



# Specialty Rx

EFFECTIVE STRATEGIES TO MANAGE COSTS



health action council

Enhancing Business. Enlightening Lives. Enriching Communities.



# W E L C O M E

**KEVIN GREGORY**  
VP, Business Solutions  
Health Action Council



**health action council**

Enhancing Business. Enlightening Lives. Enriching Communities.





# **A G E N D A**

- Welcome
- FEATURED PRESENTATION –  
Specialty Rx and Effective  
Strategies to Manage Costs
- Resources



# 50%

---

**SPECIALTY DRUGS WILL  
ACCOUNT FOR HALF OF ALL  
2021 DRUG SPEND**



**MY  
SPECIALTY  
DRUG  
COSTS ARE  
RISING!  
WHAT CAN  
I DO?**



# WHAT DO YOU THINK?



**Please share your thoughts in the chat box!**



**1**

Have you adjusted or installed specific specialty drug stop loss programs?

# WHAT DO YOU THINK?



**Please share your thoughts in the chat box!**



1

Have you adjusted or installed specific specialty drug stop loss programs?

2

Are you using manufacturer copay cards?



# WHAT DO YOU THINK?



**Please share your thoughts in the chat box!**



- 1 Have you adjusted or installed specific specialty drug stop loss programs?
- 2 Are you using manufacturer copay cards?
- 3 Have you adjusted the employee cost share or plan design?



# WHAT DO YOU THINK?



**Please share your thoughts in the chat box!**



- 1 Have you adjusted or installed specific specialty drug stop loss program?
- 2 Are you using manufacturer copay cards?
- 3 Have you adjusted the employee cost share or plan design
- 4 What else have you considered?

