

What Employers Need to Know...



...To Better Manage Specialty Pharmacy

[VIEW EMPLOYER TOOLKIT](#)



MBGH

Midwest Business Group on Health

The Source for Leading Health Benefits Professionals

National Employer Initiative on Specialty Drug Management

Highlights of 4th Annual Employer Survey Results

Midwest Business Group on Health



- Founded in 1980 as a 501(c) (3) not-for-profit employer coalition by a group of large Midwest employers
- Members consist of over 120 large self-insured public and private employers – Boeing, City of Chicago, ConAgra, Ford, Kraft, Procter & Gamble, State of Illinois
- Members are represented by senior human resources/health benefits professionals
- Members annually spend more than \$4 billion on health care for over 4 million lives
- Founding member of the National Business Coalition on Health

4th Annual Employer Survey

- Survey respondents: 81 employers
- Represent over 1.5M employees
- Average employer size: 19,800
- Primary industries
 - 22% - Manufacturing
 - 10% - Technology and Science
 - 9% each - Financial Services; Government; Health Care
- Survey opened December 2014/Closed February 2015

Level of employer agreement ...

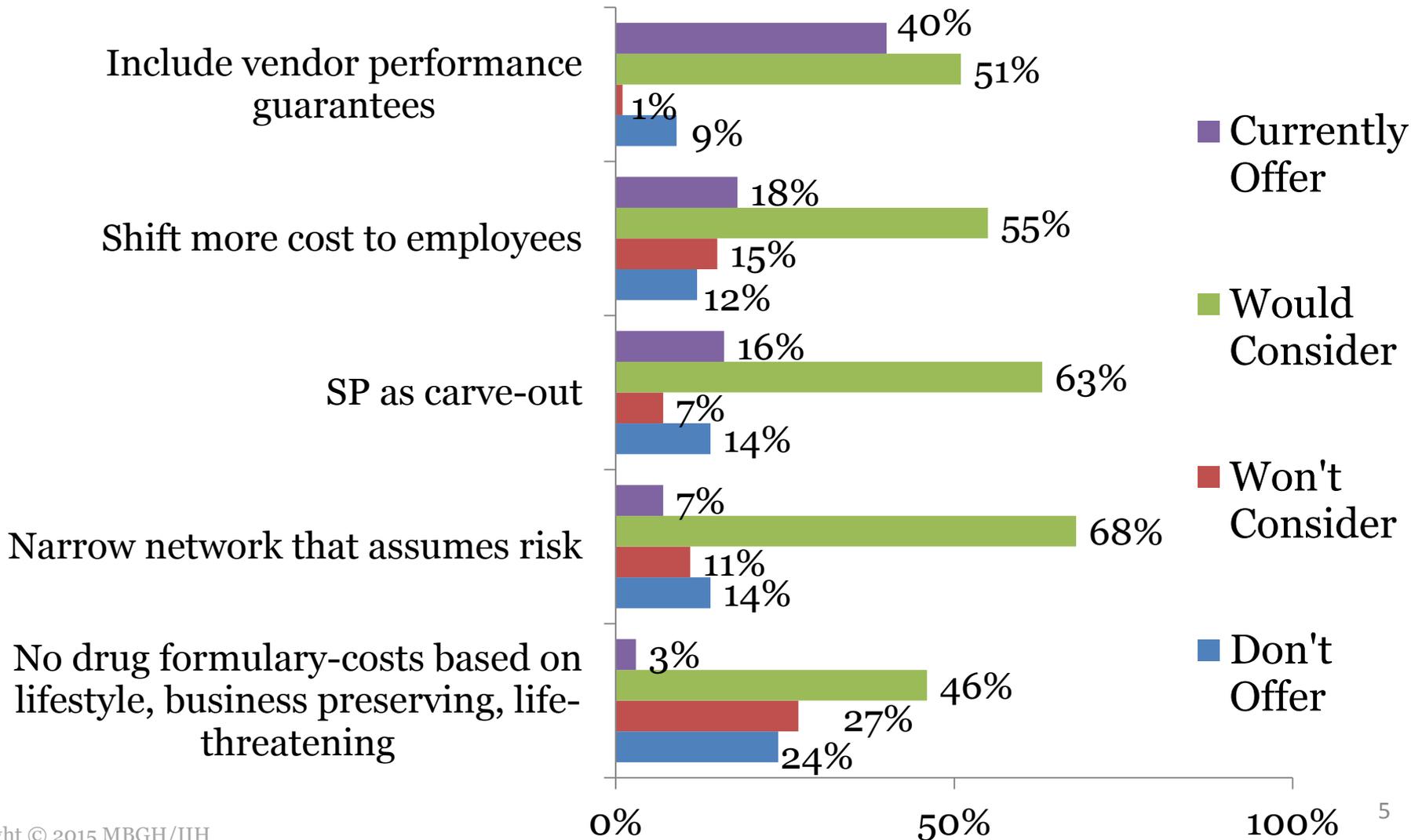
| | Strongly Agree | Agree | Somewhat Agree | Don't Agree |
|---|----------------|-------|----------------|-------------|
| <i>Concerned about increasing SP costs</i> | 78% | 18% | 4% | 0% |
| <i>Concerned about number of SP drugs in pipeline</i> | 60% | 35% | 3% | 2% |
| <i>New and innovative solutions are needed to manage SP</i> | 56% | 34% | 10% | 0% |
| <i>Our PBM does a good job managing SP costs</i> | 12% | 39% | 41% | 8% |

