

EXPRESS SCRIPTS 2016 TREND REPORT

# Specialty Drug Trend

## TOP 10 SPECIALTY THERAPY DRUGS

RANKED BY 2016 PMPY\* SPEND

RANK	DRUG NAME	THERAPY CLASS	PMPY SPEND	% OF TOTAL SPECIALTY SPEND	TREND		
					UTILIZATION UNIT COST	UNIT COST	TOTAL
1	Humira Pen® (adalimumab)	Inflammatory conditions	\$ 45.11	11.3%	10.5%	17.9%	28.4%
2	Enbrel® (etanercept)	Inflammatory conditions	\$ 26.82	6.7%	-4.3%	10.9%	6.6%
3	Tecfidera® (dimethyl fumarate)	Multiple sclerosis	\$ 13.49	3.4%	-2.1%	10.5%	8.4%
4	Copaxone® (glatiramer)	Multiple sclerosis	\$ 12.42	3.1%	-12.3%	1.6%	-10.7%
5	Harvoni® (ledipasvir/sofosbuvir)	Hepatitis C	\$ 9.86	2.5%	-49.5%	-4.3%	-53.8%
6	Revlimid® (lenalidomide)	Oncology	\$ 9.78	2.5%	13.7%	10.6%	24.3%
7	Gilenya® (fingolimod)	Multiple sclerosis	\$ 8.48	2.1%	5.6%	9.0%	14.6%
8	Truvada® (emtricitabine/tenofovir disoproxil fumarate)	HIV	\$ 8.44	2.1%	27.1%	10.7%	37.8%
9	Humira® (adalimumab)	Inflammatory conditions	\$ 8.15	2.1%	2.8%	16.0%	18.8%
10	Stelara® (ustekinumab)	Inflammatory conditions	\$ 8.13	2.0%	18.2%	3.7%	21.9%

\*Per member per year

# ***Cost Drivers***

- ③ **New drugs**
- ③ **Manufacturer price hikes**
- ③ **Advertising**
  - **Direct to consumer**
  - **Drug samples**
  - **Copay assistance/coupons**

# Cost Drivers

## New Brand Drugs

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### First-Time Brand Drug Approvals 2016

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Drug Name	Active Ingredient	Approval Date	Indication
Xiidra	lifitegrast ophthalmic solution	7/11/2016	Dry Eyes
Epclusa	sofosbuvir and velpatasvir	6/28/2016	Hepatitis C
Zinbryta	daclizumab	5/27/2016	Multiple Sclerosis
Taltz	ixekizumab	3/22/2016	Plaque Psoriasis
Zepatier	elbasvir and grazoprevir	1/28/2016	Hepatitis C

[www.fda.gov](http://www.fda.gov)

# Cost Drivers

## New Generic Drugs

### First-Time Generic Drug Approvals 2016

Generic Name	Brand Name	Approval Date	Indication
Dexmethylphenidate Hydrochloride Extended-Release Capsules, 25 mg, 35 mg	Focalin XR	11/30/2016	Attention Deficit Disorder
Quetiapine Fumarate Extended-Release Tablets, 400 mg	Seroquel XR	11/1/2016	Schizophrenia/Bipolar Disorder
Mycophenolate Mofetil Hydrochloride for Injection USP, 500 mg/ vial	Cellcept	10/28/2016	Anti-rejection
Olmesartan Medoxomil and Hydrochlorothiazide Tablets, 20 mg/12.5 mg, 40 mg/12.5 mg, 40 mg/25 mg	Benicar HCT	10/26/2016	Hypertension
Oseltamivir Phosphate Capsules USP, 30 mg, 45 mg, 75 mg	Tamiflu	8/3/2016	Influenza A & B
Rosuvastatin Calcium Tablets, 5 mg, 10 mg, 20 mg, 40 mg	Crestor	4/29/2016	Cholesterol
Sildenafil Citrate Tablets, 25 mg (base), 50 mg (base), 100 mg (base)	Viagra	3/9/2016	Erectile dysfunction
Fluticasone Propionate Nasal Spray USP, 50 mcg/spray	Flonase	2/29/2016	Seasonal Allergies
Sumatriptan Nasal Spray USP, 5 mg/spray 20 mg	Imitrex	2/19/2016	Migraine

[www.fda.gov](http://www.fda.gov)

