

# A New Era in Specialty: Time to Repurpose Our Wheels?

**Mary Dorholt, PharmD**

Senior Director & Specialty Clinical Practice Lead









# Repurposing the Wheel



3500 BC

3000 BC



300 BC



1492

1790

1885



# Redefining Our Wheels



# Changing Landscape Requires New Approach





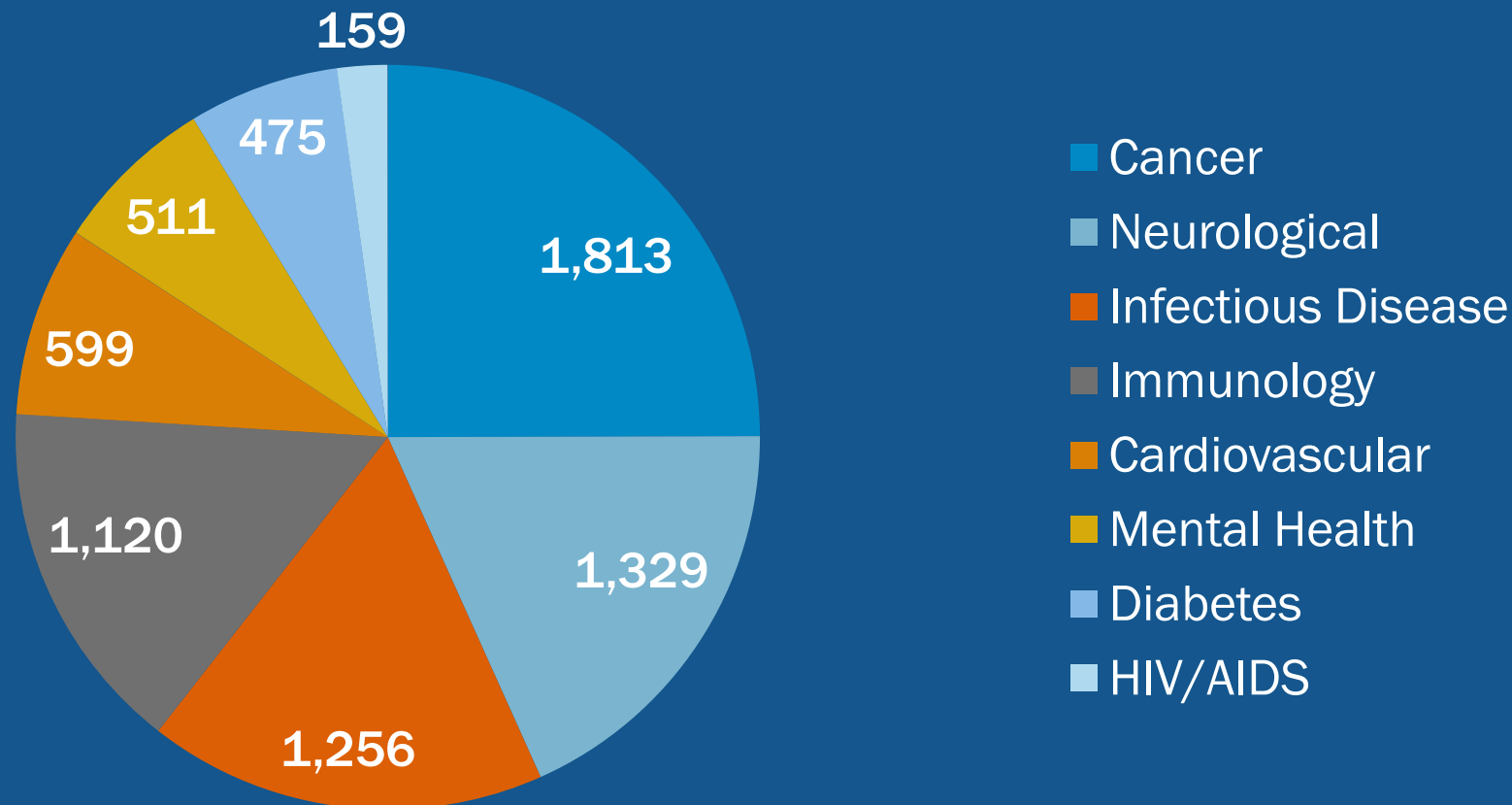
# Policies That Threaten Fair Drug Pricing

- Affordable Care Act complexity
- 21<sup>st</sup> Century Cures Act
- State limitations around management strategies
- Slow path to market for biosimilars