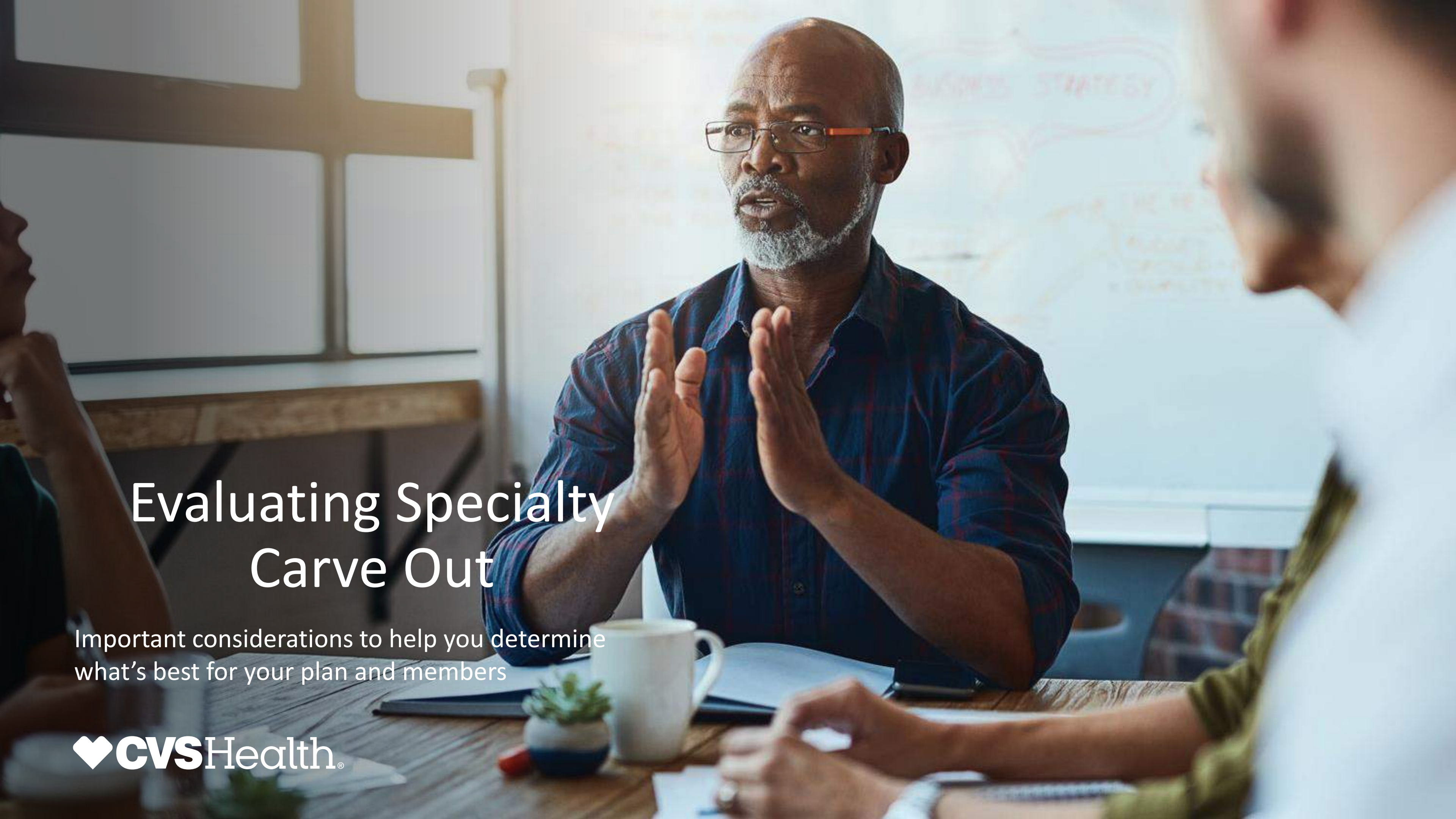


# **Specialty Rx and Effective Strategies to Manage Costs**

**Tierra Ford, PharmD**

Senior Clinical Advisor, Specialty Client Solutions, CVS Health



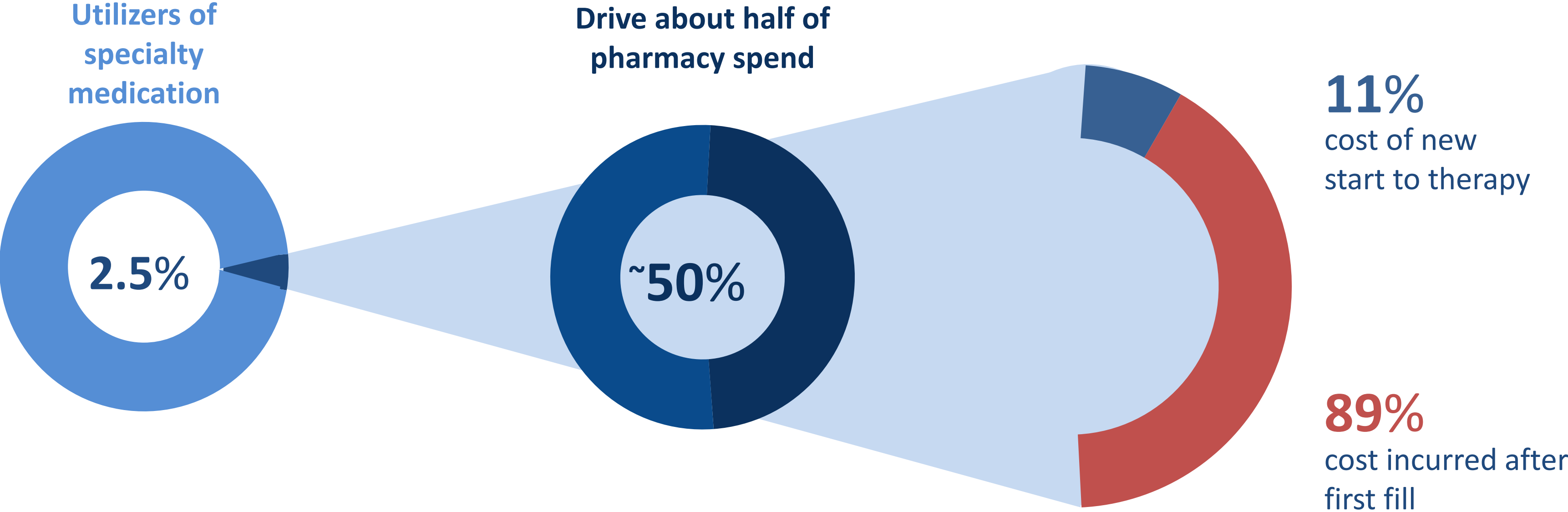
A man with a grey beard and glasses, wearing a blue plaid shirt, is seated at a wooden table in a meeting room. He is gesturing with both hands as if speaking. In the background, a whiteboard displays a diagram titled "BUSINESS STRATEGY" with various boxes and arrows. Other people are partially visible around the table, including a woman on the left and a man on the right.