# Cost Drivers

## Manufacturer Price Hikes (Generics)

- ⊖ **Erythromycin 500mg**
  - \$0.24 in 2010
  - \$8.96 in 2015
- ⊖ **Clomipramine HCL 50mg (Anafranil)**
  - \$0.34 in 2013
  - \$8.43 in 2014
- ⊖ **Piroxicam 20gm (Feldene)**
  - \$0.09 in 2010
  - \$1.82 in 2015
- ⊖ **Methazolamide (Neptazane)**
  - \$0.33 in 2010
  - \$5.47 in 2015

# Cost Drivers

## Manufacturer Price Hikes (Brands)

### ☉ Humalog

- \$18.34 in 2013
- 30.57 in 2015

### ☉ Lantus

- \$15.81 in 2013
- \$29.82 in 2015

### ☉ Epipen

- \$144.39 in 2013
- \$365.16 in 2015

### ☉ Xarelto

- \$10.04 in 2013
- \$15.52 in 2015

### ☉ Zegerid 40-1100

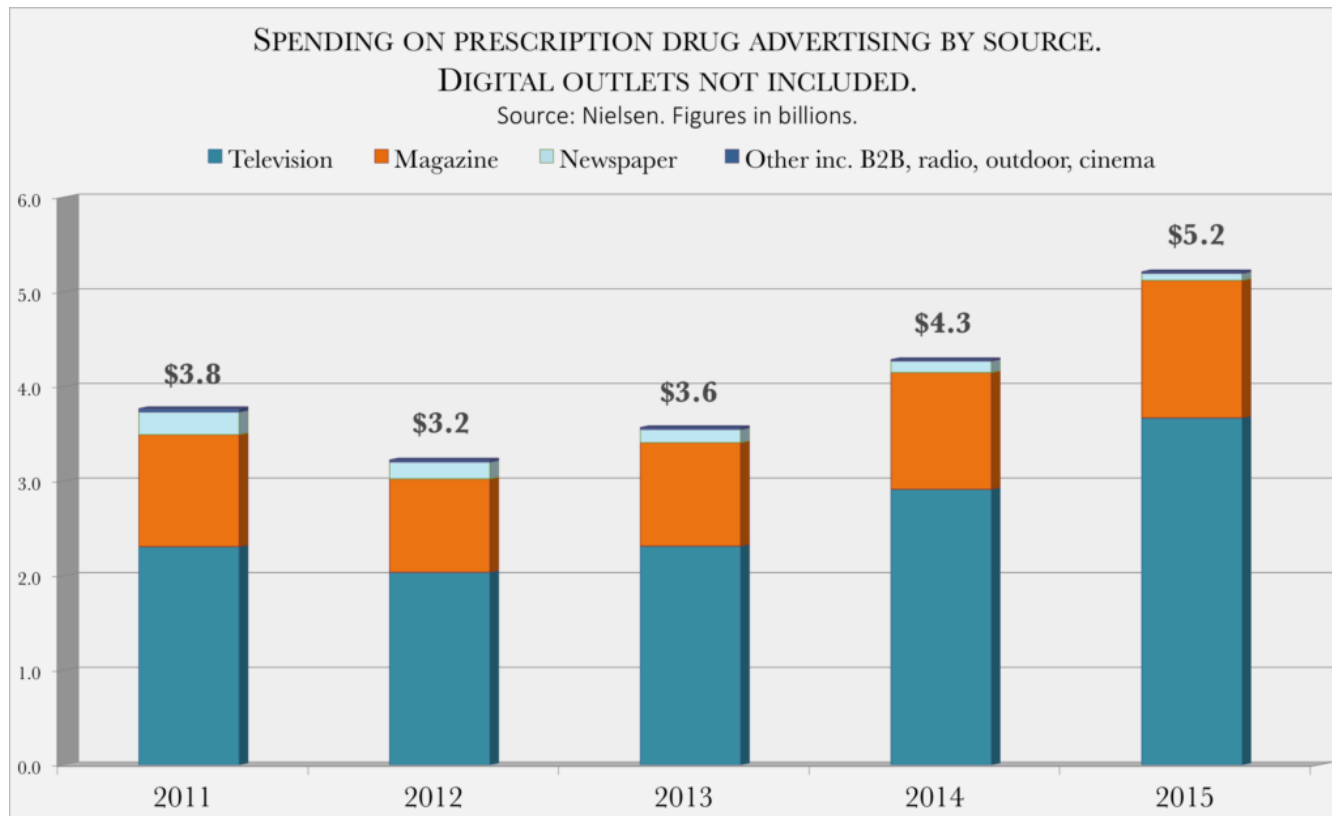