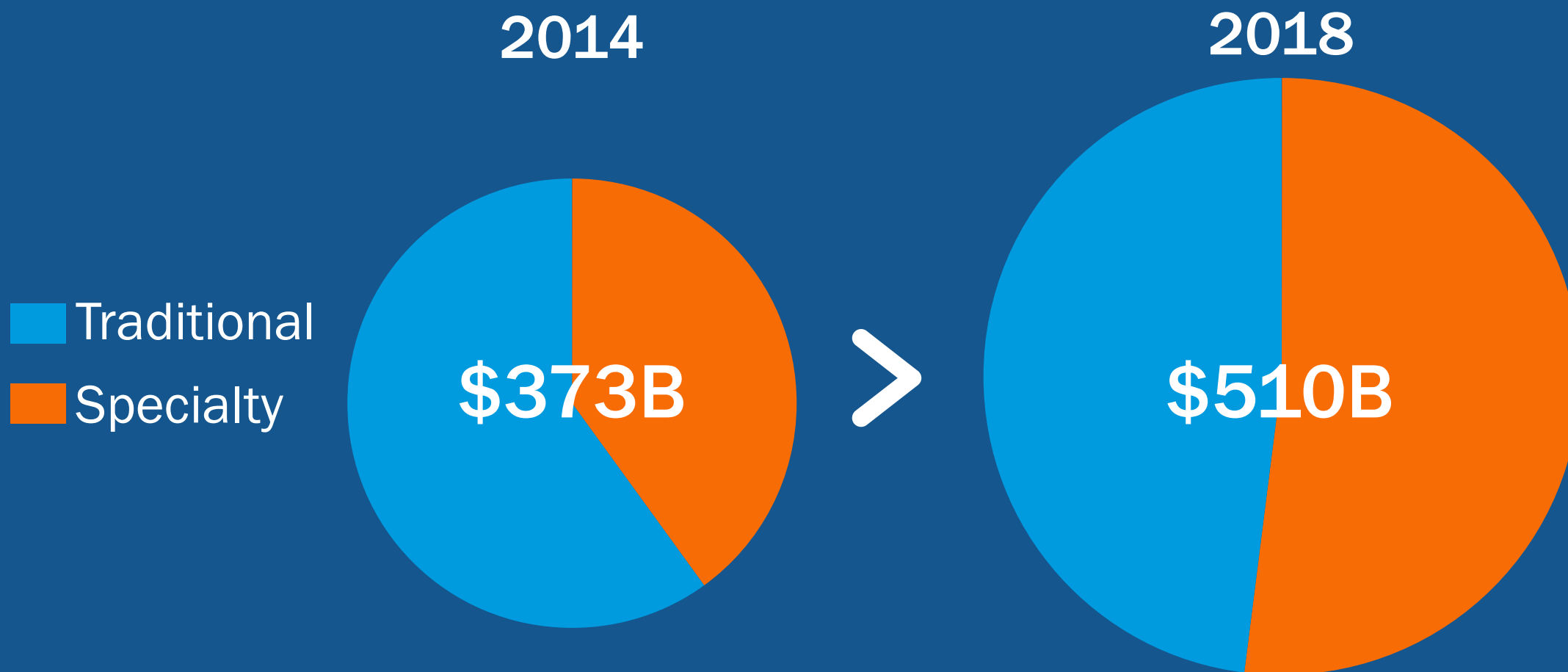
# >7,000 Potential Drugs in Development

Pipeline Products by Therapeutic Area



2015: On pace for record number of approvals

# Specialty: Growing Piece of a Bigger Pie



Source: Express Scripts Research



# PCSK-9: Right Patient, Right Drug Approach

**Cholesterol cost shock: Insurers brace as FDA considers pricey lipid-lowering injectables**

Expected Population for Initial Use of PCSK-9 Inhibitors

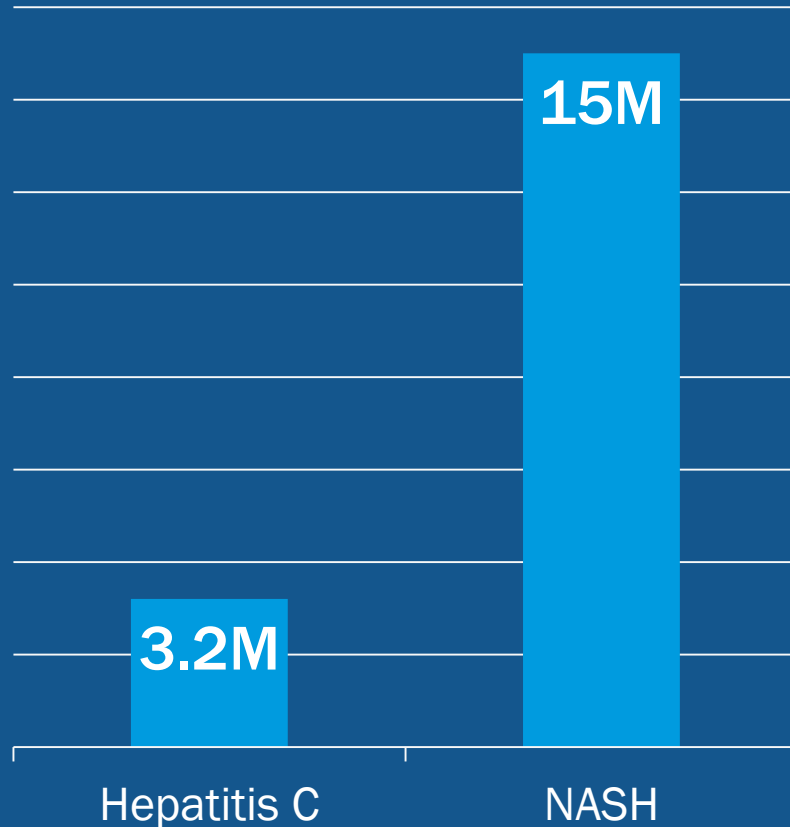


**High Risk <5%**  
**Familial <1%**

Projections established using sample data. Calculations represent assumptions based on literature and Express Scripts data.

# NASH: More Common Than Hepatitis C

Number of cases (U.S. estimate)





# Alzheimer's: 5.4M Americans Affected

- Biogen's Aducanumab
  - Improvement in plaques
  - Better cognitive function
- Potential launch: 2018



# Cancer: Cost Will Continue to Rise

- More patients
- More chronic therapy
- Increasingly expensive drugs
- Combination therapy





# Are rising prices logical?

- Maybe:
  - Of course, we're willing to pay more to get more
- But maybe not:
  - We're probably not willing to pay more each time for benefits that are smaller each time
  - When prices rise faster than gains
    - “Diminishing Returns”
      - Each additional dollar from patient/insurer buys less health than the one before it

