OUTCOMES

STABILIZING SPECIALTY

Guarding your plan against coming market shifts

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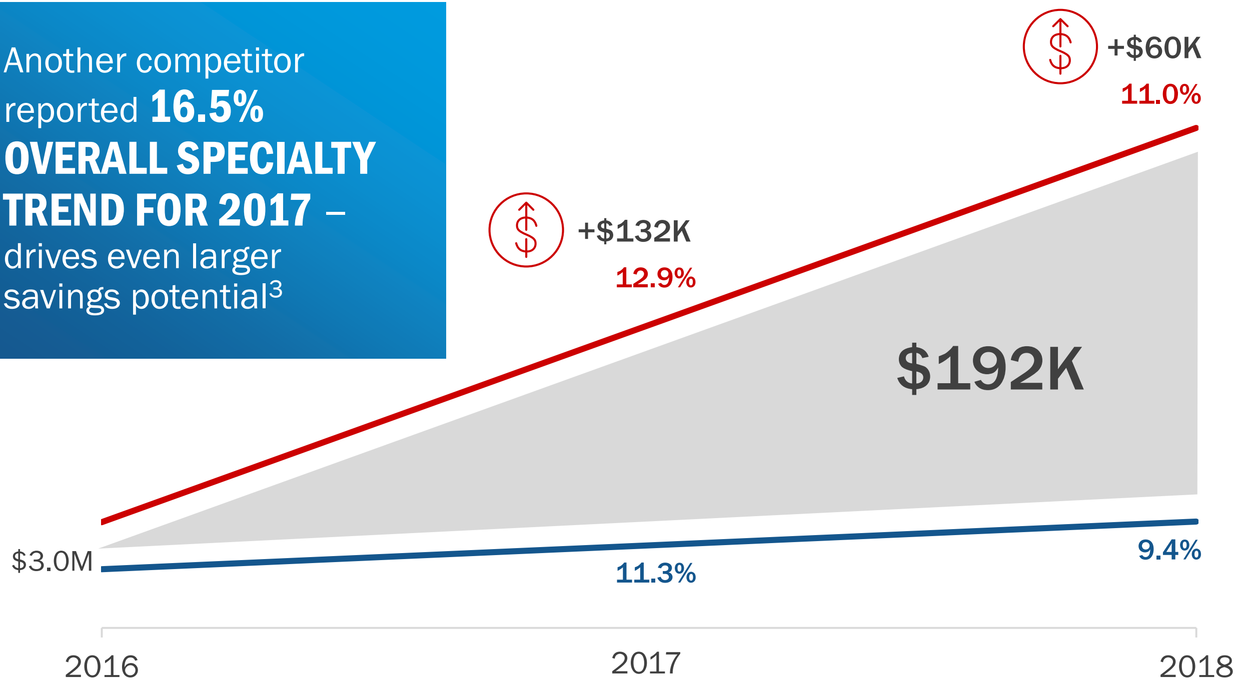
Innovation in specialty matters

Another competitor reported **16.5% OVERALL SPECIALTY TREND FOR 2017** – drives even larger savings potential[3]



Competitor

$8.9M

Total Specialty Drug Spend in 2 years[1]

Express Scripts

$8.7M

Total Specialty Drug Spend in 2 years[2]

Scenario: Client size of 10,000 lives with 2016 specialty spend of $3.72M (or $30.98PMPM)

1. CVS 2017 and 2018 Drug Trend Report.
2. Express Scripts 2017 and 2018 Drug Trend Report. Note, specialty DTR (measured as gross cost PMPM [net of rebates]) was 9.4%
3. OptumRx 2017 Trend Insights Report– privately reported

#ESOutcomes19

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What’s trending

TOPICS FOR YOU

Search

SPECIALTY GENERICS

COPAY ASSISTANCE

BLOCKBUSTER THERAPIES

$24B in specialty drug spend going off-patent over the next 4 years[1]

New SMA gene therapy on fast track for approval[2]

Employers use of copay accumulator programs growing[3]

Vision for Jack Hogan: a scientific breakthrough[4]

1. Estimates are based on IQVIA data for 2017, manufacturer reported U.S. sales or a percent of manufacturer reported worldwide annual sales of the drug
2. www.biospace.com/article/novartis-sma-gene-therapy-is-on-the-fast-track-for-approval/
3. accessmarketintell.com/2018/11/13/employers-use-of-copay-accumulator-programs-is-growing/
4. www.nbcnews.com/nightly-news/video/this-gene-therapy-treatment-for-blindness-is-the-most-expensive-drug-in-america-1427219523728

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SHIFT 1:

Generics have a new meaning

Specialty generics

Generic strategies for specialty drugs mean significant savings for plans and patients.