- \$ 12.67 in 2013
- \$121.35 in 2015

### ☉ Vimovo

- \$ 2.29 in 2013
- \$45.18 in 2015

# Cost Drivers

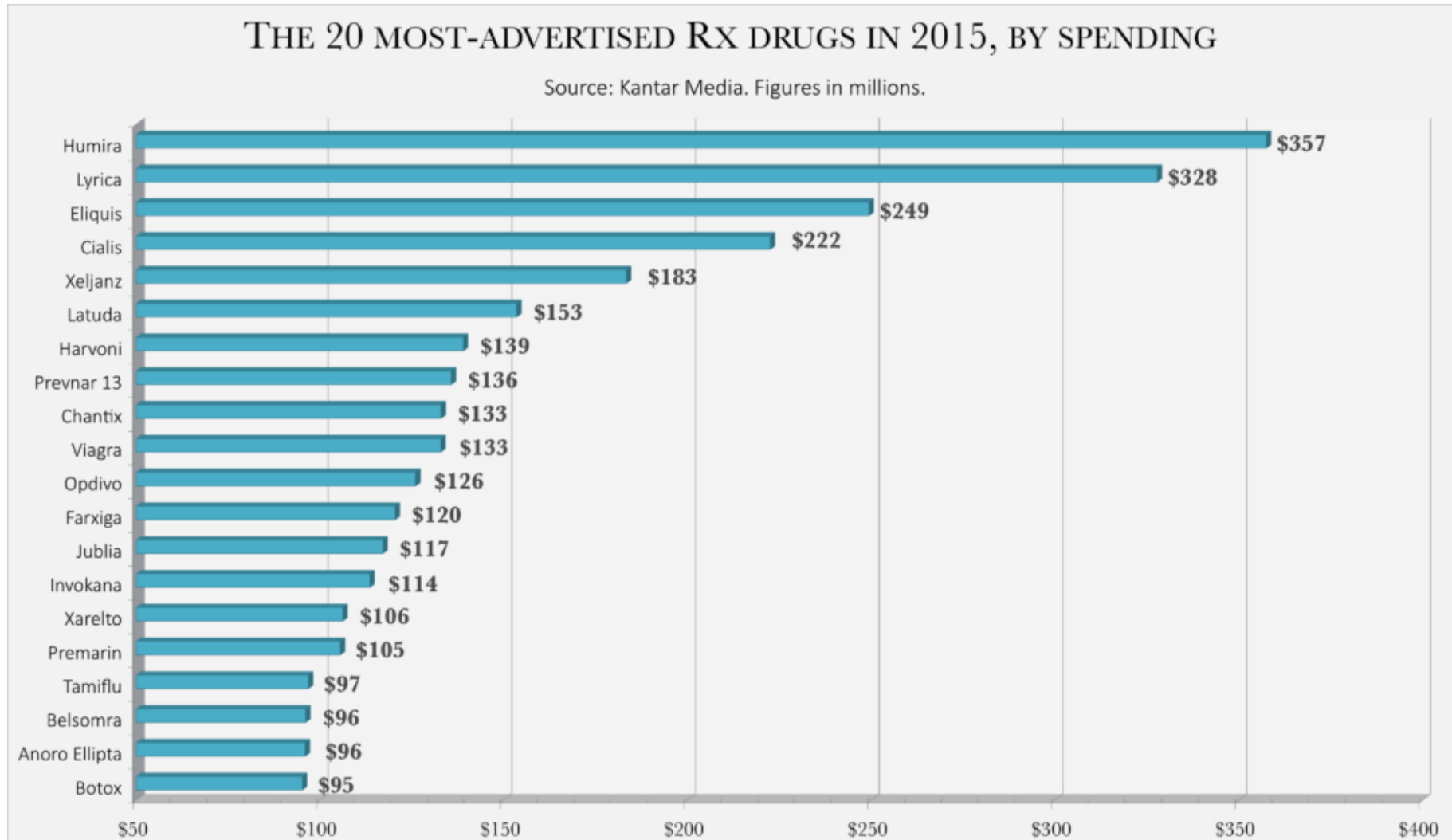
## Direct To Consumer Advertising



<https://www.statnews.com/2016/03/09/drug-industry-advertising/>

# Cost Drivers

## Direct To Consumer Advertising



# ***Cost Drivers***

## ***Drug Samples***

- ③ **\$16 billion annually\***
- ③ **Manufacturer claims of reduced cost to members**
- ③ **Primarily branded and branded generics (79%)\***
- ③ **18% of all dermatology drugs started with free samples\***
- ③ **Average cost with samples \$465 compared to \$200 without samples\***
- ③ **Increase patient out of pocket**