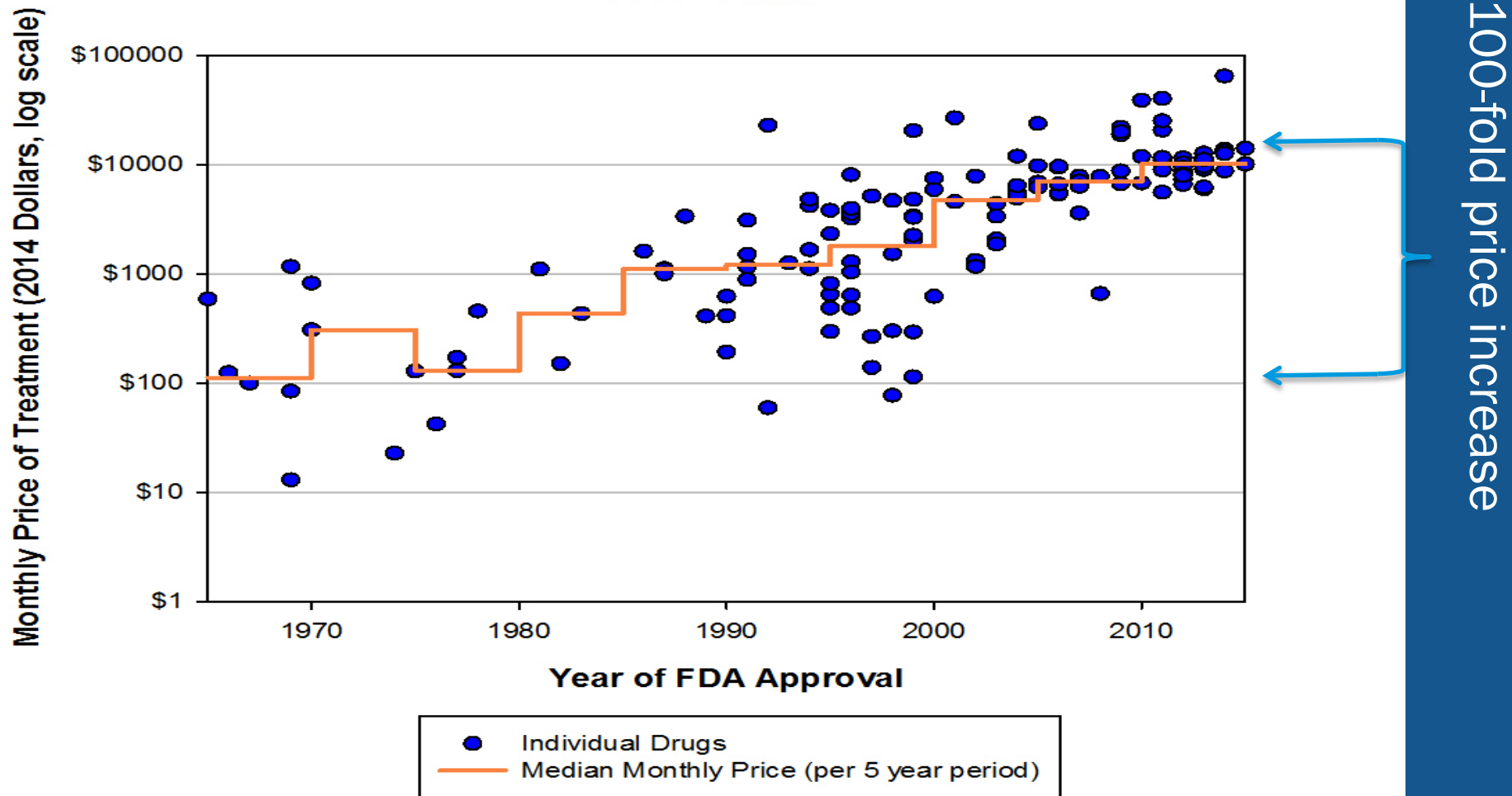
# What diminishing returns DON'T look like:

## Evolution of the Mobile Phone





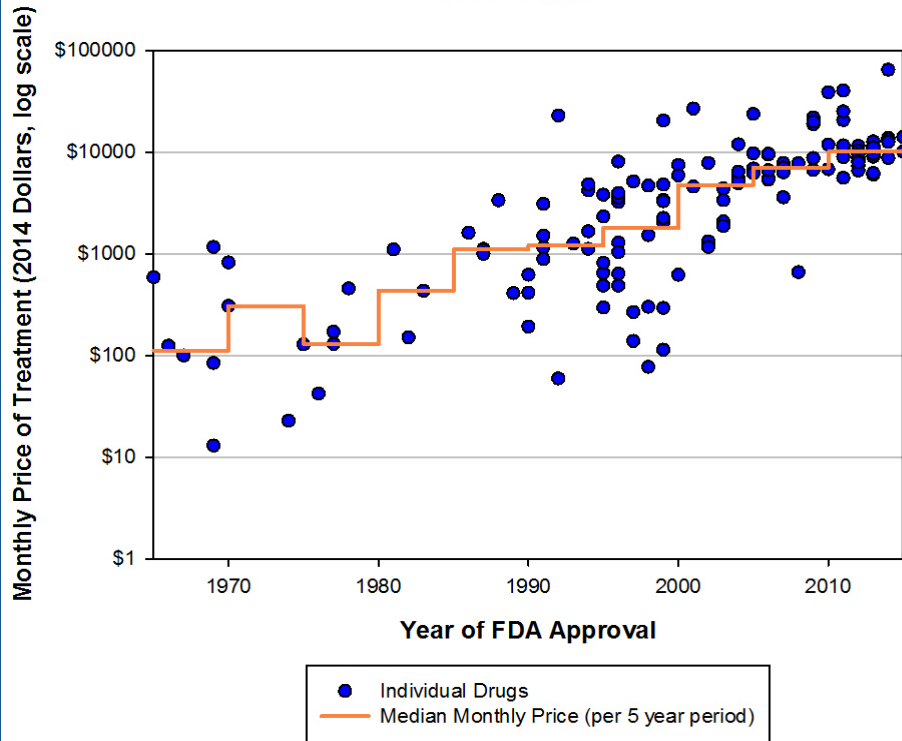
## Monthly and Median Costs of Cancer Drugs at the Time of FDA Approval 1965 - 2015



