Healthcare's Dirty Little Secret And What It's Costing Your County Budget

THE SUPPLY CHAIN

RX BIG BUSINESS

Forbes

EDITORS' PICK | C

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beckershospitalreview.com/payer-issues/bcbs...

11TH ANNUAL MEETING
May 10 - 27, 2021
speakers from Geisinger, Providence, Trinity, Mayo Clinic and many more!
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BCBS of Michigan swaps Express Scripts for OptumRx

Morgan Haefner - Friday, January 8th, 2021 Print | Email

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Blue Cross Blue Shield of Michigan chose OptumRx as its new pharmacy benefit provider, ending a relationship with Express Scripts, the insurer said Jan. 6.

The change will take effect on different days depending on membership type. On Jan. 1, 2022, Express Scripts will no longer be BCBS of Michigan's pharmacy benefit provider for commercial individual and group members. The change will occur on Jan. 1, 2023, for Medicare individual and group members.

The new relationship with OptumRx will help BCBS of Michigan better manage drug spending and improve member engagement with pharmacy treatment, the insurer said. OptumRx will help BCBS of Michigan administer pharmacy claims, manage rebate contracting, provide mail prescriptions and manage Blue Cross' pharmacy networks.

Cigna owns Express Scripts, and UnitedHealth Group owns OptumRx.