# ***Cost Drivers***

## ***Copay Assistance/Coupon Programs***

- ⊖ **Patient financial assistance**
  - **Manufacturers**
  - **Third party organizations**
  - **Charitable organizations**
- ⊖ **Primarily high cost brands**
- ⊖ **Free drugs/supplies**
- ⊖ **Cost savings or cost driver?**

# Smoke & Mirrors

## How Do PBM's Make Money)

- ⊖ Administrative Fees
- ⊖ Spread in Average Wholesale Price (AWP) Discounts and dispensing fees
- ⊖ Spread in Maximum Allowable Cost (MAC) Discounts
- ⊖ Retained Rebates
- ⊖ Repackaging and inflated AWP's
- ⊖ Other Manufacturer Incentives
- ⊖ Purchase of Short Dated Products



"Great, and I'll also need some mirrors."

# Smoke & Mirrors

## Who Has the Best Price?

	<i>Option 1</i>	<i>Option 2</i>
<b>Retail Brand Discount</b>	<b>AWP - 18%</b>	<b>AWP - 18.5%</b>
<b>Retail Brand Dispensing Fee</b>	<b>\$ 1.00</b>	<b>\$ 0.85</b>
<b>Retail Generic Discount</b>	<b>AWP- 18% or MAC*</b>	<b>AWP - 70%</b>
<b>Retail Generic Dispensing Fee</b>	<b>\$ 1.00</b>	<b>\$ 0.85</b>
<b>90 Day at Retail Brand Discount</b>	<b>AWP - 19%</b>	<b>AWP - 20%</b>
<b>90 Day at Retail Brand Dispensing Fee</b>	<b>\$ -</b>	<b>\$ -</b>
<b>90 Day at Retail Generic Discount</b>	<b>AWP - 19% or MAC*</b>	<b>AWP - 70%</b>
<b>90 Day at Retail Generic Dispensing Fee</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Mail Order Brand Discount</b>	<b>AWP - 23%</b>	<b>AWP - 24%</b>
<b>Mail Order Dispensing Fee</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Mail Order Generic Discount</b>	<b>AWP - 23% or MAC*</b>	<b>AWP - 70%</b>
<b>Mail Order Generic Dispensing Fee</b>		
<b>Retail Rebates</b>	<b>\$ 5.00</b>	<b>\$ 14.40</b>
<b>Mail Order Rebates</b>	<b>\$ 15.00</b>	<b>\$ 45.00</b>
<b>*Maximum Allowable Cost</b>		

# Smoke & Mirrors

Who Has the Best Price?

	Option 1	Cost	Option 2	Cost
Admin Fee	\$ -	\$ -	\$ -	\$ -
<b>Retail</b>			<b>Retail</b>	
Brand	18.00%	\$ 62.71	18.50%	\$ 62.33
Brand DF	\$ 1.00	\$ 0.14	\$ 0.85	\$ 0.12
Generic	74%	\$ 19.85	70%	\$ 22.91
Generic DF	\$ 1.25	\$ 0.94	\$ 0.85	\$ 0.64
<b>Total</b>		\$ 83.65		\$ 86.00
<b>Retail 90</b>			<b>Retail 90</b>	
Brand	19%	\$ 6.20	20%	\$ 6.12
Brand DF	\$ -	\$ -	\$ -	\$ -
Generic	74%	\$ 4.72	70%	\$ 5.44
Generic DF	\$ -	\$ -	\$ -	\$ -
<b>Total</b>		\$ 10.92		\$ 11.56
<b>Mail</b>			<b>Mail</b>	
Brand	23%	\$ 5.26	24%	\$ 5.20
Brand DF	\$ -	\$ -	\$ -	\$ -
Generic	74%	\$ 1.89	70%	\$ 2.18
Generic DF	\$ -	\$ -	\$ -	\$ -
<b>Total</b>		\$ 7.15		\$ 7.38
<b>Rebates</b>	<b>Rebates(Brand)</b>		<b>Rebates (Brand)</b>	
Retail	\$ 5.00	\$ 4.47	\$ 14.40	\$ 2.09
90 day Retail	\$ 5.00	\$ 0.40	\$ 14.40	\$ 0.14
Mail	\$ 15.00	\$ 0.40	\$ 45.00	\$ 0.29
Specialty Rebates	\$ 15.00	\$ 0.08	\$ 45.00	\$ 0.24
<b>Total</b>		\$ 5.34		\$ 2.76
<b>Ancillary</b>			<b>Ancillary</b>	
Paper Claims	\$ 2.50	\$ 0.03	\$ 2.50	\$ 0.03
Step Therapy	\$ -	\$ -	\$ -	\$ -
HDHP Integration	\$ -	\$ -	\$ -	\$ -
<b>Grand Total per rx</b>		\$ 96.40		\$ 102.20
			<b>Option 1 Savings per Prescription</b>	\$ 5.80