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TREND RESULTS

1. 2018 net plan cost trend ; represents ESI commercial clients with the highest and lowest 2018 specialty GFR, as defined by 2018 GFR report

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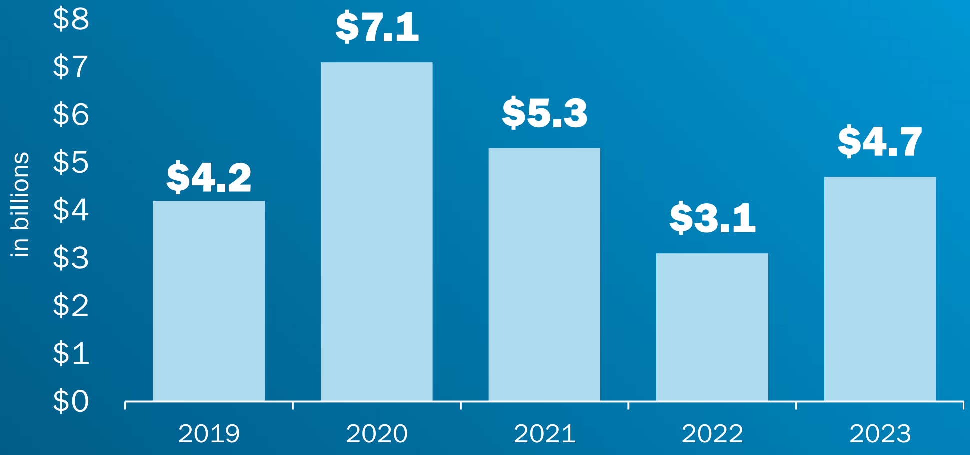
Specialty generics future opportunity

$24B

OPPORTUNITY ACROSS 64 DRUGS[1]

