



Pharmacy Benefit Managers: Oncology Medication Distribution, Formularies and Contracting

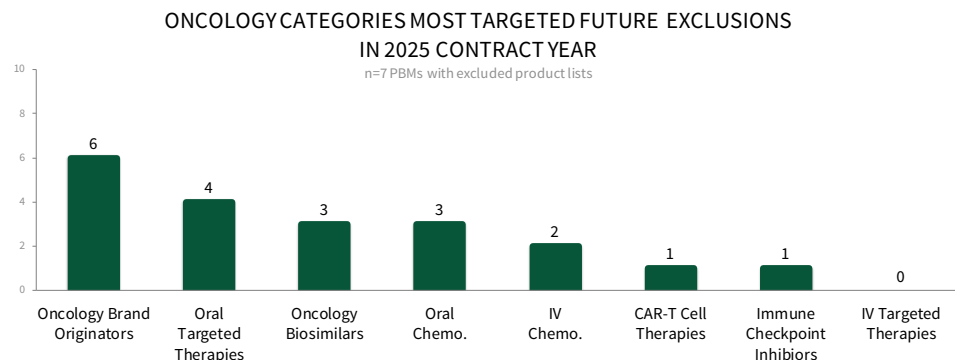
Pharmacy benefit managers (PBMs) continue to expand their service offerings in oncology drug management and contracting. HIRC's report, *Pharmacy Benefit Managers: Oncology Medication Distribution, Formularies, and Contracting*, examines PBMs' oncology medication management approaches and the resulting contracting environment across oncology therapeutic areas. The report addresses the following questions:

- What are the recent trends and level of PBM involvement in oncology drug dispensing and distribution?
- Which oncology medication management tactics are utilized by PBMs?
- What is the status of and future expectations for oncology formularies and excluded product lists?
- What is the perceived contracting environment across oncology medication types?
- What is the estimated level of rebates firms offer to compete for formulary access?
- Which manufacturers are most often nominated as PBMs' Partner of Choice? Which are the most willing to contract?

Key Finding: Top activities PBMs use to manage oncology drug costs for commercial and Medicare clients include (1) contracting with oncology manufacturers, (2) optimizing access & UM approach, and (3) tightening PA requirements/criteria.

PBMs are Targeting Oncology Brand Originators and Oral Targeted Therapies for Additional Exclusions in 2025

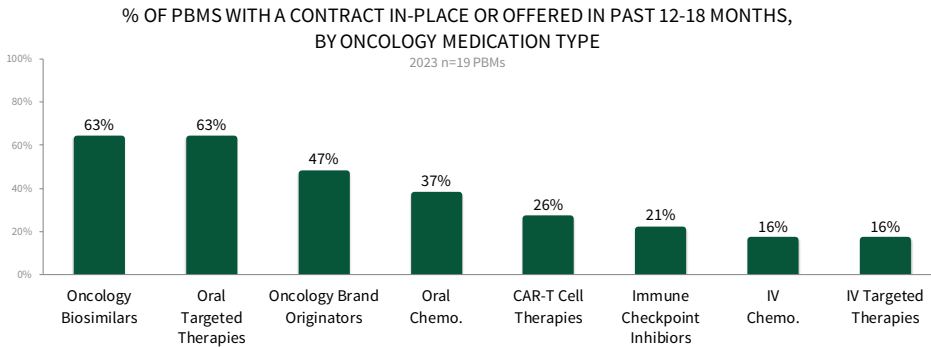
Respondents were asked which oncology treatment medication categories will be most targeted for future exclusions in the 2025 contract year. Panelists suggest that oncology brand originators will most often be targeted for future exclusions, followed by oral targeted therapies, oncology biosimilars, and oral conventional chemotherapy medications.



The full report provides additional insights on PBM product preferences as well as the factors driving formulary decision-making.

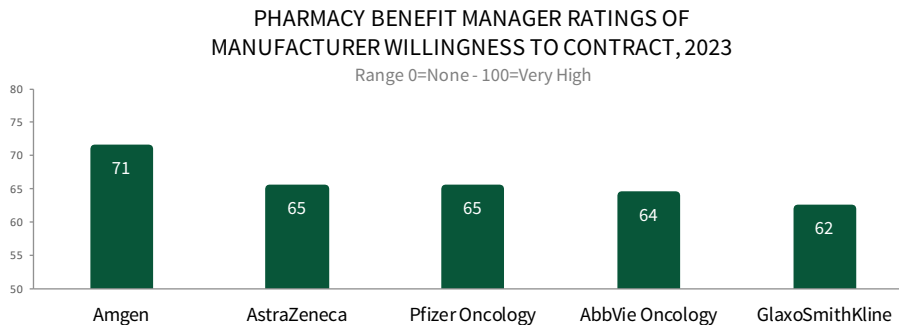
Contracting Environment for Oncology Medications

About 63% of PBM respondents in HIRC's sample report their organization currently has contracts in-place or has been offered contracts across oncology biosimilars and oral targeted therapies. Additionally, over 25% of PBMs have a contract in-place or have been offered a contract across oncology brand originators (47%), oral conventional chemotherapy medications (37%), and CAR-T cell therapies (26%). The full report examines contract approaches/types and most common discount/rebate amounts across oncology categories.



PBM Executives Rate Amgen As Most Willing to Contract in Oncology

Respondents were asked to consider a list of oncology medication manufacturers and rate their overall willingness to contract on a scale of 0=none to 100=very high. Amgen leads with the highest willingness to contract rating, followed closely by AstraZeneca, Pfizer Oncology, AbbVie Oncology, and GlaxoSmithKline. The full report provides a complete list of PBM executives' ratings across a list of 40+ manufacturers, as well as partner of choice nominations and best program nominations.



Research Methodology and Report Availability

In September 2023, HIRC surveyed 19 pharmacy benefit manager key decision-makers. Online surveys and follow-up telephone interviews were used to gather information. The complete report, *Pharmacy Benefit Managers: Oncology Medication Distribution, Formularies and Contracting*, is available now to HIRC's Managed Oncology subscribers at www.hirc.com.

The Managed Oncology Service monitors managed care trends related to oncology medication management and contracting, and reviews market issues in oncology medication distribution and reimbursement across key provider and specialty pharmacy channels. The service benchmarks oncology medication pharmaceutical manufacturers across fifteen high profile cancer types. For subscription information please contact:



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HEALTH INDUSTRIES RESEARCH CENTER (HIRC) is an independent, nonpartisan organization that conducts strategic market research on trends in health care, pharmaceuticals and managed care businesses. HIRC's benchmark studies focus on the marketing needs of pharmaceutical companies by providing research critical to the development of successful customer-focused marketing strategies.

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