Plan design strategies

88% of employers still use traditional plan designs



Midwest Business Group on Health
The Source for Leading Health Benefits Professionals



Most effective cost management strategies



Midwest Business Group on Health
The Source for Leading Health Benefits Professionals

1. Coordinated information on disease therapies
2. Defined contracting terms/coverage for claims reimbursement
3. Day's supply/limitations messaging
4. Site of care strategies driving patients to lower cost options
5. Formulary explanations
6. Incorporation of wellness across the continuum of care

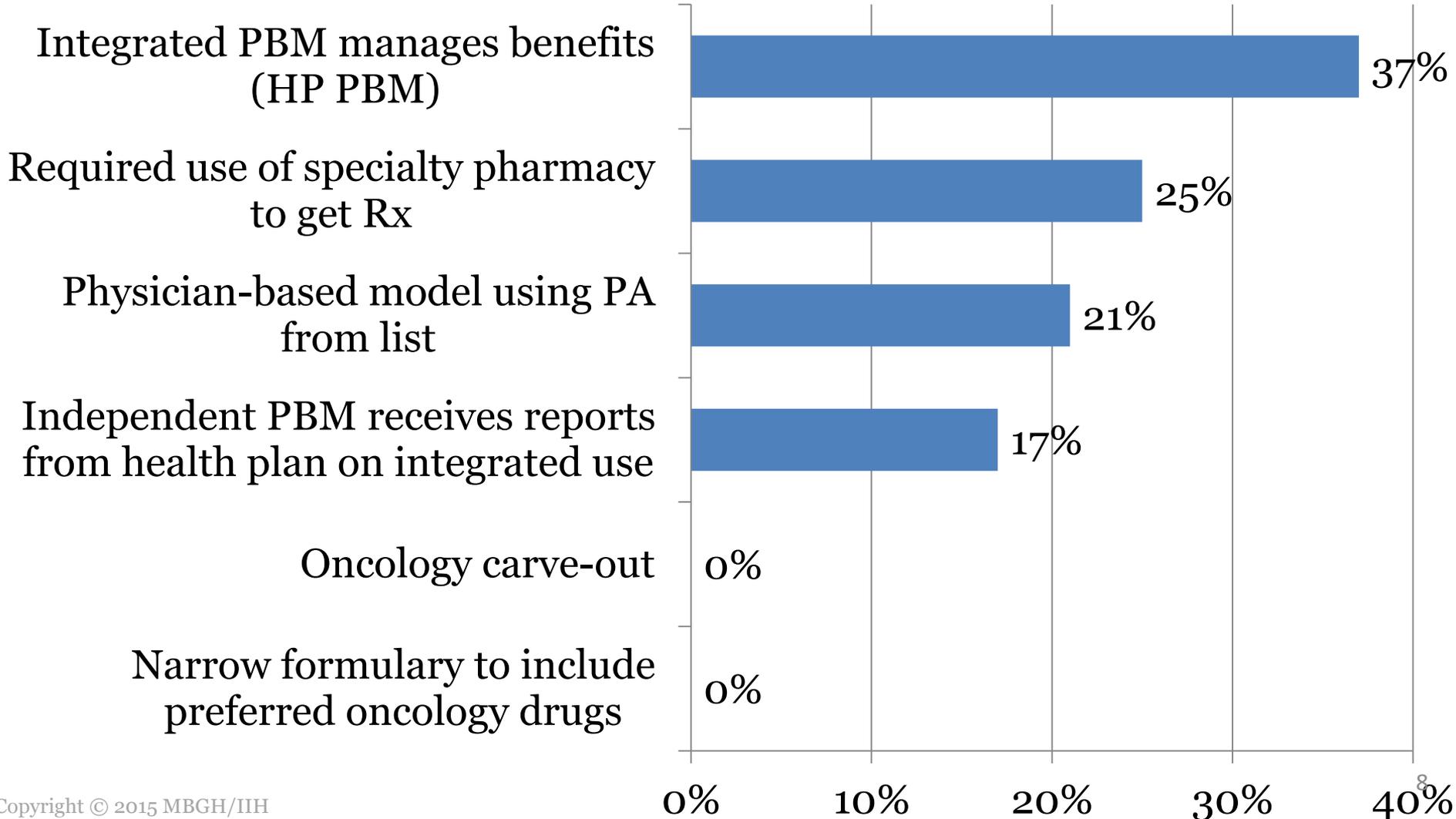
Most effective patient outcome strategies



