



National Employer Initiative on Specialty Drugs

Employer Focused, Employer Driven



Employer Interviews

MBGH interviewed five national, self-insured private employers, representing various industries and sizes (11,000 to 120,000 employees), about their concerns and views related to specialty drug management. The employers indicated their greatest concern about the future of specialty drugs relates to cost trends. They expressed apprehension that if these cost trends continued at current rates, significant changes would need to be made in other benefit areas to offset their company's ability to offer high quality and comprehensive health benefits to attract and retain the best employees in a competitive market.

Key findings include:

- Value-based designs are used in overall drug benefit strategies, with a few extending the approach to currently released specialty drugs
- A limited number of specialty fills are allowed at the retail pharmacy while others restrict them to the location of purchase at first fill
- Use of a specialty pharmacy is required for drug coverage and most rely on them to address member treatment adherence
- Preferred cost-share approaches include:
 - Coinsurance with member minimum and maximum out-of-pocket payments
 - Applying higher maximums for specialty drugs compared to non-specialty
 - Co-pay approach with \$75 maximum out-of-pocket (believes coinsurance would create enough member uncertainty and financial strain to negatively impact treatment compliance)
- Tiered member cost is based on a formulary approach that drives the use of specific drugs, while others offer an open formulary that relies on clinical guidelines to determine drug use

- J-Code blocks are used in the medical plans to steer members to the specialty pharmacy, while others are still developing this strategy and focused on steering use of self-administered specialty drugs through the drug benefit
- Care/case and disease management through various vendors is not coordinated; employers recognized this is a gap and an opportunity to ensure better patient care
- PBM contracting is different for each employer, including:
 - Requiring bids on both traditional and transparent models
 - Using outside vendors to assist in contract negotiations
 - Requiring contracts include auditing/monitoring performance against contracted metrics
- Most do not require pre-purchase reviews for oncology drugs, citing the complexity of treatment regimens, member angst and oncologist resistance as the reasons

In summary, these five employer members have taken some degree of action by using a progressive versus risk-averse approach towards the management of specialty drug benefits using many different strategies. They believe that specialty drug coverage is an important component to maintain in their overall health benefits designs and are seeking to develop strategies to accomplish this in a high quality, cost-efficient manner.