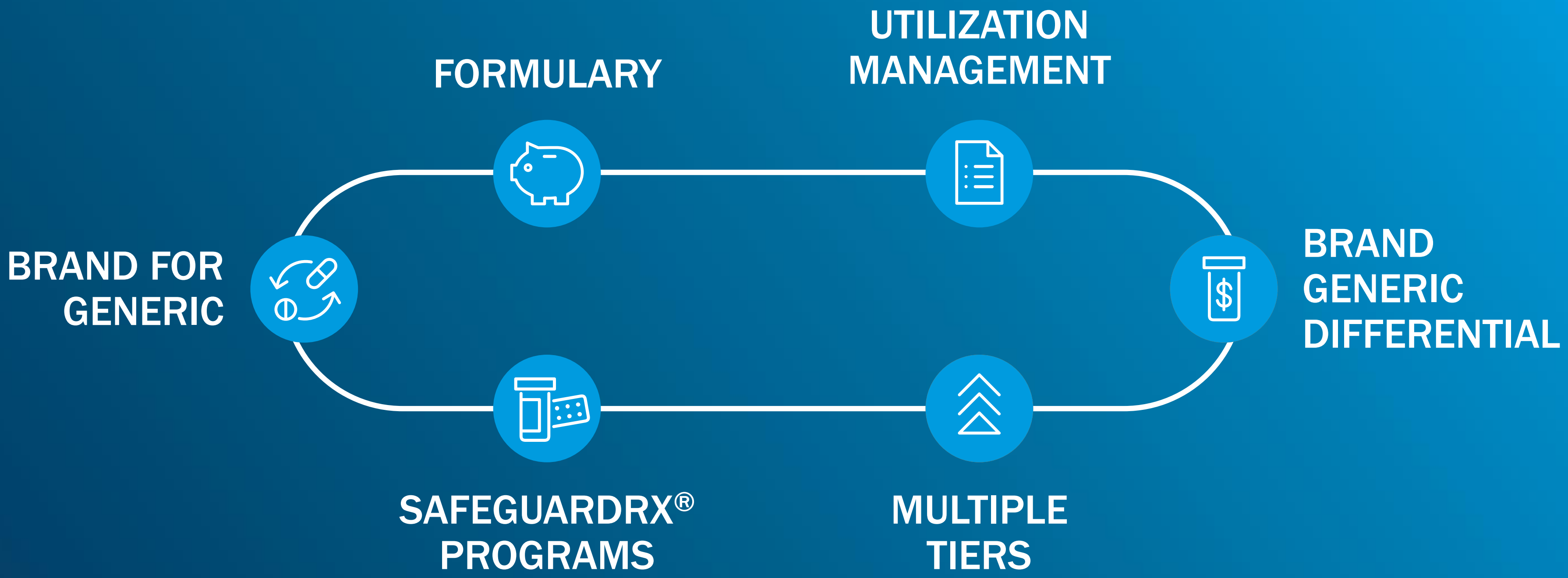


Shifting market share to generics saves plans an average of $939 per specialty claim[2]

1. Source: U.S. Drug spend estimates are based on IQVIA data for 2018, manufacturer reported U.S. sales or a percent of manufacturer reported worldwide annual sales of the drug. The patent expiration dates of the products is current as of Feb 2019. The availability of generics is highly variable due to litigation, patent challenges, or other factors. Brand names used for drugs are for illustrative and educational purposes only, and are not meant to be promotional in any way.
2. Analysis of ESI integrated claims filled at Accredo, 2018 data

Benefits and strategies should be aligned to:

Drive towards lowest net cost products



ONLY

39%

OF CLIENTS IN ATTENDANCE HAVE IMPLEMENTED SPECIALTY BRAND GENERIC DIFFERENTIAL

2019 ESI Outcomes registrant list as compared to BGDiff enrollment file, April 26, 2019.

SHIFT 2:

Heavy adoption of copay solutions

Copay accumulator programs

Plans take advantage of the savings available now, manufacturers attempt to minimize impact.

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TREND RESULTS

1. 2018 net plan cost trend; represents ESI clients implementing SaveonSP effective 1/1/2018
2. ESI BoB commercial trend based on plan cost, data from 2018 ESI DTR client sample, full specialty drug list. Note: the 2018 specialty DTR (measured as gross cost PMPM [net of rebates]) was 9.4%

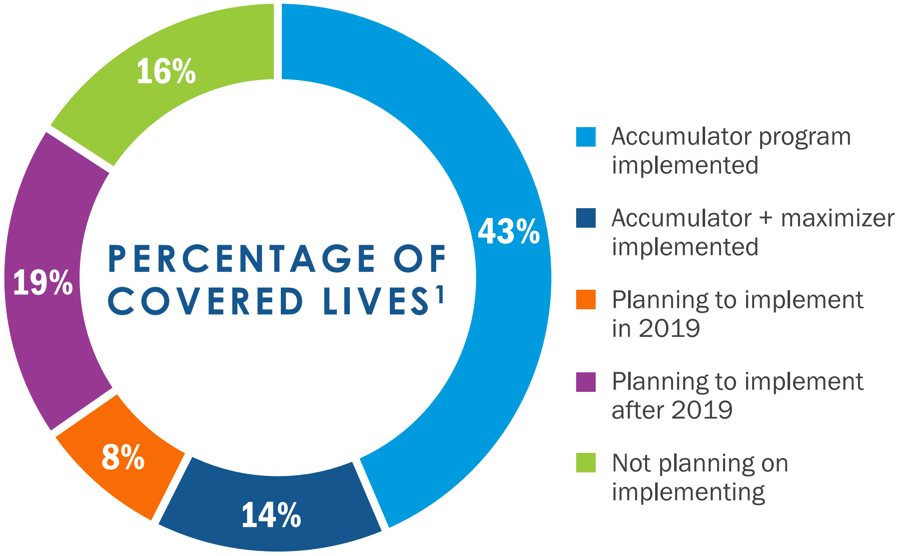
What’s all the fuss about copay assistance solutions?