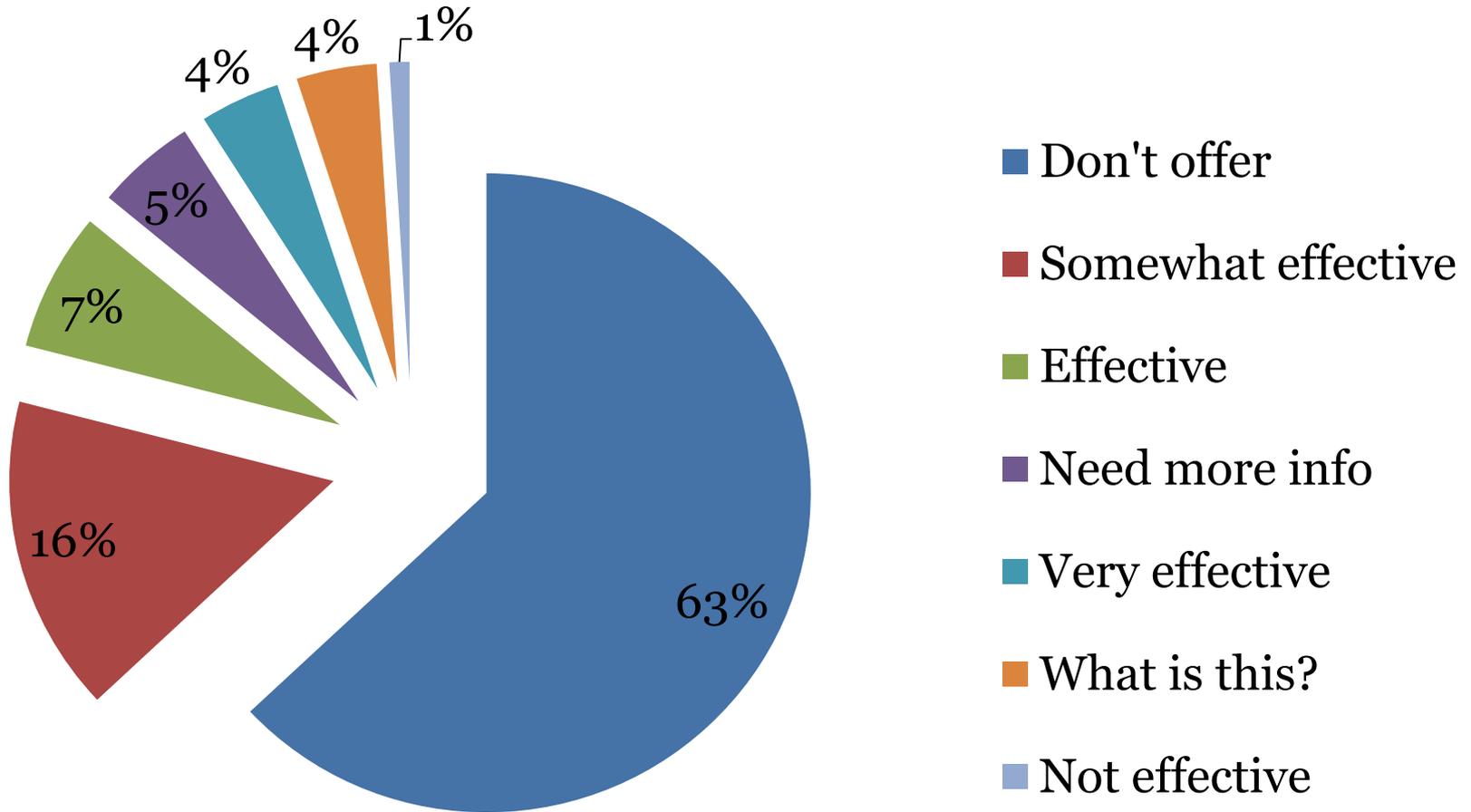
Midwest Business Group on Health
The Source for Leading Health Benefits Professionals

