



Magellan Rx Management Medical Pharmacy Trend Report Delivers Industry Insights and Forecasting in Notable 10th Edition

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PHOENIX--(BUSINESS WIRE)--Apr. 8, 2020-- Magellan Rx Management, a division of [Magellan Health, Inc.](#) (NASDAQ: MGLN), released its tenth annual [Medical Pharmacy Trend Report](#)™, featuring a comprehensive view of medical benefit drug trends—one of the largest drivers of total specialty drug spend. For 10 years, Magellan Rx has produced the industry's only detailed trend report that analyzes medical benefit drug claims for trends, data benchmarking, forecasting for significant categories, as well as current medical benefit drug management approaches.

Dramatic Changes Over 10 Years of Reporting

- Commercial per-member-per-month (PMPM) medical drug spend has almost doubled (90 percent) from \$17.28 to \$32.83 from 2009-2018.
- Medicare PMPM has increased by more than one-third (35 percent), from \$45.59 to \$61.47.
- Remicade, Rituxan, Herceptin, Neulasta, and Avastin continue to rank as the top five drugs in commercial PMPM medical drug spend over the same 10-year period.
- Remicade has remained the top drug in commercial PMPM and the medical benefit spend has more than doubled from \$0.94 in 2009 to \$2.95 in 2018, a 214 percent increase.

Current Trends to Watch

- Medical pharmacy trends continued to climb with commercial PMPM increasing 10 percent year over year. In addition, from 2017 to 2018, there was an eight percent and seven percent increase in PMPM for Medicare and Medicaid, respectively.
- Oncology spend remains one of the highest spend categories on the medical benefit, accounting for 35 percent of commercial PMPM, or \$11.42, and 46 percent of Medicare PMPM, or \$28.10. In the 2019 survey, 44 percent of payers were specifically concerned with oncology spend.
- Billion-dollar drugs are expected to increase by 15 percent, from 33 drugs in 2018 to 38 in 2024, due to the introduction of novel treatments such as gene therapy. In the oncology category alone, spend is forecasted to grow by 69 percent over the next five years. By 2023, the Medicare oncology pipeline is projected to be worth \$10.72 PMPM.

"The FDA approved 31 medical benefit drugs in 2019 and the introduction of gene therapies and other novel agents will continue," said Kristen Reimers, RPh, senior vice president, specialty clinical solutions, Magellan Rx Management. "The trends in medical drug spend will also continue to rise, so the need to prioritize strategies specific to specialty and medical pharmacy drugs is essential."

Additionally, six new medical pharmacy drugs were approved in 2019 for rare diseases, including treatments for spinal muscular atrophy, anemia due to beta thalassemia, and sickle-cell disease.

The Future of Biosimilars and the Medical Benefit

Over the past two years, there has been a significant increase in approved biosimilar products. As of early March 2020, the FDA had approved 26 biosimilar products across three different therapeutic categories of which 15 have been launched to date. Of these approvals, 13 are oncology or oncology support agents.

Biosimilars are making an impact in the oncology support category and are expected to be impactful in the oncology category, as biosimilars are now available for three of the top oncology drugs: Herceptin, Rituxan and Avastin. In addition, payers are increasingly using biosimilars to more actively manage the medical benefit, with 63 percent of payers preferring the biosimilar over the reference product. As biosimilars enter the landscape in a meaningful way, payers have experienced between 8 to 23 percent in self-reported savings.

While biosimilars offer the opportunity for significant cost savings, the emergence of gene therapies is the new cost concern for payers managing the medical benefit. Based on the survey, payers continue to use innovative strategies to better manage medical pharmacy trend, such as site of service, weight-based dosing, vial rounding, and dose optimization.

"Working directly with payers and providers, Magellan Rx continues to deliver quality clinical solutions and medical pharmacy management strategies that can have a meaningful impact on improving patient outcomes, maintaining a high quality of care for members and lowering patient out-of-pocket costs," said Reimers. "Our medical pharmacy programs have already saved customers over [\\$2 billion dollars](#), and we continue to leverage our knowledge and expertise to create innovative solutions, like the [drug wastage reduction program](#), that are on the leading edge of total specialty drug management."

To learn more about the latest medical pharmacy trends and key management strategies, watch Medical Pharmacy Trend Report webcast [here](#).

About Magellan Rx Management: [Magellan Rx Management](#), a division of [Magellan Health, Inc.](#), is shaping the future of pharmacy. As a next-generation pharmacy organization, we unlock the possibilities by delivering meaningful solutions to the people we serve. As pioneers in specialty drug management, industry leaders in Medicaid pharmacy programs and disruptors in pharmacy benefit management, we partner with our customers

and members to deliver a best-in-class healthcare experience.

About Magellan Health: [Magellan Health, Inc.](#), a Fortune 500 company, is a leader in managing the fastest growing, most complex areas of health, including special populations, complete pharmacy benefits and other specialty areas of healthcare. Magellan supports innovative ways of accessing better health through technology, while remaining focused on the critical personal relationships that are necessary to achieve a healthy, vibrant life. Magellan's customers include health plans and other managed care organizations, employers, labor unions, various military and governmental agencies and third-party administrators. For more information, visit [MagellanHealth.com](#).

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