Source: Peter B. Bach, MD, Memorial Sloan-Kettering Cancer Center

# Drug Costs, and Cost of Gain Increases in Cancer

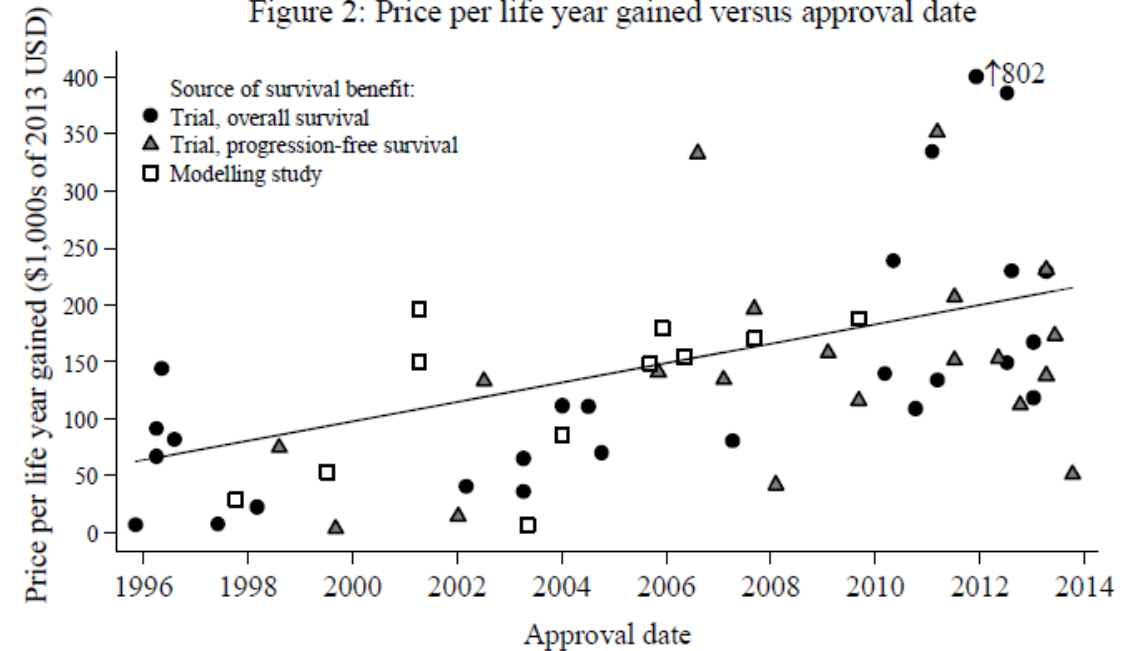
Monthly and Median Costs of Cancer Drugs at the Time of FDA Approval  
1965 - 2015



Source: Peter B. Bach, MD, Memorial Sloan-Kettering Cancer Center

100-fold price increase

Figure 2: Price per life year gained versus approval date

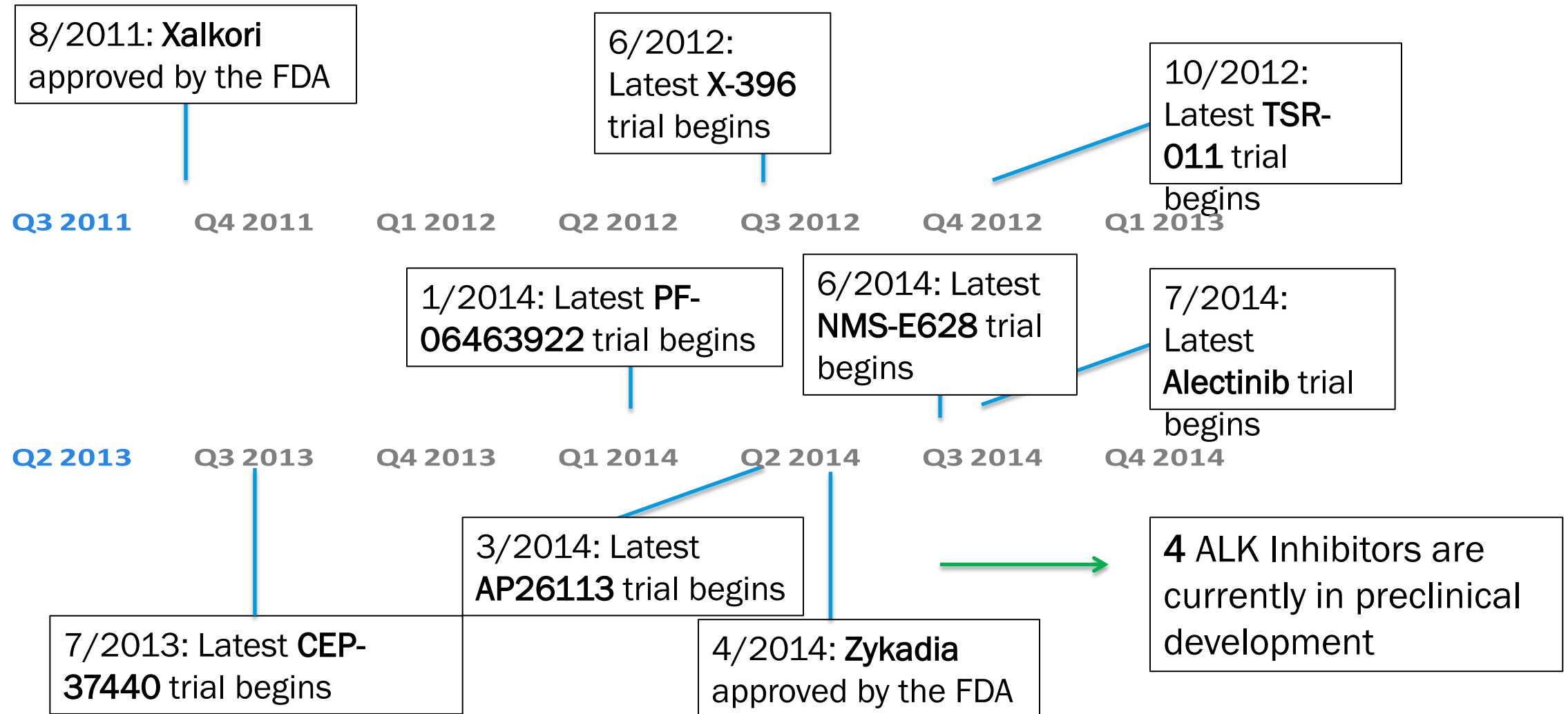


The best fit line is: Price per life year gained = \$54,100 + \$8,500 x Approval year.  
Approval Year = 0 for 1995, 1 for 1996, etc. For purposes of display, we re-coded one value from \$802,000 to \$400,000.  
Source: Authors