# Evaluating Specialty Carve Out

Important considerations to help you determine  
what's best for your plan and members



# Control costs when and where they occur



The source for data in this presentation is CVS Health Enterprise Analytics unless otherwise noted. Please see the disclaimer page at the end of this presentation for more information.



# Understanding the strategies of “carve out” vendors

**Carve out approach:** contracting with a third party for any combination of services

**Integrated approach:** working with one PBM or specialty vendor for all specialty pharmacy services, which is recommended for maximum savings, better health outcomes

## **Utilization management:**

potential savings via higher denial rates using more restrictive criteria

**Copay optimization:** apply maximum value of manufacturer copay cards to payor share of specialty claims

## **Condition-specific:**

manage and obtain funding for high-cost conditions, such as fertility and hemophilia

## **Foundational fund support:**

offset plan costs using charitable funds intended for low-income patients

## **International sourcing:**

potential savings by procuring drugs internationally

**Full carve out** of adjudication and/or dispensing in addition to any combination of strategies listed here



PBM (Pharmacy benefit manager).

The source for data in this presentation is CVS Health Enterprise Analytics unless otherwise noted. Please see the disclaimer page at the end of this presentation for more information.

The risks of carving out may outweigh the perceived benefits

PERCEIVED BENEFITS

- Significant savings
- Tighter control, more oversight of the PA process
- Focus on getting the right drug to the right patient
- No “incentive” to dispense
- Avoid “gross overpayment”
- No “chasing rebates”

REALITIES AND RISKS



Financial

Vendors provide inflated savings estimates  
Loss of rebate value and pricing discounts  
Increase in administrative fees  
Higher trend



Safety

Clinical concerns procuring drugs from outside U.S.  
Unknown clinical rigor of UM criteria  
Delays in care



Member experience, health outcomes

Siloed, fragmented care  
Additional member and prescriber burden  
Loss of care management programs, adherence support and digital tools




Administrative burden

Coordination with multiple vendors  
Challenges with integrated accumulations  
Loss of transparency and reporting

PA (Prior authorization). UM (Utilization management).





CVS Health's integrated approach to specialty  
benefit management

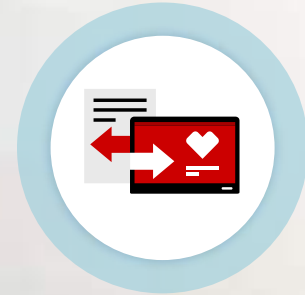


# Start therapy with certainty



## Tighter control to prevent unnecessary utilization

2.3% YoY increase in overall denial rates\* due to criteria and process enhancements; 11.5% savings in managed classes



## EHR connectivity validates treatment

More clinically accurate PA submission leads to higher final denial rate\*\*



## Get the lowest net costs by therapeutic category

+\$2.8B in savings in 2019 from formulary strategies\*\*\*



## Enhance savings with copay plan design

Save up to 21% gross savings; <1% member opt out rate

YoY (year over year) EHR (electronic health record) PA (prior authorization) \*Results are based on final drug approval rates. \*\*Higher final denial rate compared with providers not enrolled. \*\*\*For Clients that utilize our Standard Specialty UM Programs. UM includes quantity limits, prior authorization, step therapy, and formulary exclusions/non-covered benefits.



