



Specialty Pharmaceuticals Service

Patient Pricing Trends for Specialty Pharmaceuticals — 2011

Health plans are becoming increasingly challenged to balance price and access to specialty pharmaceuticals. While appropriate drug therapy is a high priority for health plans, managing rising costs is a significant concern in this restricted economic environment. HIRC's report, *Patient Copay Trends*, reviews current and projected health plan member copay types and current copay levels for specialty pharmaceutical medications. This research addresses the following questions:

- How are specialty medications priced in the pharmacy and medical benefits?
- What type of copays — fixed dollar or coinsurance — have been most common over the last five years? How do plans expect to cover these medications in the future?
- How have out-of-pocket limits (OOP) evolved over the last five years?
- How do deductibles impact patient costs?
- How are health plans assessing the effect of copays on compliance?

Fixed dollar copays remain predominant in the pharmacy benefit, while in the medical benefit, less than one-half of the lives are subject to any drug copay for office-administered medications.

Key Findings

Plan Sponsors Remain Wary of Making Dramatic Changes

While health plan panelists have consistently forecasted growth in coinsurance, little uptake is apparent as employer payers are wary of increasing the financial burden on their sickest employees. Plans that have not implemented member copays in the medical benefit often cite logistics as a barrier; plans that do include member copays for office-administered medications, acknowledge that physicians may have difficulty collecting copays.

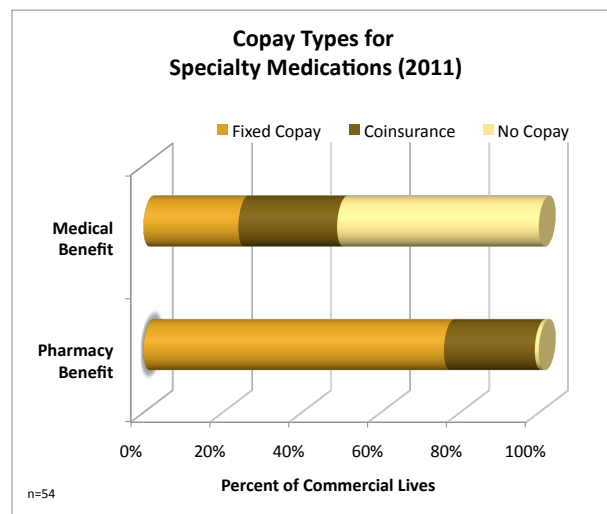
About HIRC

Health Industries Research Companies (HIRC) conducts strategic market research on trends in health care, pharmaceuticals, and managed care businesses.



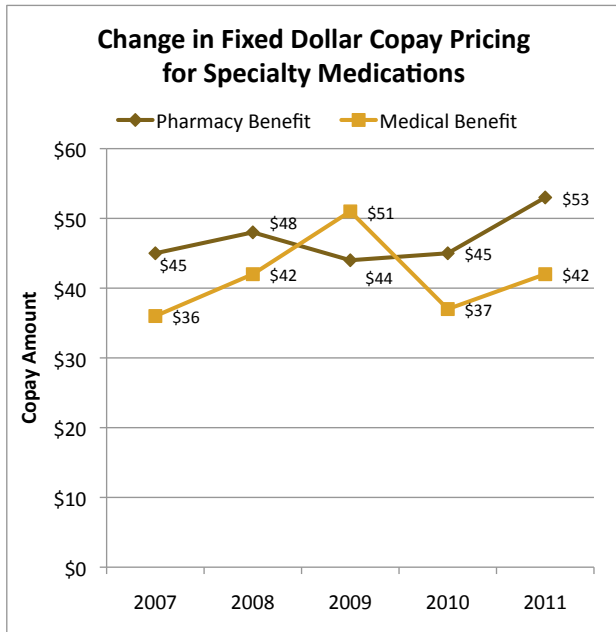
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Fixed Dollar Copay Levels are Trending Slowly Upwards

HIRC's benchmarking research shows that health plans are slowly increasing patients' financial responsibility for specialty medications. Fixed dollar copay pricing has grown slowly since 2007 for both medications covered in the pharmacy and medical benefits. Health plan panelists explain that while employers are very concerned about the rising cost of providing health insurance for their employees, the reality is that many are reluctant to increase copays too quickly and risk causing discontent within their employee base.



Research Methodology & Report Availability

In January 2011, HIRC surveyed 54 pharmacy and medical directors at leading health plans that represent nearly 67 million lives. HIRC used a combination of surveys and follow-up telephone interviews with panelists to review managed care trends across nine high-profile specialty therapeutic classes.

The *Patient Copay Trends* report is part of the *Specialty Pharmaceuticals Service* and is now available to subscribers at www.hirc.com.

Additionally, the following updates will be available to subscribers of the *Specialty Pharmaceuticals Service* in May 2011:

- Partners and services supporting specialty pharmaceutical management
- Formulary and utilization management
- Physician reimbursement and specialty pharmacy

About HIRC's Specialty Pharmaceuticals Service

The *Specialty Pharmaceuticals Service* presents managed care trends in specialty pharmaceutical benefit plan design, fixed dollar copays and coinsurance pricing and enrollment, out-of-pocket limits, formularies, specialty pharmacy, physician reimbursement, and utilization management tactics. The service provides in-depth reviews of nine high profile therapeutic categories:

- Asthma
- Crohn's
- Erythropoiesis-Stimulating Agents
- Hepatitis C
- Multiple Sclerosis
- Osteoporosis
- Psoriasis
- Rheumatoid Arthritis
- White Blood Cell Stimulants

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