SOLUTION TYPES:

Maximizer programs

Accumulator programs

Non-essential health benefit programs



RAPID GROWTH IN ADOPTION CONTINUES OVER THE NEXT YEAR.
NEW TACTICS ATTEMPT TO UNDERCUT THESE BENEFIT DECISIONS.

1. Zitter Health Insights Q2 2018 survey of 49 payers covering 146.8M lives

Aggressive solution drives lower plan costs

SAVEONSP

PROGRAM BENEFITS

- Enhanced support to provide an educated member experience
- Ongoing adaptations to copay assistance programs and new ones coming to the market
- Automation of program solutions requires no intervention from clients
- Greatest plan sponsor cost savings

ONLY

34%

OF CLIENTS IN ATTENDANCE HAVE IMPLEMENTED A COPAY ASSISTANCE SOLUTION

2019 ESI Outcomes registrant list as compared to client enrollment file for SaveonSP and/or OOP, April 26, 2019.

SHIFT 3:

Making headroom for blockbuster therapies

Rare and gene therapies

New territory for all drives necessary changes across the healthcare spectrum.

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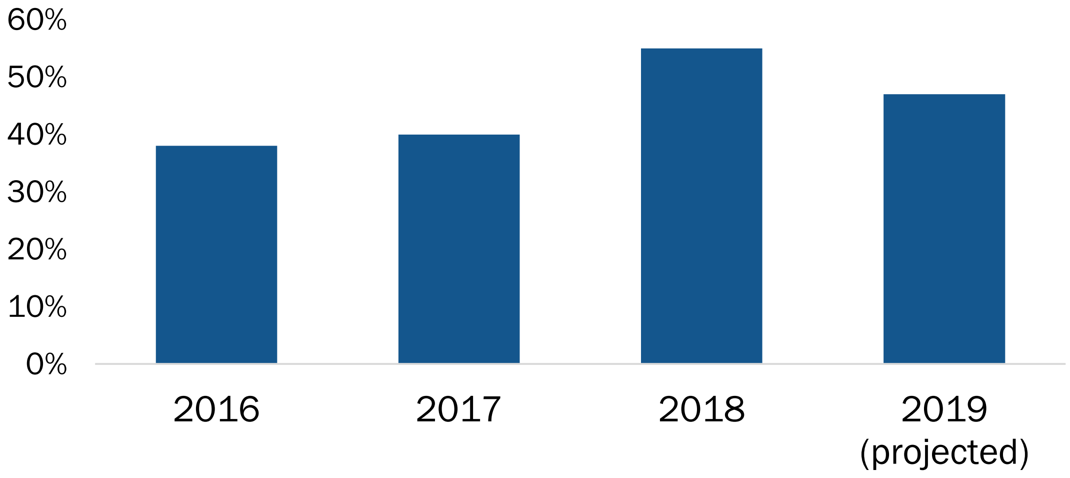
TREND RESULTS

1. 2018 net plan cost trend; represents ESI clients enrolled in 4 specialty SafeGuardRx programs (MSCV, ICCV, OCV, HCV) in 2018; limited specialty drug list
2. ESI BoB commercial trend based on plan cost, data from 2018 ESI DTR client sample, full specialty drug list. Note: the 2018 specialty DTR (measured as gross cost PMPM [net of rebates]) was 9.4%

Pipeline full of novel therapies

PERCENTAGE OF SPECIALTY ORPHAN DRUG APPROVALS INCREASING[1]



566

medicines in development for rare diseases[2]

FDA expects to approve

10 – 20

gene and cell therapies per year by 2025[3]

1. U.S. Food and Drug Administration. Novel drug approvals. U.S. Food and Drug Administration. Orphan drug designations. Figures are based on all novel drug approvals.
2. Medicines in development for rare disease, May 2016: https://www.phrma.org/report/medicines-in-development-for-rare-diseases-2016-report
3. https://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm629493.htm

THERE'S MORE YOU CAN DO ABOUT IT THAN YOU THINK

Establish a solid foundation through Accredo

Benefit from expansion of Rare Conditions Care Value Program

Prepare for new, different cost management strategies

Built-in clinical protocols drive results

PRECISION DISPENSING

Avoids medication waste and unnecessary costs by dispensing most appropriate vial sizes.

