



National Employer Initiative on Specialty Drugs

Employer Focused, Employer Driven



Specialty Drugs: The Basics

The number of Americans with chronic health conditions – including stroke, heart disease, cancer, diabetes and arthritis – continues to grow. According to the Center for Disease Control (CDC), half of all Americans have at least one chronic health condition. To make matters worse, many of these conditions are complex to treat and manage, and some are rare with few options available for treatment.

If left undiagnosed or untreated, chronic health conditions can be disabling and have a negative impact on quality of life. The good news is that most can be managed if caught early. Treatment usually includes changes in lifestyle behaviors such as dietary intake and exercise, and various drug therapies. But if these standard treatments don't work, your doctor may prescribe a specialty drug (also called biologic drugs) as part of your treatment.

Specialty drugs vs. conventional drugs

Specialty drugs are the result of advances in research and technology and offer important treatment options where none were available or successful before. These unique drugs may lessen the negative effects of some diseases and improve a person's quality and possibly length of life. Specialty drugs can be very expensive so it's important to learn about them and some of the conditions they treat, including certain types of cancer, multiple sclerosis, rheumatoid arthritis, hepatitis C, diabetes, infertility, hemophilia, cystic fibrosis and even high cholesterol.

What's the main difference between conventional drugs and specialty drugs? Conventional drugs are chemical-based medicines and fairly easy and inexpensive to produce. Specialty drugs are made from living organisms and are much more difficult and costly to make.

Specialty drugs require:

Special handling: Many require a temperature controlled environment (e.g., refrigeration) making storage, packaging and shipping difficult

Special distribution: Retail pharmacies like your neighborhood drug store can provide some specialty drugs. However, most are dispensed through “specialty pharmacies” that employ people who are trained to support the patient through the complex process and answer questions about administering these drugs. Specialty pharmacies are also equipped to properly store and ship specialty drugs.

Special administration and monitoring: Specialty drugs come in many different forms. Some must be injected or given intravenously by a health professional. Others can be self-injected or taken in pill form. In most cases, ongoing monitoring by your doctor and other health professionals is needed. This is to make sure you take the correct dose, the drug is working as expected and no serious side effects are present. Side effects from taking specialty drugs can be more frequent and serious than those from conventional drugs.

Why do they cost more?

Specialty drugs tend to cost a lot more than conventional drugs and can range in price from thousands to hundreds of thousands of dollars each year. Many factors determine the cost. Most specialty drugs require years of research and more complex development processes compared to conventional drugs. Once developed, they need special handling, storage and distribution. All of this adds to the cost of bringing a specialty drug to you.

In many cases, specialty drugs are used by a smaller number of patients than are conventional medications. For example, the medical condition hemophilia only affects a small number of people. This means the cost of the drug must be spread out over very few users, making the cost per individual much higher than drugs that impact larger numbers of people.

In recent years, the availability of generic drugs as alternatives to the use of brand name drugs has helped bring down the costs of treatment for many medical conditions. Today, there are very few FDA approved alternative choices for specialty drugs and those that are approved are not much cheaper.

The future of specialty drugs

In previous years, few specialty drugs were available. Pharmaceutical companies are now investing more research dollars in this area, leading to the rapid development of new specialty drugs that can treat an increasing number of complex and often debilitating diseases.

Almost half of all drugs in development today are specialty drugs and that number will continue to increase as more innovative scientific advances result in faster research and greater treatment successes. If you are prescribed a specialty drug, learn as much as you can. Bring questions to your doctor, do research and make sure to follow your treatment regime.