# ***Cost Containment Strategies***

## ***Past Strategies***

- ① **80/20 coinsurance**
  - Integrated with medical
  - No cost containment
  
- ① **Prescription card with copay**
  - Few discounts
    - ❖ AWP + \$3.25
  - No deductibles
  - Minimal drug utilization review
  - High patient acceptance

# ***Cost Containment Strategies***

## ***Current Strategies***

- ⊗ **Mail service**
- ⊗ **Drug exclusions**
- ⊗ **Formulary**
- ⊗ **Disease state management**
- ⊗ **Step therapy protocol**
- ⊗ **Therapeutic intervention**
- ⊗ **Clinical prior authorizations**
- ⊗ **Quantity limitation**
- ⊗ **Multiple tier copayments**
- ⊗ **Specialty drug program**

# *Mail Service*

- ⊗ *Discount prices*
  - ▶ *Up to 28% off brand Average wholesale price(AWP)*
  - ▶ *Up to 80% off generic AWP*
- ⊗ *Drug utilization review*
- ⊗ *Creative plan designs*
  - ▶ *Mandatory mail*
  - ▶ *Auto refill*
  - ▶ *Co-payment*
    - ❖ *Normally twice that of retail*
- ⊗ *Savings or cost driver?*

# *Drug Exclusions*

- ⊖ **Client preference**
- ⊖ **Medical necessity**
- ⊖ **Common exclusions**
  - **Weight loss**
  - **OTCs**
  - **Cosmetic items**
  - **Lifestyle drugs**
  - **Oral contraceptives\***
- ⊖ **Patient protection and affordable care act (PPACA)**
- ⊖ **Savings vary based on plan design**

\*Subject to preventive care provisions

# *Formulary*

- ⊖ **List of preferred drugs**
- ⊖ **Factors for consideration**
  - **Outcomes**
  - **Drug cost**
  - **Rebates**
  - **New drug to market exclusion**
- ⊖ **Member disruption**
- ⊖ **Savings up to 5% of total prescription costs ???**

# ***Disease State Management***

- ① **Focused programs targeting specific disease states**  
(such as Diabetes, Asthma, Chronic Obstructive Pulmonary Disease, Congestive, Heart failure, Depression and Hypertension)
- ① **Cost \$7 to \$11 per patient**
- ① **May Actually Increase Prescription Cost**

# *Step Therapy*

- ⊖ Required use of less expensive drug first
- ⊖ Works best in managed care setting
- ⊖ Very low patient acceptance
- ⊖ Savings vary but may be as high as 3% of total drug cost depending on physician compliance, voluntary vs. involuntary usage, and the number of programs selected

# *Therapeutic Intervention*

- ⊖ Intervening with physician to substitute a non-formulary drug for a formulary drug
- ⊖ Works best in managed care setting
- ⊖ Requires physician support and a high level of patient education
- ⊖ Very low patient acceptance
- ⊖ Savings vary based on number and type of intervention but may be as high as 2.5% of total costs

# *Clinical Prior Authorizations*

- ⊖ **Allowing previously excluded medications based on pre-determined clinical parameters**
- ⊖ **Requires physician support and a high level of patient education**
- ⊖ **Accepted fairly well by patient since they can sometimes get excluded medications**
- ⊖ **Requires tremendous planning**
- ⊖ **Savings vary but may be as high as 2.5% of total claims**

# *Quantity Limitation*

## 📦 **General**

- Limit to 1 month supply at Retail
- Limit to 3 month supply at Mail

## 📦 **Specific**

- Migraine medications
  - ❖ 6 - 12 per month
- Viagra, Cialis, Levitra
  - ❖ 8 per month
- Savings estimated at .5% to 2%

# *Multiple Tier Copayments*

- ① **Additional tier added to control the cost of high cost medications**
  - ▶ Injectables, gene therapy, biotechnology treatments
- ① **Advertised Drugs**
- ① **Drugs with equivalent OTC available**
- ① **Additional tier added to control the cost of newly released medications**
  - ▶ Pending P & T review
  - ▶ 12 month waiting period
- ① **Coinsurance normally applies**
- ① **Savings vary by plan design**