1. Alternative risk financing/actuarial design
2. Restricted coverage under the medical benefit
3. Exclusive or limited networks by setting of care
4. Defined contracting terms/coverage for claims reimbursement
5. Day's supply/limitations messaging

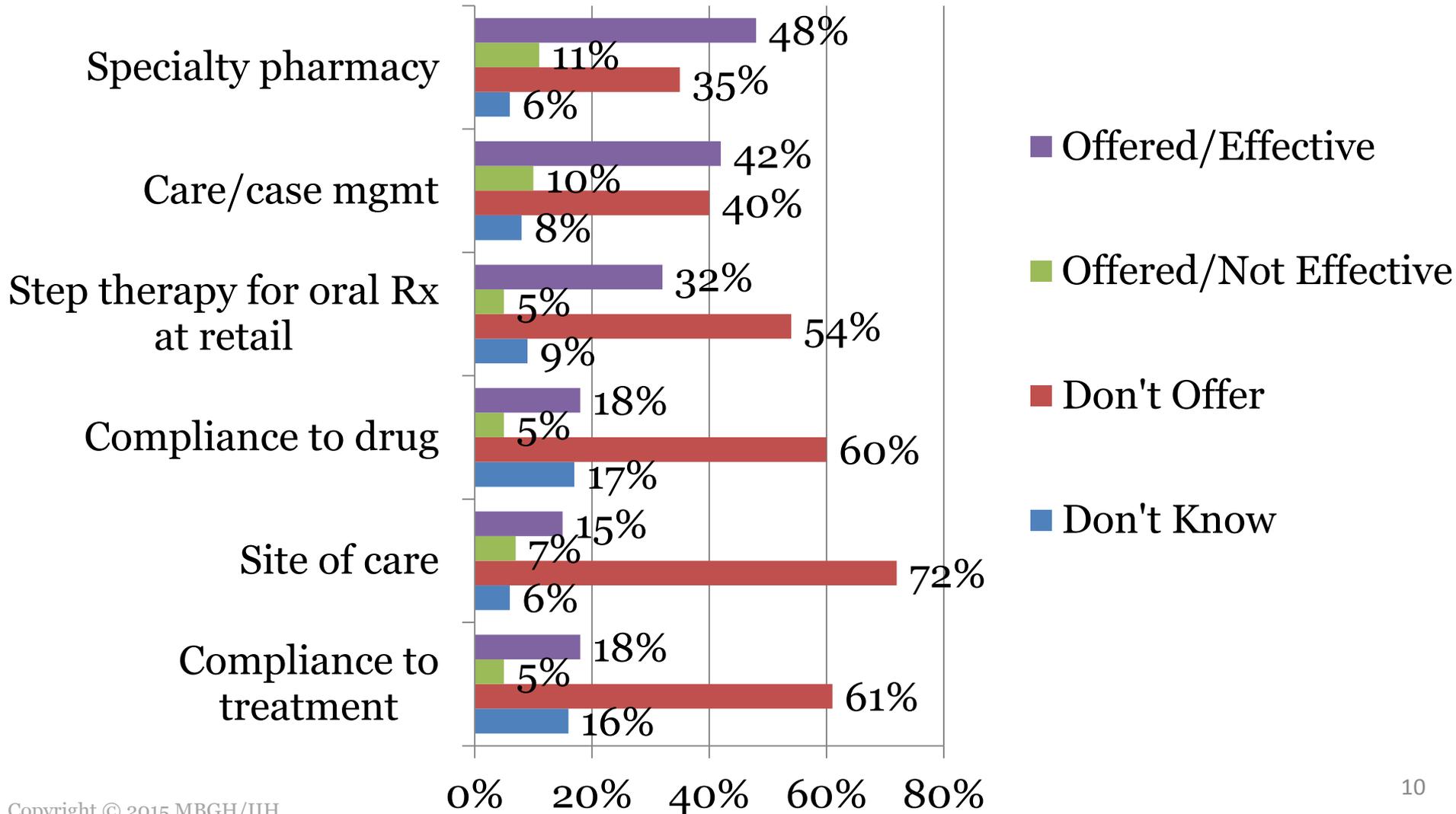
Oncology plan design strategy



Plan design elements to drive people to lowest cost site of care



Incentives offered to covered population for use of ...