# Eliminate waste throughout



## Prevent excess drug accumulation

Automated monitoring, timely interventions  
~\$1,200 savings per targeted specialty patient in first 10 weeks\*



## Minimize waste by preventing inappropriate dose escalation

Indication and weight-based dosing applied at PA



## Avoid costly, adverse events with embedded nurse

EHR connectivity and digital tools optimize engagement  
\$2.1K+ estimated savings PEMPY; 11% decrease in hospitalizations

PEMPY (per engaged member per year) \*A specialty pharmacy service performed by CVS Specialty for contracted payors. Targeted patients make up <2% of all specialty utilizers.



# Intervene when needed



## Uncover the need to change or stop therapy

Adherence score calculated every day, for every patient  
Clinical intervention\* saved ~\$2K per patient in 90 days\*\*



## Real time symptom tracking connects patients to right level of care

92% of respondents completed the survey after which they all  
received immediate clinical guidance\*



## Constantly innovating to uncover new cost savings

Pilots investigating drug holidays and our ability to reduce the  
use of biologics

\*CVS Specialty dispensed patients \*\*~2K savings per targeted patient. Savings projections are based on CVS Caremark data. Actual results may vary depending on benefit plan design, member demographics, programs implemented by the plan and other factors. Client-specific modeling available upon request.



# Bringing it all together

improving your members' experience with support every step of the way



Mary's diagnosis:  
rheumatoid arthritis

She needs coordinated support to  
help her start  
and stay on therapy

Drive most appropriate,  
low-cost therapy  
from the start

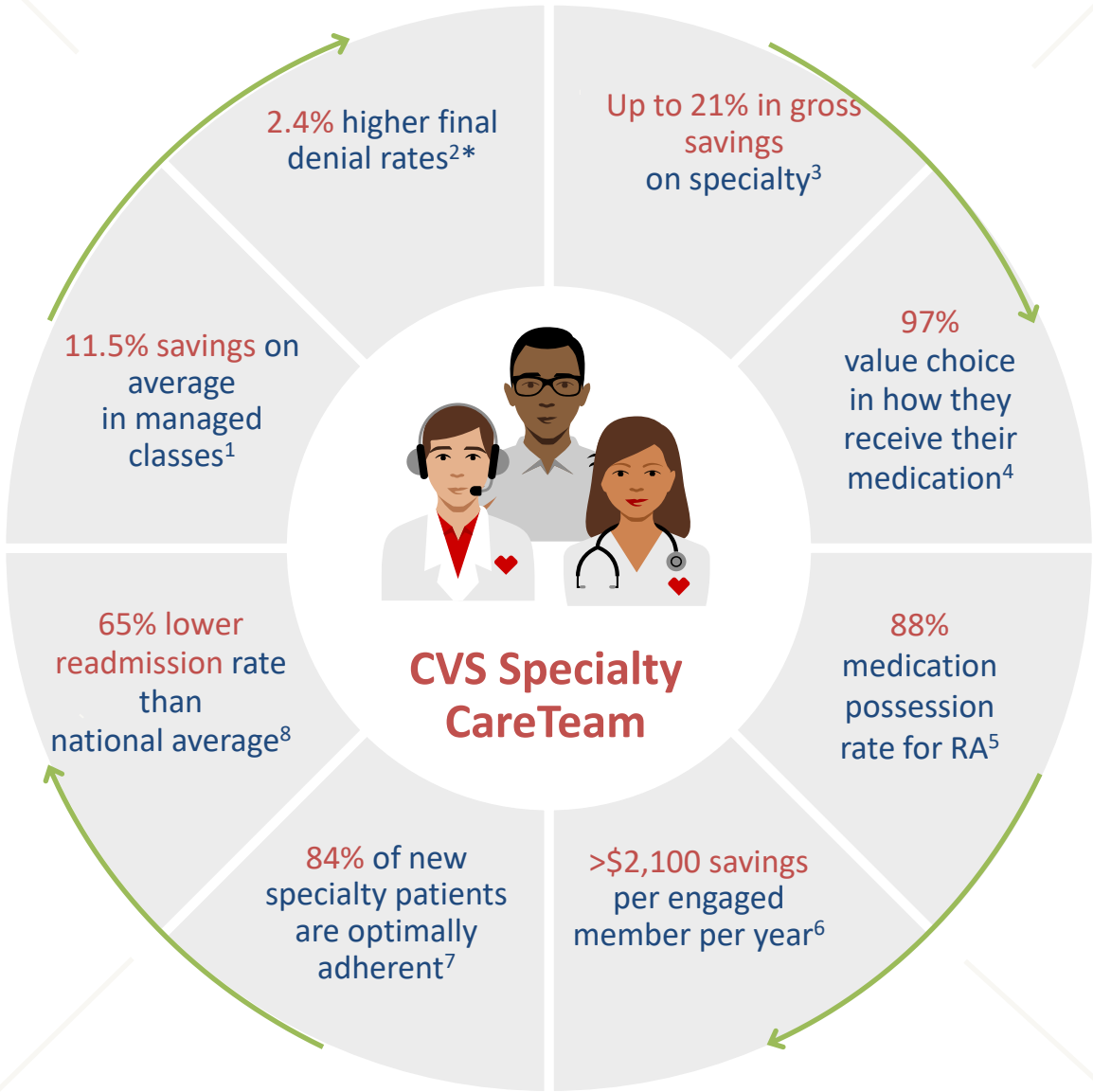
Coordinated infusion  
care with highly-trained  
Coram nurses