# *Specialty Drug Program*

- ⊗ **A category of medications (primarily injectables) resulting from advances in research, technology, and design**
- ⊗ **Target and provide treatment for specific chronic or genetic conditions**
- ⊗ **Specialty Pharmaceuticals Include:**
  - ▶ Biopharmaceuticals (bioengineered proteins)
  - ▶ Select oral, injectable, and infused medications
- ⊗ **Program costs 6% to 8% of normal mail order discounts; comparable to retail**

# ***Cost Containment Strategies***

## ***Future Strategies***

- ⊖ **Exclusionary formulary**
- ⊖ **Reference based pricing**
- ⊖ **Alternative distribution channels**
  - Tier 1 countries
- ⊖ **Specialty drug copay assistance**
  - Targeted copayments
  - True out of pocket management
- ⊖ **Transparency**
- ⊖ **Targeted Exclusions**
  - **Compound exclusion/PA**
  - **Compound kit exclusion/PA**
  - **Patch/solutions exclusion/PA**

# *Future Strategies*

## *Exclusionary Formulary*

<i>Therapeutic Class</i>	<i>Excluded Medications</i>	<i>Alternatives</i>
<b>Diabetic Blood Testing Meters and Strips</b>	<b>Free Style, Accu-Chek, Contour</b>	<b>One Touch</b>
<b>Rapid Acting Insulin</b>	<b>Apidra, Novolog,</b>	<b>Humalog</b>
<b>Long Acting Insulin</b>	<b>Levemir, Tresiba</b>	<b>Lantus, Toujeo</b>
<b>Multiple Sclerosis Medications*</b>	<b>Extavia, Plegridy, Rebif</b>	<b>Avonex, Betaseron, Copaxone, Tecfidera</b>
<b>Long Acting Opioid Analgesics (Oral)</b>	<b>Hysingla ER, Kadian, Nucynta ER, Opana ER, Zohydro ER</b>	<b>hydromorphone HCL ER, morphine sulfate ER, oxycodone HCL ER, oxymorphone HCL ER</b>

# *Future Strategies*

## *Reference Based Pricing*

- ① **Setting a ceiling price for drug classes**
- ① **Process**
  - **Selection of targeted classes**
  - **Determine maximum reimbursement**
  - **Educate members**
  - **Create medical exception process**
- ① **Poor member acceptance**
- ① **Difficult to maintain due to price fluctuations**
- ① **Cost savings?**

# Future Strategies

## Alternative Distribution Channels – Tier 1 Countries

Medication	Total Cost	Member Paid	Plan Paid	Tier 1 Vendor Total Cost	Tier 1 Vendor Member Paid	Tier 1 Vendor Plan Paid	Tier 1 Vendor \$ Savings	Tier 1 Vendor % Savings
ABILIFY TAB 2MG	\$12,664.54	\$ 3,469.29	\$ 9,195.25	\$ 2,088.85	\$ -	\$ 2,088.85	\$ 7,106.40	77.3%
JANUMET TAB 50-1000	\$14,072.90	\$ 184.73	\$ 13,888.17	\$ 3,530.97	\$ -	\$ 3,530.97	\$ 10,357.20	74.6%
JANUVIA TAB 100MG	\$34,790.40	\$ 3,029.54	\$ 31,760.86	\$ 9,234.76	\$ -	\$ 9,234.76	\$ 22,526.10	70.9%
FARXIGA TAB 5MG	\$ 8,097.70	\$ 502.26	\$ 7,595.44	\$ 2,274.64	\$ -	\$ 2,274.64	\$ 5,320.80	70.1%
INVOKANA TAB 100MG	\$ 1,397.91	\$ -	\$ 1,397.91	\$ 419.91	\$ -	\$ 419.91	\$ 978.00	70.0%
FARXIGA TAB 10MG	\$ 6,755.78	\$ 531.60	\$ 6,224.18	\$ 1,898.18	\$ -	\$ 1,898.18	\$ 4,326.00	69.5%
BENICAR HCT TAB 20-12.5	\$ 862.10	\$ 431.06	\$ 431.04	\$ 132.24	\$ -	\$ 132.24	\$ 298.80	69.3%
PREMARIN TAB 0.625MG	\$ 1,386.42	\$ 693.23	\$ 693.19	\$ 213.49	\$ -	\$ 213.49	\$ 479.70	69.2%
ABILIFY TAB 5MG	\$18,092.20	\$ 7,495.47	\$ 10,596.73	\$ 3,330.73	\$ -	\$ 3,330.73	\$ 7,266.00	68.6%
TECFIDERA CAP 240MG	\$62,414.29	\$ 4,961.16	\$ 57,453.13	\$ 33,323.53	\$ -	\$ 33,323.53	\$ 24,129.60	42.0%

