



Specialty Pharmaceuticals

Pharmacy Benefit Managers: Specialty Medication Management and Contracting Trends

Due to increasing cost management pressure from plan sponsors, PBMs continue to work to better manage the specialty drug trend. HIRC's report, *Pharmacy Benefit Managers: Specialty Medication Management and Contracting Trends*, examines PBMs' involvement in specialty drug distribution, specialty medication management and formulary tactics, and trends in contracting with manufacturers. The report addresses the following:

- Which specialty drug-related market trends are most impacting PBMs' businesses?
- What is the status of national recommended formulary offerings by PBMs? What drug categories are most targeted for additional preferred products in future years?
- What is the status of PBMs' excluded drug lists for specialty medications? What drug categories are most targeted for exclusion in future years?
- What is the status of biosimilars adoption, copay assistance cost management offerings, and medical benefit management services by PBMs?
- What is the nature of the contracting environment between PBMs and drug manufacturers?
- Which manufacturers stand out as best in PBM engagement to support their specialty portfolios?

Key Finding: PBMs' future contracting expectations for specialty medications include greater rebate value and risk-outcomes contract offerings; partnership opportunities also include total cost of care management and earlier pre-launch engagement.

PBMs Plan to Continue to Target Crowded Classes and Those with Biosimilars for Better Formulary Control

PBMs utilize national recommended formularies and excluded product lists to gain negotiating leverage with manufacturers and garner savings for plan sponsors. 77% of PBMs indicate that they expect the number of excluded products to either stay the same or increase as they look ahead to 2025/2026, and are most often targeting specialty categories with biosimilars and inflammation & immunology medications for greater formulary control.

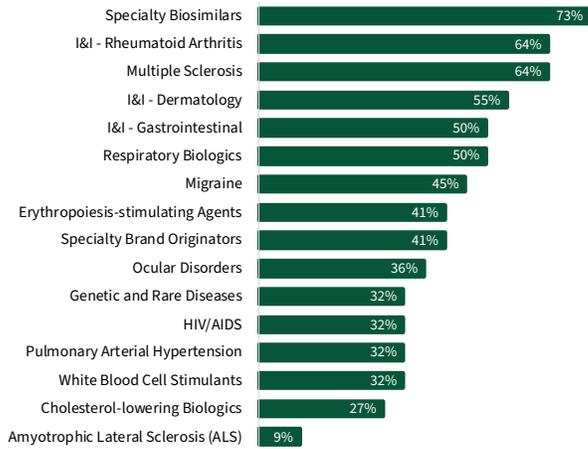


The full report examines PBMs' formulary management activities in detail, including the status of biosimilars adoption.

The Contracting Environment for Specialty Medications

PBM decision-makers report a competitive contracting environment for specialty medications, but contract prevalence and offerings vary by therapeutic class. More contracting is observed in crowded classes, or classes with biosimilars competition.

% of PBM Respondents Indicating Contract In-Place or Offered in the Last 12-18 Months: BY THERAPEUTIC AREA



Flat access rebates/discounts + price protection is the most common type of contract reported. The full report examines contract types in-place/offered and the most common rebate/discount amounts across a listing of 15 specialty categories. PBMs' future expectations for fair and reasonable contract offerings from manufacturers to gain/maintain favorable market access are also reviewed.

The Specialty Pharmaceuticals Service monitors managed care trends related to specialty medication management, such as payers' formulary & utilization management approaches and trends in contracting. Issues in specialty pharmacy distribution and engagement are also reviewed. The service examines specialty brands and benchmarks manufacturers across several high profile therapeutic classes. For subscription information please contact:



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AbbVie Leads in Support of its Specialty Portfolio

PBM decision-makers were asked to nominate a manufacturer in three key areas: 1) Overall Partner of Choice in Specialty, 2) Best-in-Class Programs/Resources in Specialty, and 3) Most Willing to Contract. AbbVie is consistently among the leaders nominated in as best-in-class across categories, recognized for its contracting efforts, its portfolio and associated resource support, and for their understanding clients' business model and needs.

TOP MANUFACTURERS IN SPECIALTY PORTFOLIO ENGAGEMENT WITH PBMs

Ranked by Number of Nominations in Each Category

Overall Partner of Choice	Best-in-Class Programs/Resources	Most Willing to Contract
<ul style="list-style-type: none"> AbbVie Pfizer J&J Innovative Medicine 	<ul style="list-style-type: none"> AbbVie Novartis, Pfizer* Amgen, Boehringer Ingelheim* 	<ul style="list-style-type: none"> AbbVie Amgen, Bluebird Bio, Genentech, J&J Innovative Medicine*

*Indicates a tie

The full report also provides benchmark ratings of 35+ specialty medication manufacturers in presence and willingness to contract with PBMs.

Research Methodology and Report Availability

In February 2024, HIRC surveyed 22 pharmacy benefit manager decision-makers representing 11 unique very large, mid-size, and small/upcoming PBMs. Online surveys and follow-up telephone interviews were used to gather information. The *Pharmacy Benefit Managers: Specialty Medication Management and Contracting Trends* report is part of the Specialty Pharmaceuticals Service, and is now available to subscribers at www.hirc.com.



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