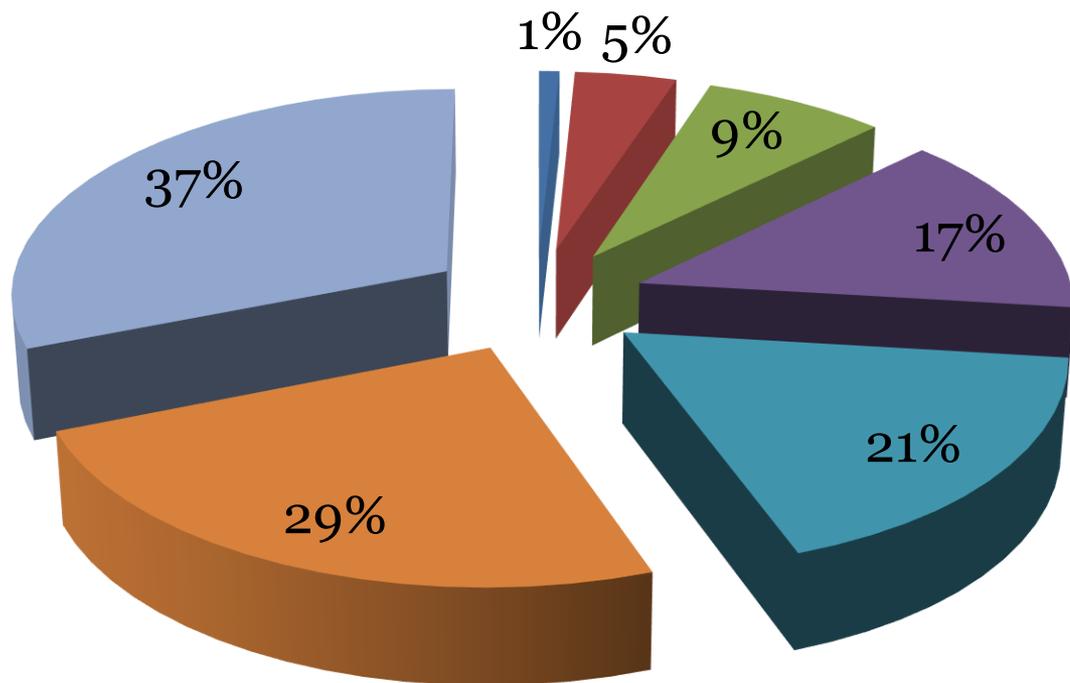


Cost-share increases over past 3 years



| | 2012 | 2013 | 2014 |
|---------------|------|------|------|
| Less than 10% | 28% | 15% | 46% |
| 11-20% | 18% | 24% | 29% |
| 21-30% | 17% | 0% | 33% |
| 31-40% | 0% | 0% | 20% |
| 41-50% | 17% | 0% | 17% |
| Over 50% | 0% | 0% | 43% |
| No increases | 13% | 11% | 67% |

Impact of cost-share increases



- Reduced compliance
- Reduced Rx fill rate
- Increased requests for \$ assistance or mfg coupons
- Employee compliants about costs
- Increased compliance to treatment
- No impact
- Don't know



National Employer Initiative on Specialty Drug Management

National Employer Initiative on Specialty Drug Management - 2011 to 2015



- Employer Advisory Council
- Annual Employer Surveys on Specialty Pharmacy
- Online Employer Toolkit – www.specialtyrxtoolkit.com
 - **Section I:** Understand the specialty pharmacy landscape, emerging issues and related stakeholders
 - **Section II:** Address key challenges and identify innovative approaches to benefit plan design and vendor contracting
 - **Section III:** Support at-risk population through communications and resources

National Employer Initiative on Specialty Pharmacy

[Specialty Pharmacy 101](#)

[Managing Specialty Benefits](#)

[Supporting At-Risk Populations](#)



[Click for Employer Journey in Pharmacy Benefits](#)

Employer Toolkit

With the significant growth of specialty pharmacy, employers must seek effective solutions to manage increasing pharmacy and medical plan costs. This toolkit will help employers to:

- Address key challenges in managing a specialty pharmacy benefits and provide tools for the C-Suite