# Future Strategies

## Specialty Drug Copay Assistance

<i>Drug</i>	<i>Used to Treat</i>	<i>Max Monthly</i>	<i>Max Benefit Total</i>
Adcirca	Pulmonary Arterial Hypertension	\$800	\$9600 per year
Afinitor	Anti-Neoplastic	\$6,350	\$76,200...card expires 12/31 yearly
Copaxone	Multiple Sclerosis	\$2,500	\$12,000 yearly
Daklinza	Hepatitis C	\$5,000	\$60,000
Gleevec	Anti-Neoplastic	\$10,630	\$30,000 yearly
Humira	Rheumatoid Arthritis	\$800	\$9,600
Revatio	Pulmonary Arterial Hypertension	\$500	\$6,000 yearly
Tasigna	Anti-Neoplastic	\$9,600	\$32,000 yearly
Viekira	Hepatitis C	\$7,500	\$45,000
Vivitrol	Alcohol/Opioid dependence	\$500	\$6,000 yearly

# ***Future Strategies***

## ***Transparency***

- ④ **The identification of all money paid by the client to retail pharmacies (no spread pricing)**
- ④ **The identification of the rebates received at a drug specific level**
- ④ **The identification of non-rebate monies paid by pharmaceutical manufacturers.**
- ④ **The identification of MAC spread retained by the PBM**
- ④ **Records are opened to Client or Consultant for review**
- ④ **Administrative fee may be \$0**

# Future Strategies

## Targeted Exclusions - Compound Exclusion/PA

<i>Drug Name</i>	<i># Rx</i>	<i>Amount Paid</i>	<i>Cost/Rx</i>	<i>Indication</i>
FLURBIPROFEN	70	\$160,579.31	\$ 2,293.99	External Pain Medication
GABAPENTIN	64	\$112,655.77	\$ 1,760.25	External Pain Medication
FLUTICASONE PROPIONATE	27	\$107,897.71	\$ 3,996.21	Topical Pain/Itching
RESVERATROL	22	\$ 78,100.66	\$ 3,550.03	Anti-inflammatory
STERA BASE	14	\$ 44,936.06	\$ 3,209.72	Moisturizing Cream
KETAMINE HCL	23	\$ 38,591.42	\$ 1,677.89	External Pain Medication
TERODERM	9	\$ 30,985.43	\$ 3,442.83	Skin Softener
ETHOXY DIGLYCOL	7	\$ 24,450.80	\$ 3,492.97	Solvent for Compounding
PCCA SPIRA-WASH BASE	1	\$ 1,159.38	\$ 1,159.38	Vehicle Base
PCCA CUSTOM LIPO-MAX	22	\$ 14,846.09	\$ 674.82	Vehicle Base

# Future Strategies

## Targeted Exclusions - Compound Kit Exclusion/PA

<i>Drug Name</i>	<i># Rx</i>	<i>Amount Paid</i>	<i>Cost/kit</i>	<i>Indication</i>	<i>Active Ingredient(s)</i>
ACTIVE-CYCLOBENZAPRINE KIT	17	\$23,420.48	\$ 1,377.68	Fibromyalgia	Cyclobenzaprine
ACTIVE-KETOPROFEN KIT	12	\$17,416.45	\$ 1,451.37	External Pain Medication	Ketoprofen
ACTIVE-PREP KIT I	11	\$28,801.14	\$ 2,618.29	External Pain Medication	flurbiprofen/ cyclobenzaprine
ACTIVE-PREP KIT III	1	\$ 2,323.04	\$ 2,323.04	External Pain Medication	Gabapentin/Ketoprofen/ Lidocaine
ACTIVE-TRAMADOL KIT	4	\$ 6,185.94	\$ 1,546.49	External Pain Medication	Tramadol