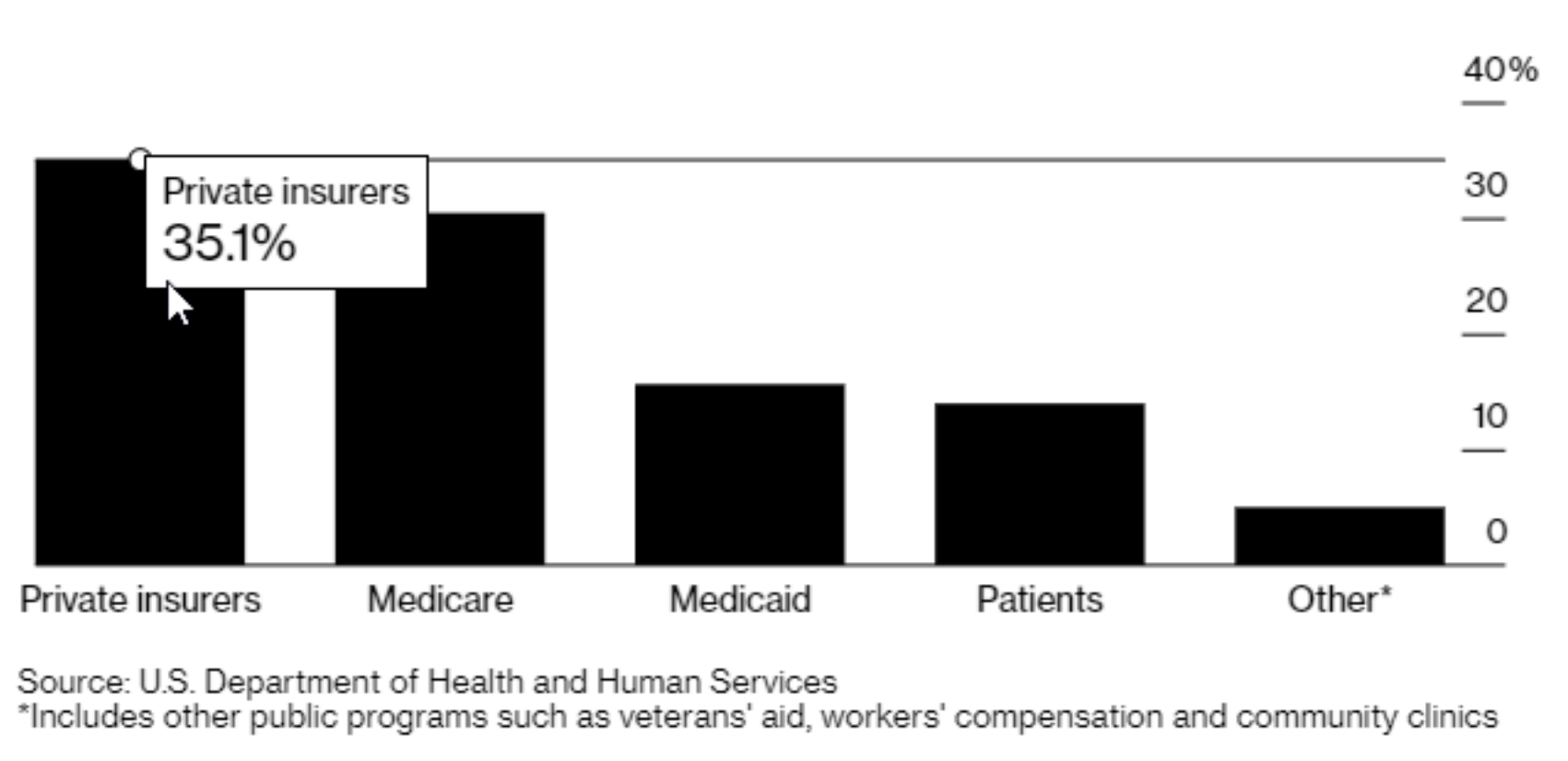
billion purchase of Express

ST UPDATED THU, DEC 20 2018·1:17 PM EST

its $54-billion deal to buy Express Scripts
f the biggest providers of pharmacy benefits
United States.

Who Pays for Prescription Drugs in the U.S.?

Percentage of total drug expenses paid by source.



Source: U.S. Department of Health and Human Services
*Includes other public programs such as veterans' aid, workers' compensation and community clinics

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The Rising Cost of Rx

1995-2025

From 4% to 40% of total annual healthcare spend on Pharmacy

600

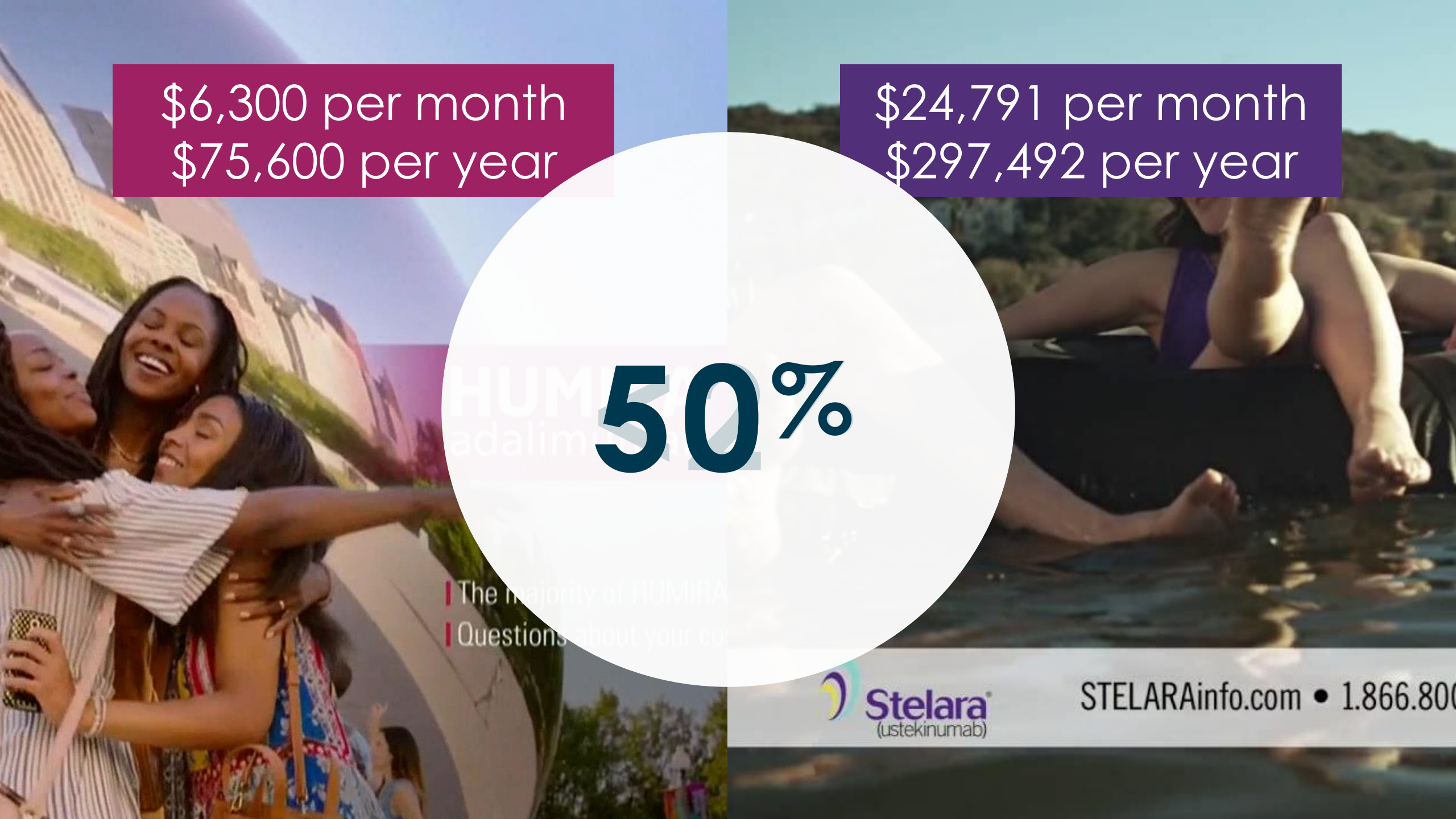
drugs seeking FDA approval by 2022 of which 70% are for specialty