- Identify innovative approaches to benefit plan design and service partner contracting
- Support at-risk population through communication and resources



In the News

[More](#)

- ▶ [09/24/2013](#)
[Health Law Policies that Offer Low Premiums C...](#)
- ▶ [05/14/2013](#)
[How to Manage Pharmacy Benefit Plans in a Rep...](#)
- ▶ [07/4/2013](#)
[Current Trends in Specialty Drug Utilization...](#)



Quick Links



Tools &
RESOURCES

About this
INITIATIVE



National Employer Initiative on Specialty Drug Management - 2011 to 2015

- Annual Multi-Stakeholder Collaboration
- National Educational Outreach
- Employer Demonstration Pilots – 6 employer coalitions



National Coalition/Employer Pilots

Participating Coalitions - In Progress

- Employers' Health Coalition – Arkansas
- Employers Health Coalition – Ohio
- Florida Healthcare Coalition – Florida
- Healthcare 21 – Tennessee
- Mid-America Coalition on Health Care – Kansas
- Midwest Business Group on Health – Midwest



Employer Pilots

Benefit Coverage Approaches

1. Ensuring High-Quality Case/Care Management and Coordination with Medical and Pharmacy Plan Vendors
2. Improving Treatment Adherence
3. Using Value-Based Benefit Design: Higher Value Medications At Lower Cost Share (*e.g. lowest cost for best outcome*)
4. Incentivizing Patients to Use Specialty Pharmacy
5. Using Limited Fill Supply Plan Design Options (*e.g. 7-10 day first fill on new prescription*)
6. Using Step-Therapy Strategy to Improve Clinical Outcomes and Medication Compliance

Thank you!



Cheryl Larson
Vice President
Midwest Business Group on Health
clarson@mbgh.org

MBGH Employer Toolkit:
National Employer Initiative on Specialty Pharmacy
www.specialtyrxtoolkit.com