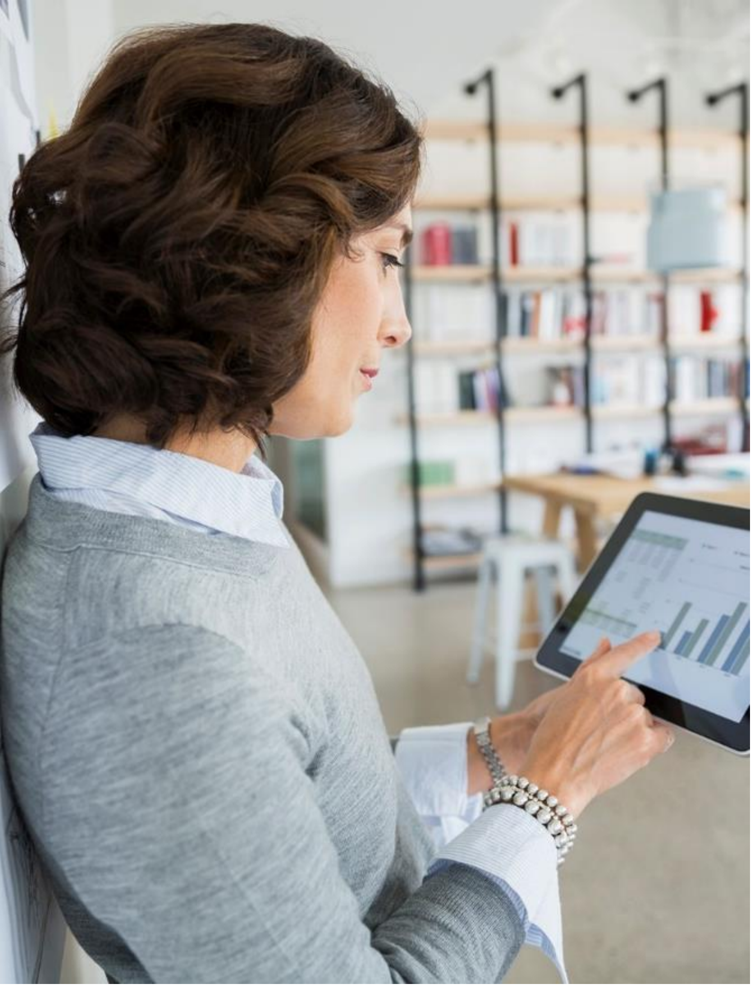
REGIMEN OPTIMIZATION

Optimizes prescribing behaviors on long-acting factor products, generates plan savings.

Exposing more opportunity in specialty

DRIVING $1.4B IN CLIENT SAVINGS FOR SPECIALTY ALONE[1]

1.Citation: Analysis of 2018 ESI DTR data (gross cost savings + rebates) for commercial clients enrolled in Specialty SGRx programs; Hepatitis Cure Value, Inflammatory Conditions Care Value, Multiple Sclerosis Care Value, Oncology Care Value.



Innovative cost management strategies

Outcomes-based models

Pay over time programs

Custom pharma programs

OTHER COST MANAGEMENT STRATEGIES IN DEVELOPMENT AS MORE THERAPIES ENTER THE MARKET

ONLY

35%

OF CLIENTS IN ATTENDANCE HAVE IMPLEMENTED ALL SPECIALTY SAFEGUARDRX® SOLUTIONS

2019 ESI Outcomes registrant list as compared to client enrollment file for OCV, ICCV, MSCV, HCV, April 26, 2019.

WHAT YOU DO NEXT
COULD MAKE ALL THE DIFFERENCE.

Significant shifts have, and will continue to happen in specialty

Strategies with proven results exist to help navigate the changing landscape

Evaluate where you may be missing opportunity today

OUTCOMES