HSRX 2015

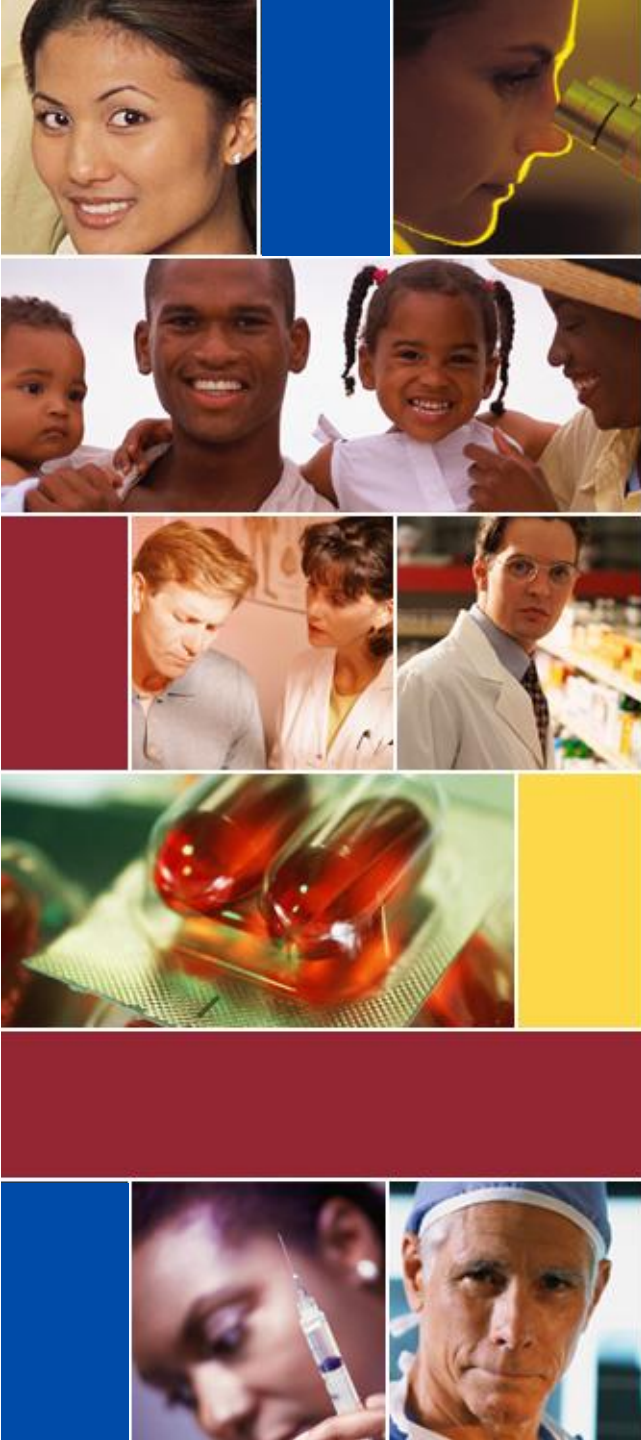
# Future Strategies

## Targeted Exclusions - Patches/Solutions Exclusion/PA

<i>Drug Name</i>	<i># Rx</i>	<i>Amount Paid</i>	<i>Cost/Rx</i>	<i>Ingredient(s)</i>
SYNVEXIA	4	\$ 18,946.28	\$ 4,736.57	Lidocaine/menthol
SOLAICE	6	\$ 18,633.37	\$ 3,105.56	Capsaicin/menthol
REXAPHENAC	13	\$ 38,931.27	\$ 2,994.71	Diclofenac
RECIPHEXAMINE	19	\$ 56,440.73	\$ 2,970.56	Lidocaine/menthol
LIDENZA PATCH	7	\$ 17,078.25	\$ 2,439.75	Lidocaine
QROXIN	18	\$ 39,259.51	\$ 2,181.08	Capsaicin/menthol
RELYYT	3	\$ 6,144.24	\$ 2,048.08	Capsaicin/menthol
RELYYKS	6	\$ 12,226.61	\$ 2,037.77	Lidocaine/menthol
CAPTRACIN	5	\$ 9,416.98	\$ 1,883.40	Capsaicin/menthol
SINELEE	13	\$ 24,353.18	\$ 1,873.32	Capsaicin/menthol
VIMOVO	167	\$240,829.85	\$ 1,442.09	Naproxen/esomeprazole
PENNSAID	113	\$146,090.02	\$ 1,292.83	Diclofenac
DUEXIS	194	\$250,788.43	\$ 1,292.72	Ibuprofen/famotidine

# *Conclusion*

- ⊖ Pharmacy benefit management has evolved but still has a long way to go to manage cost
- ⊖ New drugs will continue to be a major cost driver
- ⊖ Multiple strategies must be employed to manage costs
- ⊖ A move to transparency will help battle the ‘smoke and mirrors’ in PBM pricing
- ⊖ Cost management requires constant oversight



# *Questions*