



Commercial Health Plans: Market Landscape and Strategic Imperatives

Amid the challenges of navigating government regulations and rising drug costs, commercial health plans remain focused on leveraging value-based initiatives and strategies for overall cost containment in 2025. HIRC's report, *Commercial Health Plans: Market Landscape and Strategic Imperatives*, reviews the current market landscape and top trends for 2025, as well as commercial plans' top strategic imperatives to address over the next 12-18 months. The report addresses the following questions:

- What is the current landscape of the commercial health plan market? Which plans currently account for the majority of market share?
- What are the most notable market trends impacting commercial health plans in 2025?
- What are commercial health plans' top strategic imperatives for 2025?
- Which utilization management tactics do commercial plans apply most to manage the cost of traditional/gen med. medications?
- Which therapeutic areas are of highest priority for commercial health plans to target for additional formulary exclusions?
- Which plans are viewed as having the strongest ability to limit brand access? Which are viewed as most willing to partner with manufacturers?

Key Finding: Commercial health plans' top strategic imperatives for 2025 include increasing value/outcomes-based provider initiatives and reducing overall drug spend.

IRA, Cell & Gene Therapy, and Pharmaceutical Costs Among the Top Trends Impacting Commercial MCOs in 2025

When asked to identify the market trends/dynamics with the highest potential to impact commercial health plans' businesses, respondents identify the *Impact of IRA/Government Regulations* as the most disruptive trend in 2025, followed by *Cell & Gene Therapies*, and the *Rising Cost of Medications*.

COMMERCIAL HEALTH PLANS: MOST DISRUPTIVE MARKET TRENDS

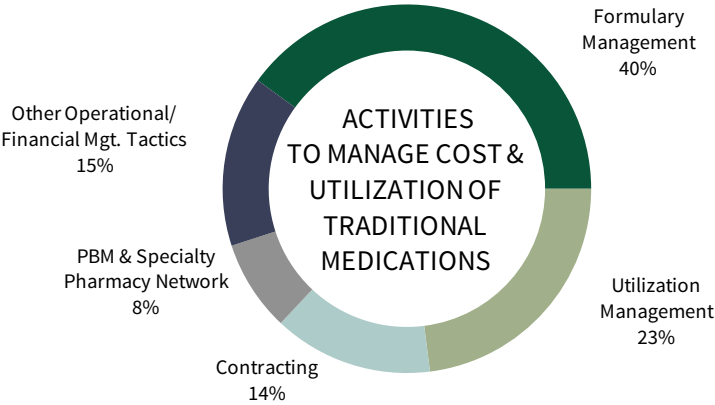
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MARKET TREND	% of Total Trends Identified
Impact of IRA/Government Regulations	23%
Cell & Gene Therapies	13%
Rising Cost of Medications	11%
GLP-1 Cost & Utilization	9%
Rise of Biosimilars	7%
Technology & Data Analytics	7%

The full report includes a complete listing of commercial health plan executives' most disruptive market trends and top strategic imperatives for 2025.

Commercial MCOs Rely on Formulary & UM Tactics Most to Manage Drug Costs

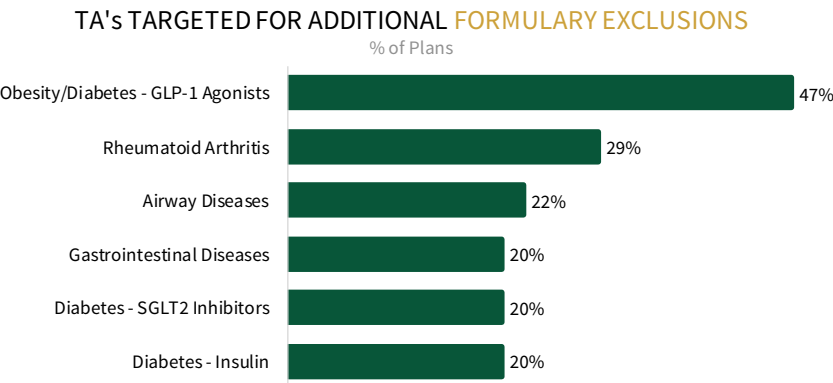
Commercial health plans' medication management activities for traditional drugs center around formulary and utilization management. When it comes to formulary management, plans are expanding their use of closed formularies/excluded product lists and leveraging biosimilars and generics when possible. To better manage drug utilization, plans are implementing more restrictive prior authorization requirements and use of step therapy.



The full report includes a complete listing of plans' cost and utilization activities in 2025.

GLP-1s Remain a Top Target for Future Exclusions

Respondents were asked which therapeutic areas are of highest priority for their plan to target for additional formulary exclusions in the next 12-18 months. Obesity/diabetes - GLP-1 agonists, rheumatoid arthritis, and airway disease medications are identified most by CHPs as a target for additional formulary exclusions. The full report provides a detailed analysis of excluded products, as well as UM trends across 20+ therapeutic areas.



Research Methodology and Report Availability

In December 2024 and January 2025, HIRC surveyed 49 commercial health plan pharmacy and medical directors from national, regional, and BCBS plans. Online surveys and follow-up telephone interviews were used to gather information. The complete report, *Commercial Health Plans: Market Landscape and Strategic Imperatives*, is available now to HIRC's Managed Markets subscribers at www.hirc.com.

The Managed Markets Service provides strategic and tactical information, including customers' assessments of manufacturers' contracting and resources within four commercial and government market segments; market landscape trends and activity influencing the availability, price, and utilization of pharmaceuticals; managed markets headcounts and organizational trends based on confidential data from industry leading pharmaceutical companies; and the access and partnership landscape of key accounts.



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HEALTH INDUSTRIES RESEARCH CENTER (HIRC) is an independent, nonpartisan organization that conducts strategic market research on trends in health care, pharmaceuticals and managed care businesses. HIRC's benchmark studies focus on the marketing needs of pharmaceutical companies by providing research critical to the development of successful customer-focused marketing strategies.

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