EHR connectivity to  
validate treatment with  
more clinically accurate PA

Copay Card Optimization  
with best-in-class member  
experience

Convenient access to  
pick up or delivery

Enhanced care  
coordination  
with EHR connectivity

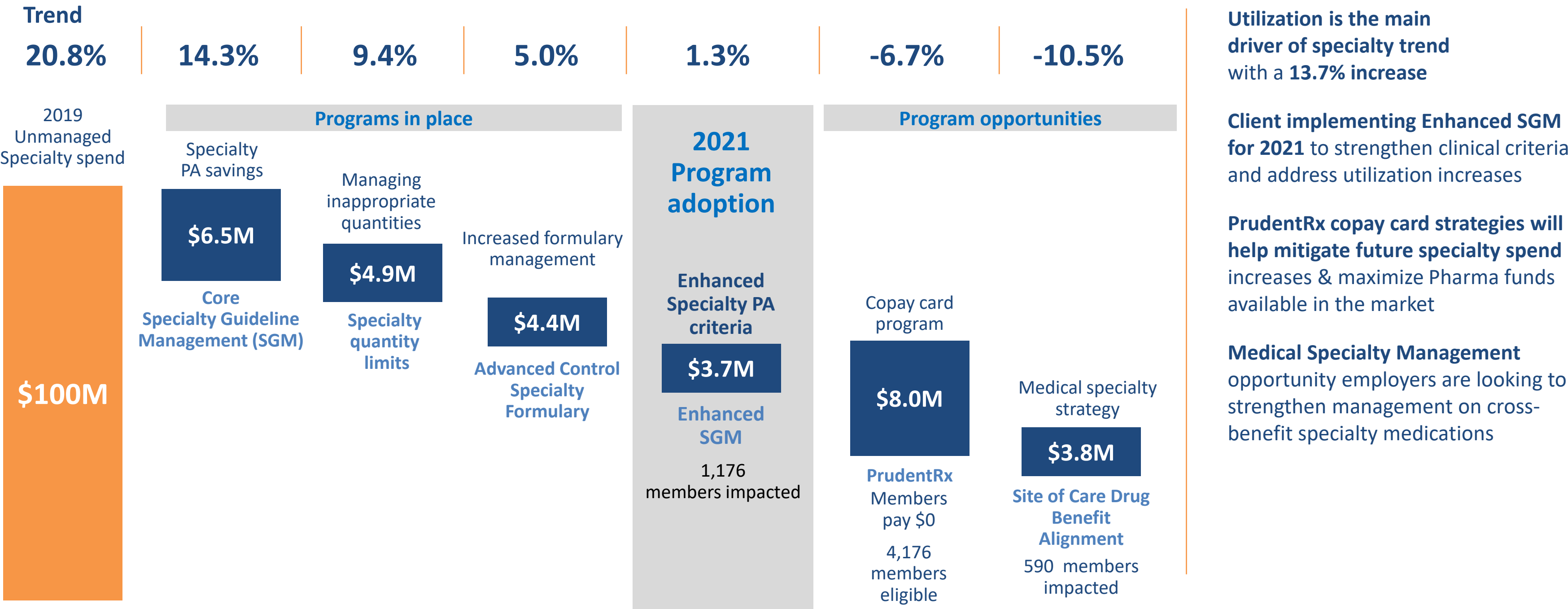


Secure messaging helps  
with better condition  
management

Personalized care management

EHR (Electronic health records) \*Compared with providers not enrolled.

# Reducing specialty trend through strategic, innovative solutions



Source: CVS Health Analytics & Savings Analysis.  
Illustrative example, potential overlap between savings components. Price Protection is also considered a rebate.



