With the 2015 extension of time offered to employers for Affordable Care Act (ACA) compliance, many employers are back to focusing their attention on cost management efforts. For the fourth straight year, managing specialty pharmacy has been noted as one of the top benefit management priorities by employers in a 2014 Annual Employer Member Survey conducted by the Midwest Business Group on Health (MBGH), a leading nonprofit business coalition of human resources and health benefits professionals, with the Institute for Integrated Healthcare (IIH), a leading education and benefits strategy consulting firm working with coalitions or member employers. MBGH’s membership consists of approximately 120 large (>3000 employees), self-insured, public and private employers and other key healthcare stakeholders who together represent more than 4 million lives and spend more than $4 billion on health benefits annually.

Based on the MBGH-IIH survey (presented in April 2015 at the MBGH annual meeting and at other national meetings, and posted at www.mbg.org or www.specialtyrxtoolkit.com), many employers indicate that managing specialty pharmacy remains a high or a medium-high priority for the next 12 to 24 months.

In the past, employers have been able to effectively manage drug cost trends using various benefit coverage approaches. With the increasing number of biologic and specialty pharmacy medications being developed for various serious and chronic conditions, many employers are concerned about their ability to offer medical and/or pharmacy benefits to their employees in the future.

In today’s ACA environment, with competing priorities and the growing trend of high-deductible health plans, some employers are forced to implement cost-shifting strategies that can have a significant impact on employees and their family members; this comes at a time when budgets are already strained. For employers, the goal of maintaining a healthy, satisfied, and productive workforce is a top priority.

National Employer Initiative on Specialty Pharmacy

For the past 4 years, MBGH has examined the value-based purchasing activities of employers and identified specialty pharmacy as a major challenge. Increasing employer interest in understanding the extent, scope, and management of specialty drug use in covered populations is significant.

Whereas most research and industry information has focused on third-party market survey results, or pharmacy benefit managers (PBMs)’s marketing of their specialty pharmacy programs, this national employer initiative has provided real-world lessons from an employer perspective. These lessons and teaching points will help to support more effective partnerships with PBMs and to address contract transparency issues and benefit plan design strategies that focus on driving optimal patient outcomes.

With the support of an employer advisory board and guidance from a multistakeholder group of industry leaders, in 2010 MBGH partnered with IIH and launched the National Employer Initiative on Specialty Pharmacy. The project started as an educational awareness campaign, and has grown to a comprehensive, research-based national initiative that is focused on finding solutions for the employer community.

The project is also focused on factors that employers can control (eg, benefit design and contracting) versus those they cannot (eg, drug costs). These factors include supporting employer efforts to more effectively understand and manage specialty drugs and address benefit design and contracting gaps, as well as more effectively work with their specialty drug vendors (eg, health plans, PBMs, and specialty pharmacies).

Directed at self-funded health plans, this project represents a national call to action to establish a more effective strategy for coverage and reimbursement of biologic and specialty drugs that is better aligned with employers’ and their employees’ health. This call to action is de-
signed to examine the many challenges and issues in specialty drug management, while serving as a valuable opportunity to establish an accurate road map toward implementing effective benefits and coverage strategies in the future. Key elements of this project include:

- Employer Advisory Council consisting of high-level human resources and health benefits professionals who represent large, self-insured, public and private employers
- Annual national employer surveys measuring and monitoring the employer perspective in the management of specialty drugs, identifying innovative approaches in plan design, and service partner contracting
- Online employer toolkit focused on helping employers and other stakeholders to understand the specialty pharmacy landscape, emerging issues, and related stakeholders; address key challenges and identify innovative approaches to benefit plan design and vendor contracting, including pilot research findings and employer tools and resources; and ways to support at-risk populations through communications and resources
- Educational outreach program that includes presentations, research, and outreach to a national audience
- Pilot demonstration projects with employer members of 5 National Business Coalition on Health members, as well as employer members of MBGH. Currently in process, the pilot will conclude over the next few years, with findings distributed through the online employer toolkit and in publications. The pilot benefit coverage approaches include ensuring high-quality case/care management and coordination with medical and pharmacy plan vendors; improving treatment adherence and patient therapy engagement; using value-based benefit design—higher value medications at lower cost-sharing (eg, lowest cost for best outcome); incentivizing patients to use specialty pharmacy; using limited fill supply plan design options (eg, 7- to 10-day first-fill on a new prescription); using step-therapy strategy to improve clinical outcomes and medication compliance
- Employer assessment tools and resources focused on educating the consumer about what specialty drugs are, and reinforcing available benefits, employer audit/gap-analysis tool to support PBM contracting and vendor partnerships, and site-of-care/service assessments to determine what factors are impacting plan design.

In general, employers recognize that specialty drugs can provide true value when traditional (small-molecule) drug therapies fail, or when successful treatment rates for specialty drugs are significantly higher than the rates of traditional drugs. But with costs continuing to be a key consideration, employers are seeking evidence-based approaches to determine which drugs, and what plan designs, will most effectively help them manage pharmacy and medical costs to improve patient outcomes. Our pilot project seeks to address some of these challenges.

**The Future Healthcare for Employers**

In the next 2 to 4 years, it is likely that specialty drugs will become the main driver of the overall increases in health benefit cost trends. Employer strategies are expected to focus on elements that are traditional and nontraditional, such as mandatory specialty pharmacy utilization, intensive case management, and the use of patient incentives, all critical to successful and cost-effective patient outcomes. Employers may even require that PBMs or health plans face financial risk for not meeting the goals of improved outcomes, clinical utility, or quality-of-life measures.

Progressive employers will look at managing costs as a combination of medical and pharmacy combined. When the employee cost-sharing becomes out of balance with that of peer companies, they may make benefit design changes that, as a whole, could increase member cost-sharing (eg, a combination of increased premiums, coinsurance percentage, maximum coinsurance cost per prescription, and increased annual medical and prescription out-of-pocket amounts). Health plan design changes to eliminate waste in the system will continue to be vital to an employer’s plan design approaches, and should incorporate appropriate traditional tactics, such as prior authorization, step therapy (with a focus on the unique nature of specialty drug management), and limited prescription fill supply.

In all other aspects of their business, employers use quality management strategies and tactics to drive efficiency, while eliminating excess cost. Their approach for managing healthcare benefits and care delivery should also be coordinated going forward. Future health plan benefit designs will likely focus on providing patients with reporting tools (ie, telemedicine technology) to ensure adherence with therapy. There will likely be considerations of similar rewards and penalties as indicated above.

Although the ACA has been a temporary distraction for many employers, the timing could not be better for employers to place more emphasis on managing their specialty pharmacy–related benefits. MBGH-IIH’s pilot projects seek to support those endeavors and will provide access to the pilot research outcomes and the employer survey results about decision-maker insights on benefit strategies (at www.mbgh.org and www.specialtyrx toolkit.com). ■

**Author Disclosure Statement**

Ms Larson is a faculty speaker for and has received honoraria from Merck; he is on the Advisory Board for Amgen, Genentech, Eisai, and Novo. Dr Vogenberg reported no conflicts of interest.