**Prices are at the level  
needed to drive any  
innovation!**

# The Market for ALK Inhibitors: Appropriately Priced? Or frothy?



**Companies have to make back their  
money for their investment!**



# But, they can charge less in other countries?

blood

**Table 1. Annual price estimates, by region, of drugs approved for the treatment of CML**

Country	Price in thousands of US dollars (rounded to nearest \$0.5 thousand)		
	Imatinib	Nilotinib	Dasatinib
United States	92	115.5	123.5
Germany*	54	60	90
United Kingdom	33.5	33.5	48.5
Canada	46.5	48	62.5
Norway	50.5	61	82.5
France	40	51.5	71
Italy	31	43	54
South Korea	28.5	26	22
Mexico	29	39	49.5
Argentina	52	73.5	80
Australia	46.5	53.5	60
Japan	43	55	72
China	46.5	75	61.5
Russia	24	48.5	56.5
South Africa	43	28	54.5

# Taking Bold Steps To Drive Rx Value



# On the Path of Innovation

## Hepatitis C

- A “big” idea for a big challenge
- Over \$1B in client savings
- Caring for more patients at lower cost

## Adherence Innovation

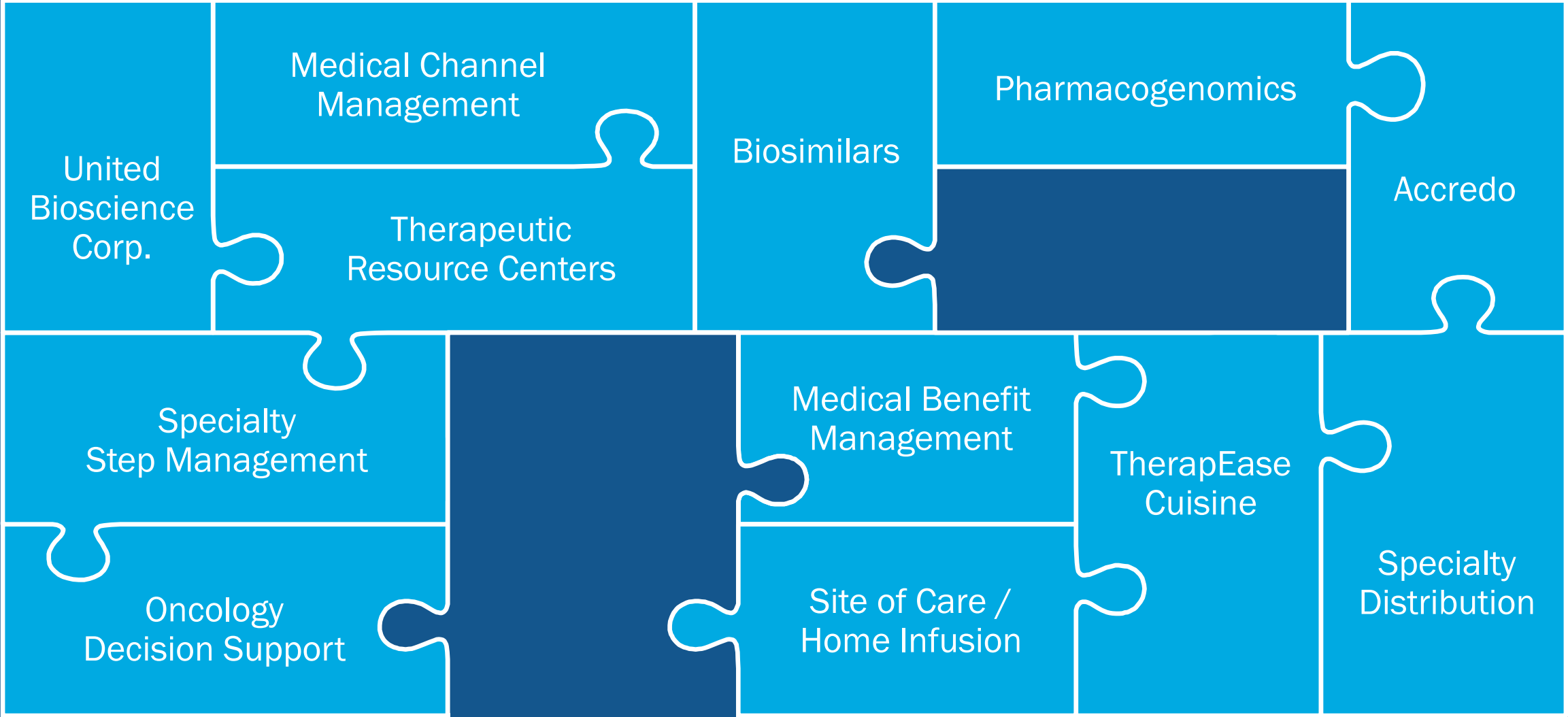
- Technology solutions
- Predictive models
- Copay assistance strategies