**Delivering results now**  
and into the future

**With every member**

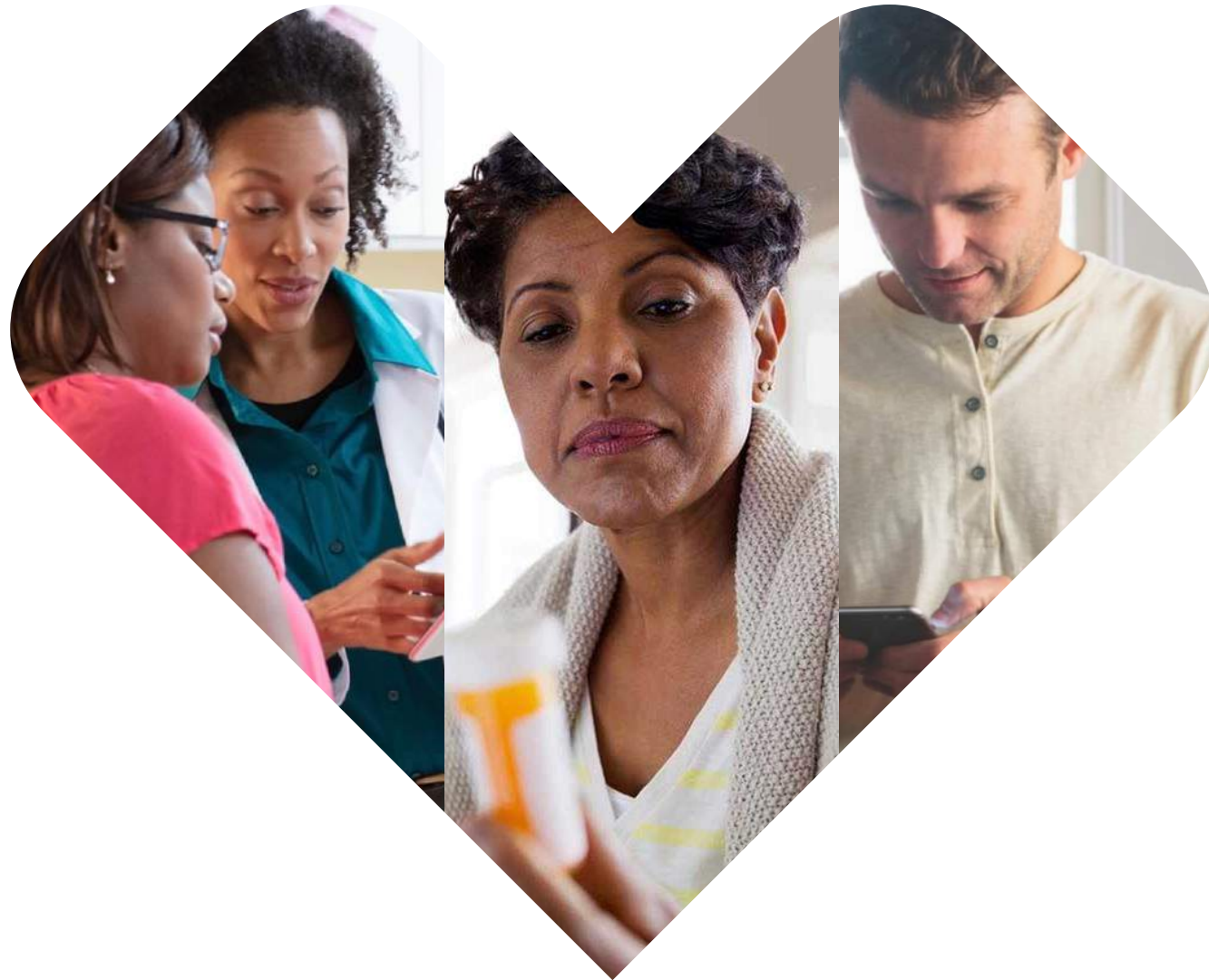
**Start therapy with certainty**

---

**Eliminate waste throughout**

---

**Intervene when needed**







# OUR RESOURCES



## EMPOWER EMPLOYEES

Build greater healthcare literacy inside your organization with this customizable presentation.

 [HEALTHACTIONCOUNCIL.ORG/EMPOWER](https://healthactioncouncil.org/empower)



## 2021 WHITE PAPER

Find the Uncommon: Revealing Disparities in Care and Prescribing for Common Conditions

 [HEALTHACTIONCOUNCIL.ORG/UNCOMMON](https://healthactioncouncil.org/uncommon)



## MANAGE HEALTHCARE COSTS

Insights to Effectively Managing Your Healthcare Spend insight for employers.

 [HEALTHACTIONCOUNCIL.ORG/MANAGE](https://healthactioncouncil.org/manage)



## MEDICATION MATTERS

Improve medication adherence to help employees achieve better health and lower costs.