$85k+

Avg Annual Cost Per Specialty Drug

1

New Specialty Drug Added to Your Plan Each Year for Every 150 EE


$6,300 per month
$75,600 per year
50%
$24,791 per month
$297,492 per year
Stelara
(ustekinumab)
STELARAinfo.com • 1.866.80

SOLUTIONS

1. Pay more for the drug your doctor prescribed.

Generic Utilization

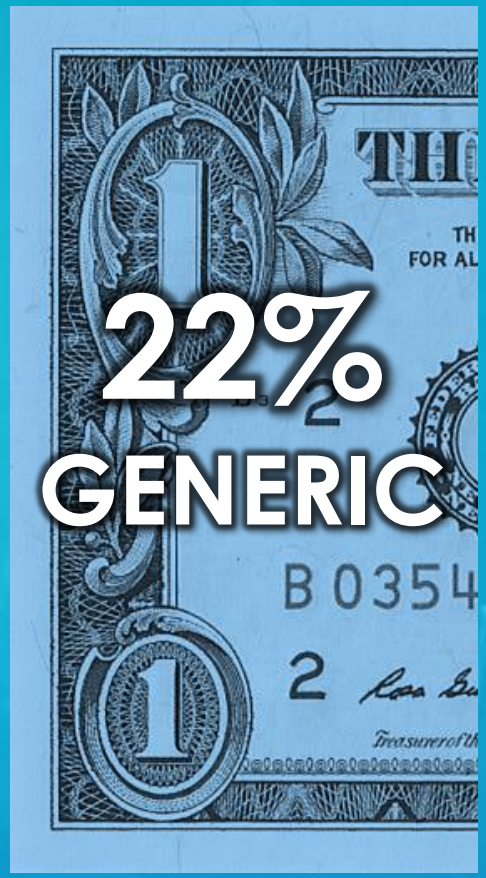
$5 Preferred Generic
$20 Non-Preferred Generic
$40 Preferred Brand
$60 Non-Preferred Brand
$200 Specialty

SOLUTIONS

2. Take Something Else

Using "fail first" strategy before getting what the Dr prescribed

HOW SPECIALTY DRUG SPENDING COMPARES



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MEMBER EXPERIENCE – WHAT IF…?

1. Patient gets to take the drug prescribed by their doctor
2. Pays nothing, and
3. Reduce 40-50% of your overall spend ($1M for groups of 1,000 employees)

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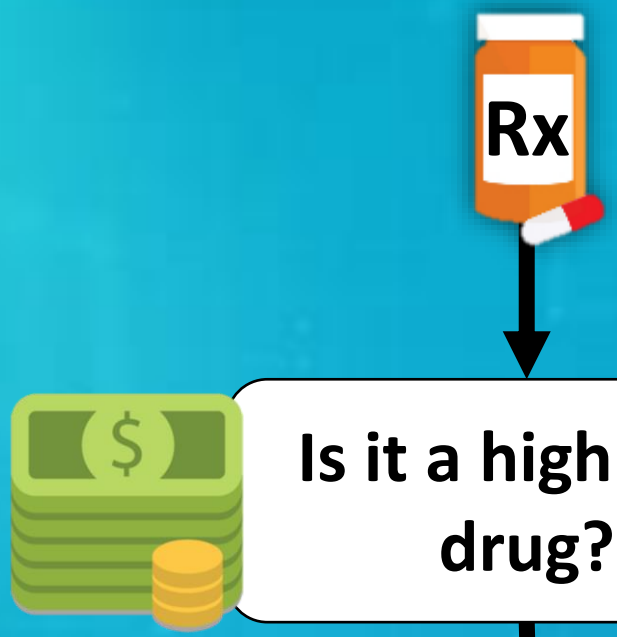
SOLUTION



Is it a high cost drug?