## Patient support

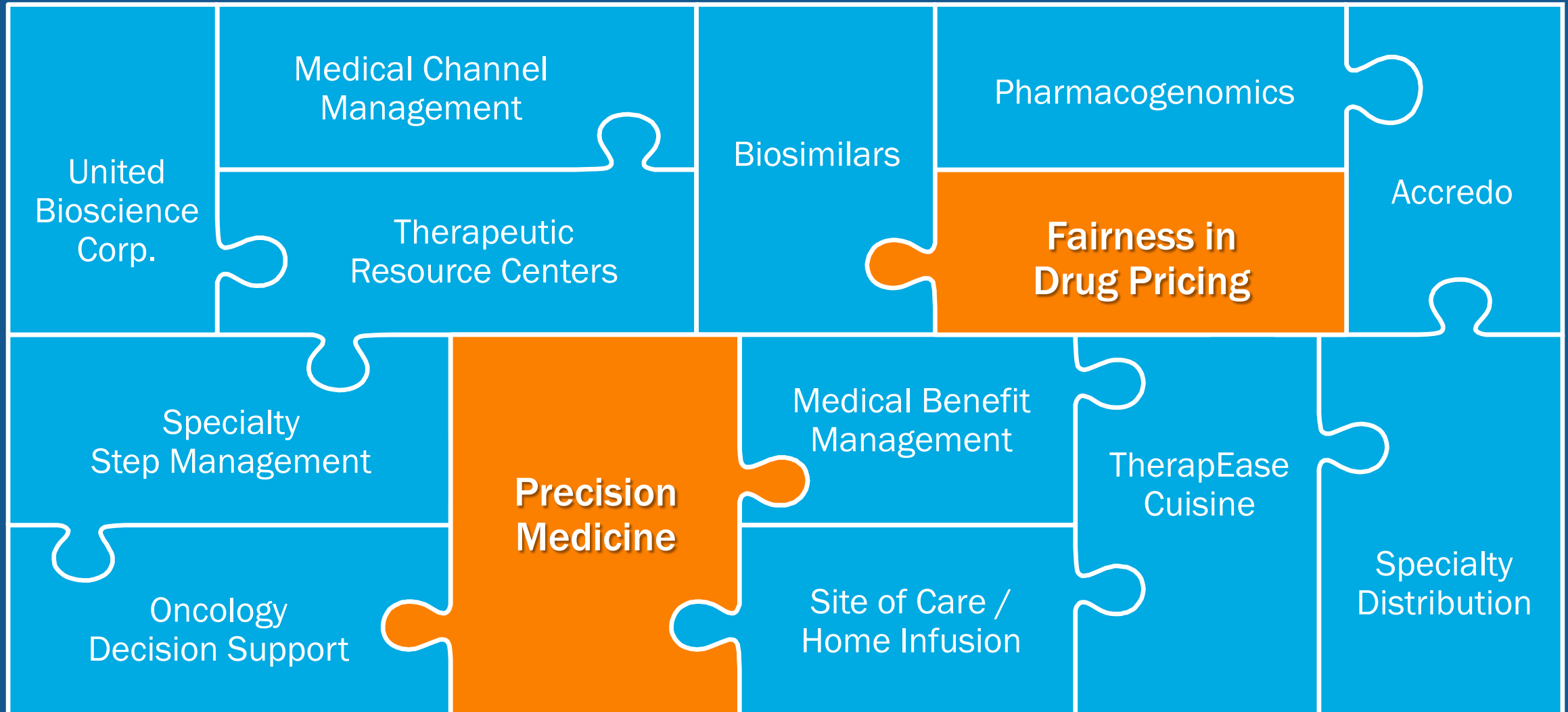
- Oncology nutrition services
- Daily Habits pilot
- Video “chat”