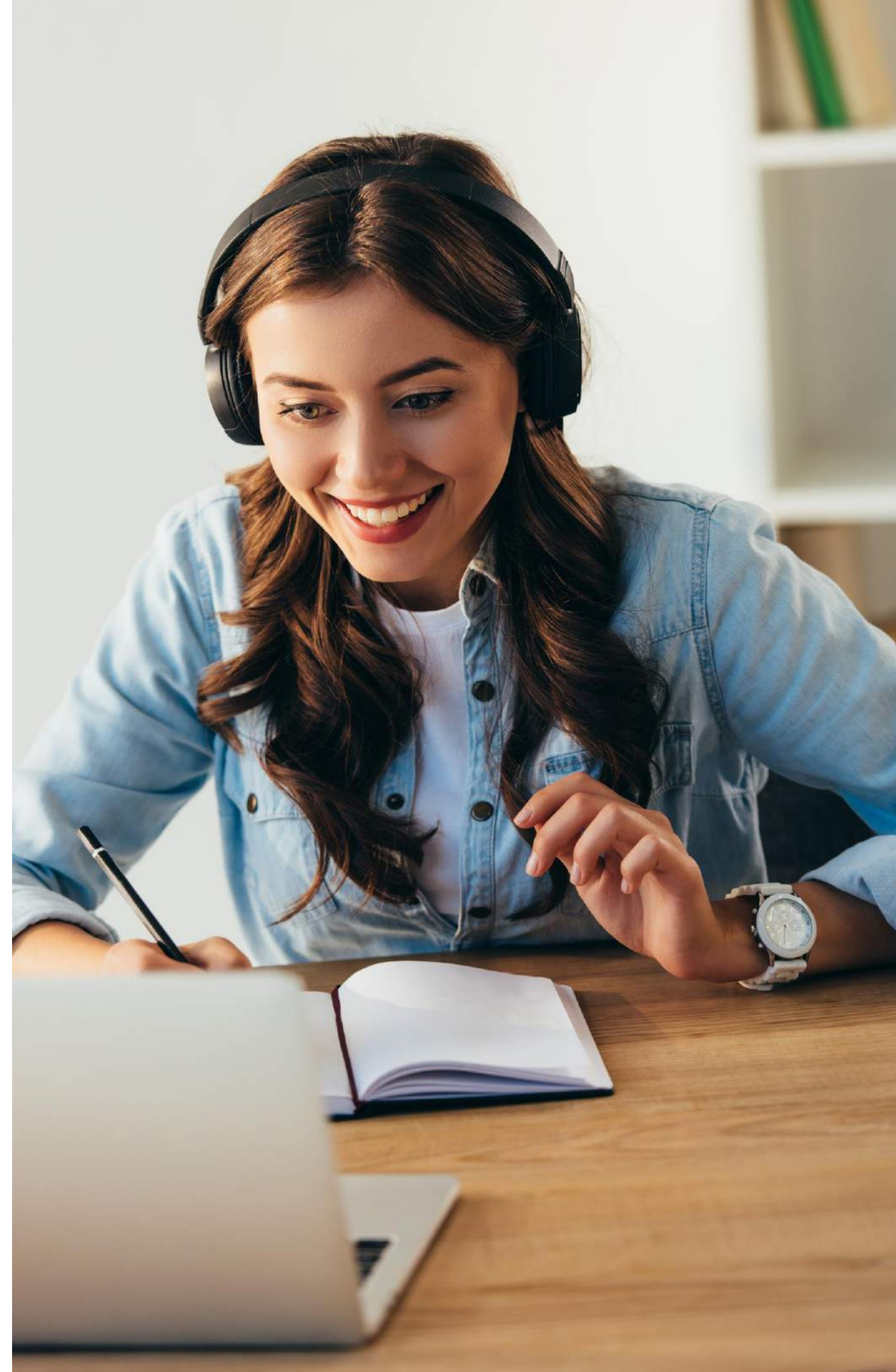
 [HEALTHACTIONCOUNCIL.ORG/MEDICATIONADHERENCE](https://healthactioncouncil.org/medicationadherence)





# EDUCATION

- Monthly e-newsletter and webinars
- Trend research
- Insight articles
- SHRM and HRCI provider
- CEUs







# HEALTH IMPROVEMENT

- Leapfrog Hospital Safety Grade
- Find the Right Care website and campaign
- Step It Up Challenge
- Healthy Kids campaign



**health action council**

Enhancing Business. Enlightening Lives. Enriching Communities.



# GROUP PURCHASING

- Save money
- Improve outcomes
- Retain control over benefit programs







# ENDORSED VENDORS



## MEDICAL

For over a decade, we've successfully teamed up to improve population health. Our trend is more than 50% better than the national average.



## VISION

Simple and flexible because we listen and offer open-sourced solutions designed with members in mind.



## PHARMACY

Nineteen straight years with either negative or single digit trend. Annual audit and market check included.



## FLU SHOTS

Full-service onsite flu shot clinics and convenient voucher programs to help ease the administrative burden.



[HEALTHACTIONCOUNCIL.ORG/GROUPPURCHASING](https://HEALTHACTIONCOUNCIL.ORG/GROUPPURCHASING)



# CONTINUE THE CONVERSATION

**SIGN UP:** MONTHLY E-NEWSLETTER

**EMAIL US:** [INFO@HEALTHACTIONCOUNCIL.ORG](mailto:INFO@HEALTHACTIONCOUNCIL.ORG)

**VISIT:** [HEALTHACTIONCOUNCIL.ORG](http://HEALTHACTIONCOUNCIL.ORG)