Yes

No

44N

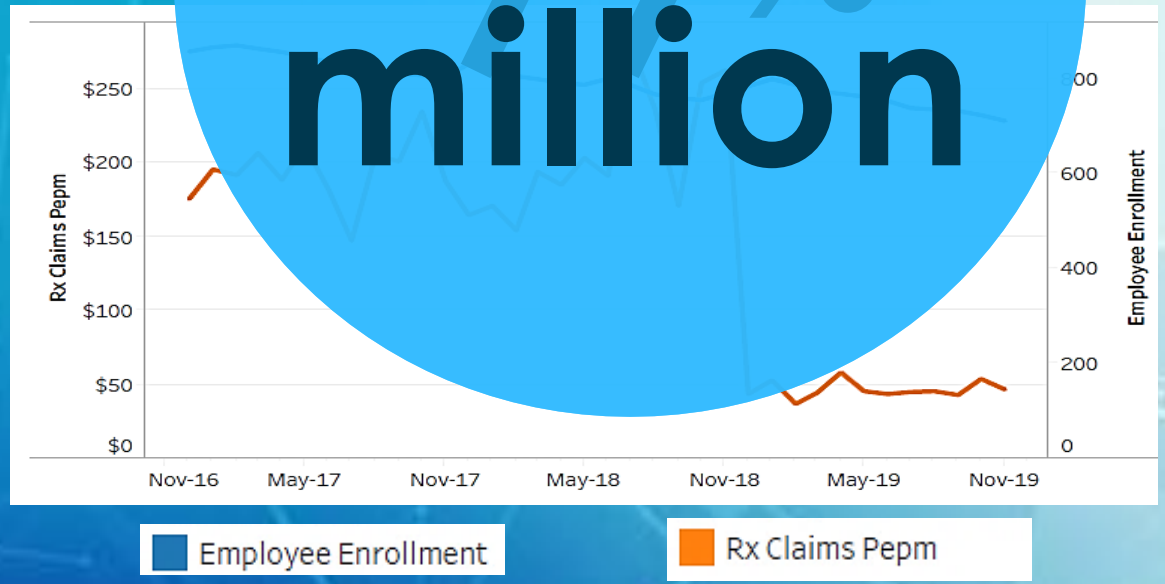
Multi-Sourced

GROUP CASE STUDY

Employee Count: 700-750

	2018-2019
Plan Paid in Rx	$420,662
Avg. Rx Claims PEPM	$46
Annual Change	-77.4%

$1.5 million



COUNTY CASE STUDY

Employee Count: 900

	2019	2020	2021
Claim Savings	$2,134,015	$2,323,276	$2,500,871
# of Employees w $0 Copay	134	156	143
Employee Savings	$51,000	$57,300	$70,380

Top 5 Drugs

Drug Name	Savings
Revlimid	$127,487
Taltz	$105,620
Ibrance	$101,934
Humira	$94,522
Rinvoq	$87,786

In the Market

	ARORx	Carrier
Current Spend	$ 612,414	$ 612,414
# of Drugs Impacted	18	3
# of Members	26	4
Net Savings	$ 263,121	$ 40,379
% Net Savings	**43%**	**6.6%**

	ARORx	Carrier
Current Spend	$173,096	$173,096
# of Drugs Impacted	12	1
# of Members	16	2
Net Savings	$ 71,935	$ 24,000
% Net Savings	**41.6%**	**13.9%**

$6,300 per month
$75,600 per year

Since launching Humira in 2003, AbbVie (and its predecessor company Abbott Laboratories) have raised the drug's price 27 times, including by nearly 30% in one 10-month period. A 40-milligram syringe of Humira is now priced at $2,984, or $77,586 annually—a 470% increase from the drug's launch.

Price Increases Not Justified by Rebates: Internal data show that AbbVie's list price increases for Humira and Imbruvica far outpaced any discounts and rebates paid to pharmacy benefit managers and other members of the supply chain.

Staff Report
Committee on Oversight and Reform
U.S. House of Representatives
May 2021
oversight.house.gov

Next Steps

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1

ORDER

Order Top 200 Rx by Cost List from Carrier

2

REVIEW

Savings Review

3

IMPLEMENT

Deliver Results & Implementation

THANK YOU

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