# Solving the Cancer Care Puzzle



# Solving the Cancer Care Puzzle



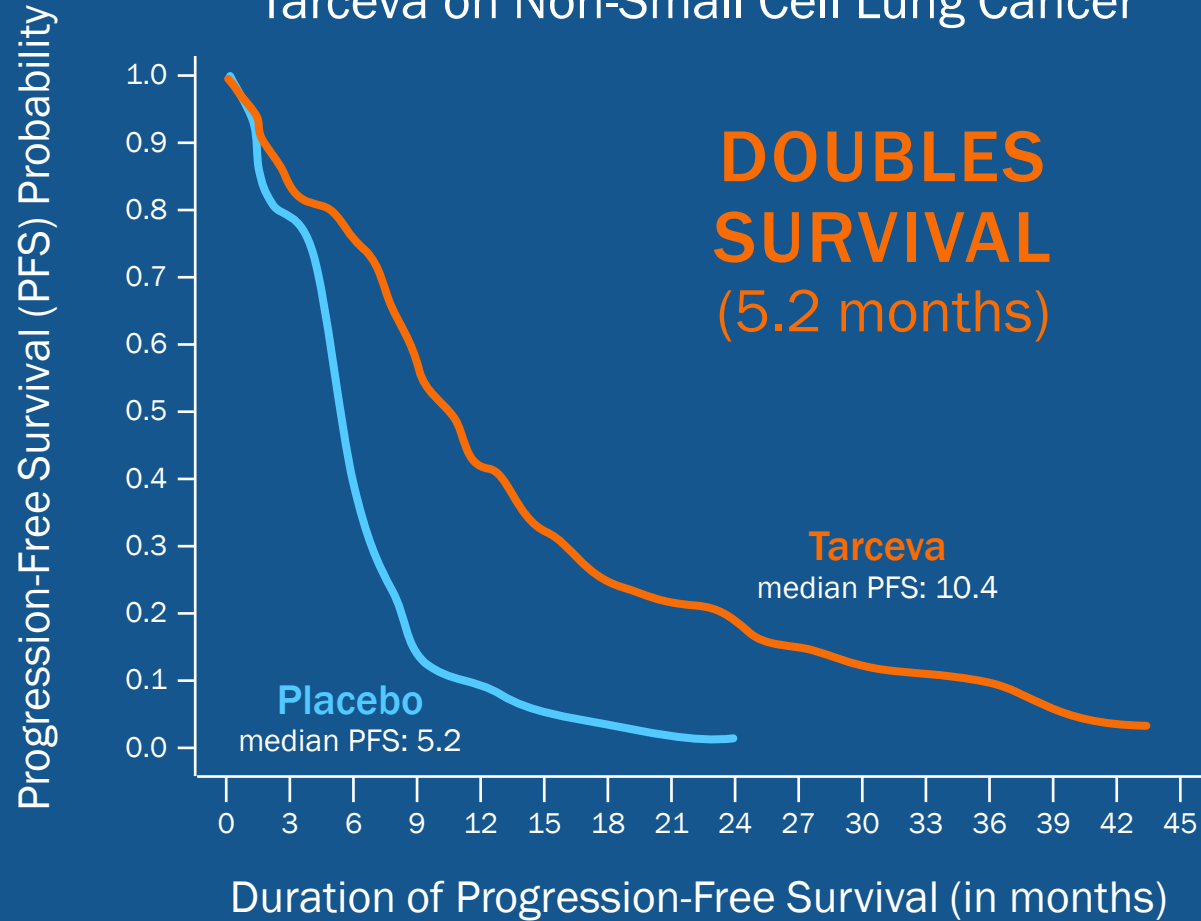
# Evolving Our Approach in Oncology



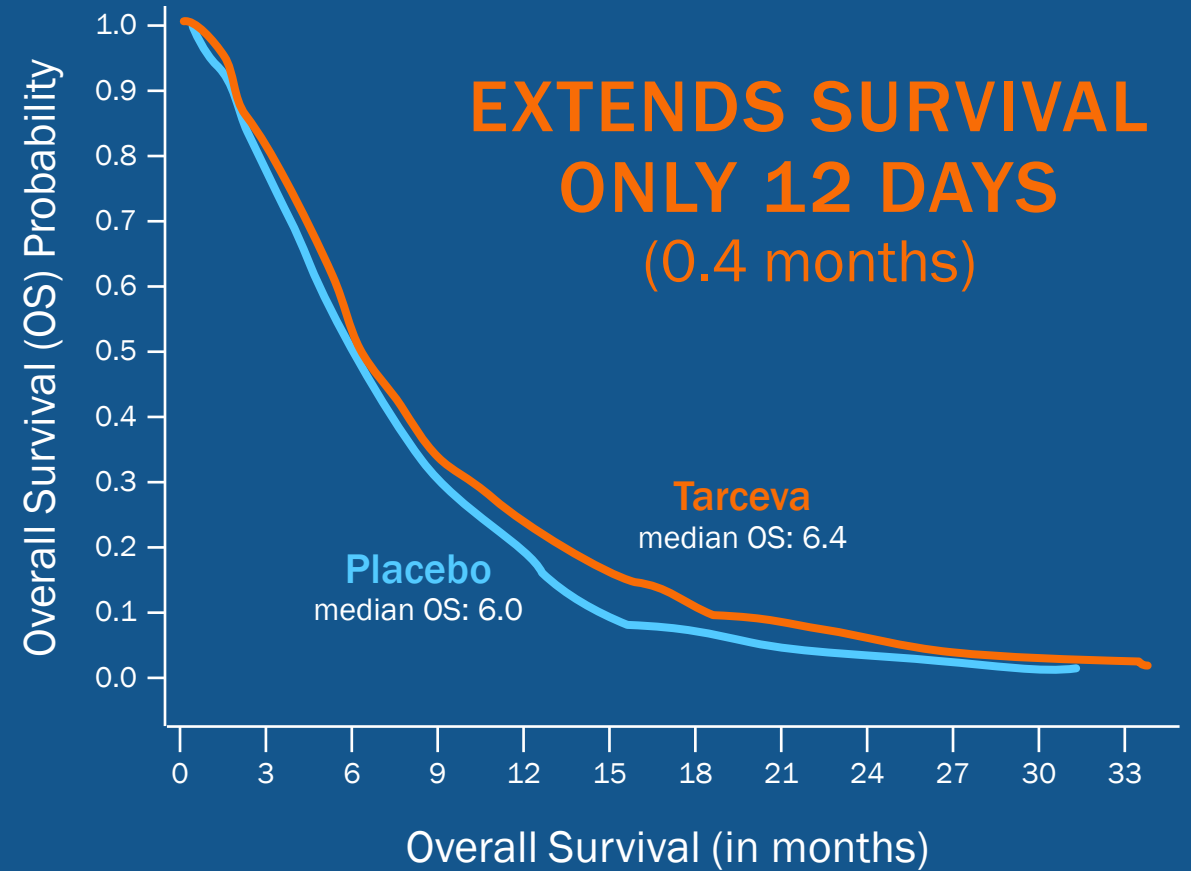


# One Drug, Two Very Different Results

Tarceva on Non-Small Cell Lung Cancer



Tarceva on Pancreatic Cancer

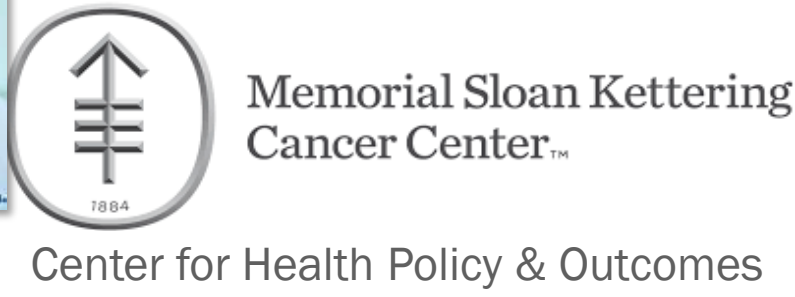


# Bold Idea: Paying for Results by Indication



Can we define the relative value of a single drug?

# Bold Idea: Paying for Results by Indication



EXPRESS SCRIPTS®

Can we define the relative value of a single drug?



