



## Specialty Pharmaceuticals Service

# Utilization & Cost Management Tactics for Specialty Pharmaceuticals – 2011

Appropriately managing patients' utilization of specialty medications is critical to health plans, from both a cost and clinical efficacy standpoint. HIRC's report, *Utilization & Cost Management of Specialty Pharmaceuticals*, provides analyses of health plans' usage of utilization management (UM) tactics and specialty formularies. This research addresses the following questions:

- How are health plans implementing formularies for specialty medications?
- What utilization management tactics are most common, and which do health plans believe are most effective?
- Which drug classes are most frequently subject to UM controls?
- What are the most common reimbursement rates for physicians?
- How is health plans' usage of specialty pharmacies evolving?

*Health plans' usage of mandatory specialty pharmacy has increased significantly in the last three years.*

### Key Finding

## Forty percent of health plan enrollees are required to use a specialty pharmacy

Prior authorization remains the predominant utilization management tactic employed by health plans to ensure appropriate access to specialty medications. However, it is notable that health plans are increasingly requiring their enrollees to use a specialty pharmacy. HIRC panelists cite key benefits of specialty pharmacy services as cost savings, patient reminders, compliance initiatives, copay collection, administration of prior authorization criteria, billing, and customer service.

### About HIRC

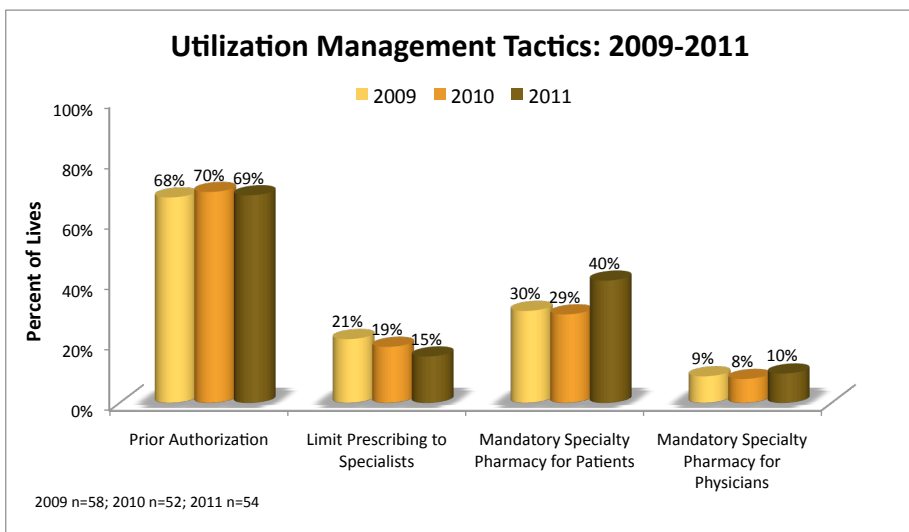
Health Industries Research Companies (HIRC) conducts strategic market research on trends in health care, pharmaceuticals, and managed care businesses.



# HIRC

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# Rheumatoid Arthritis Medications are Most Often Subject to Utilization Management Tactics

Most Common Medication Classes Subject to UM Tactics	
Prior Authorization	Percent of Lives Subject to Tactic
Asthma - Xolair	97%
RA - Simponi	88%
RA - Enbrel, Humira	86%
Limit Prescribing to Specialists	
MS - Gilenya	22%
RA - Actemra	22%
RA - Remicade, Rituxan, Simponi	21%
Mandatory Specialty Pharmacy for Patients	
RA - Enbrel, Humira	55%
Crohn's - Cimzia	55%
Hepatitis C - Pegasys, Pegintron	54%
MS - Avonex, Betaseron, Copaxone, Rebif	54%
Mandatory Specialty Pharmacy for Physicians	
Asthma - Xolair	21%
Crohn's - Cimzia	16%
RA - Remicade, Rituxan	15%

n=54.

The table to the left highlights the specialty classes most commonly (by percentage of commercial lives) subject to utilization management tactics across nine specialty classes. Application of UM is highly specific to therapeutic class.

Notable findings include:

- Medications to treat rheumatoid arthritis are often subject to numerous management controls.
- Over half of health plan enrollees must use a specialty pharmacy for self-injectable drugs for RA, Crohn's disease, hepatitis C, and MS.

The *Utilization & Cost Management of Specialty Pharmaceuticals* report highlights the utilization management techniques applied by plans for nine specialty medication classes reviewed in this research.

## 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 Disease
- Erythropoiesis-Stimulating Agents
- Hepatitis C
- Multiple Sclerosis
- Osteoporosis
- Psoriasis
- Rheumatoid Arthritis
- White Blood Cell Stimulants

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## 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 *Utilization & Cost Management of Specialty Pharmaceuticals* report is part of the *Specialty Pharmaceuticals Service* and is now available to subscribers at [www.hirc.com](http://www.hirc.com).

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

- Best Specialty Manufacturer Partners and Services
- Benefit Design Trends
- Medication Profiles