# Oncology Today, Other Indications Tomorrow



**Rheumatoid Arthritis**



**Pulmonary Arterial  
Hypertension**



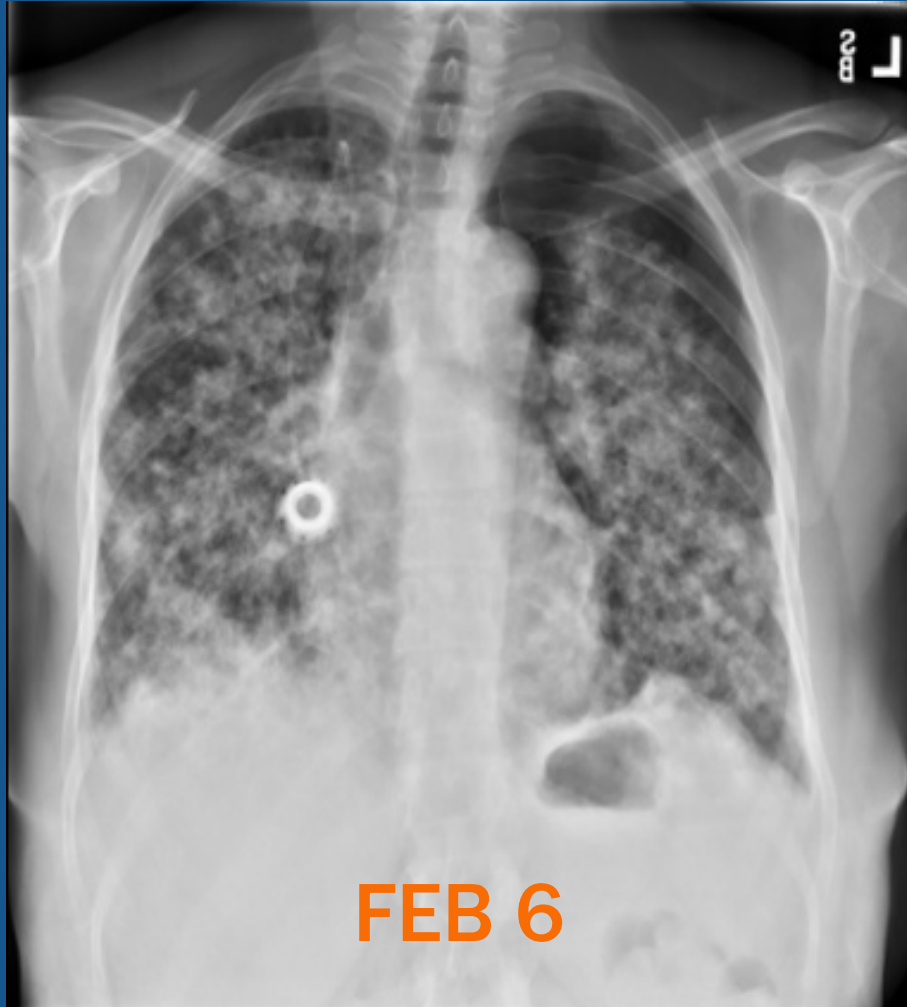
**Multiple Sclerosis**





**Put the 'Personal' in Personalized Medicine**

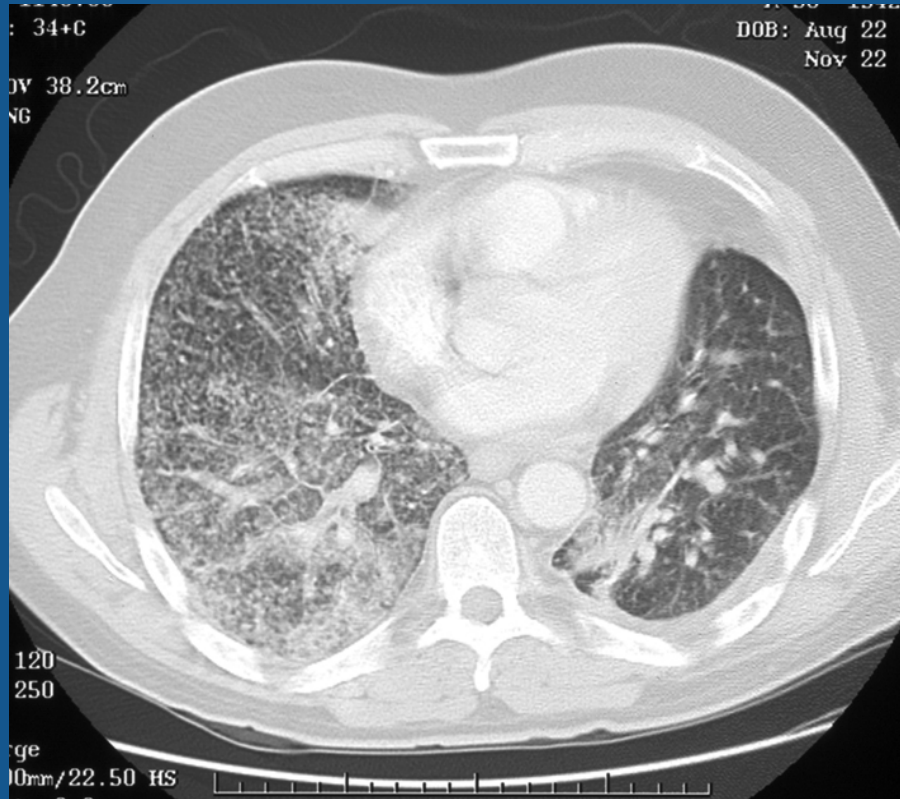
# Treatment Makes a Difference in 5 Days





# Targeted Treatment Benefits Last for Years

Metastatic Non-Small Cell Lung Cancer:  
EGFR Mutant Disease



**BASELINE**



**3 YEARS LATER**



# Precision Medicine: A Path Forward?

*New Approaches to Fighting Cancer*

**The New York Times**

## In Treatment for Leukemia, Glimpses of the Future



**Second Chance:** Lukas Wartman, a leukemia doctor and researcher, developed the disease himself. As he faced death, his colleagues sequenced his cancer genome. The result was a totally unexpected treatment.

# Demanding What Patients Deserve: That's Pharmacy. Smarter.



The best care at the best price



Precision medicine for healthier outcomes



Aligned advocates must take bold action



# Repurposing Our Wheels





EXPRESS SCRIPTS®