

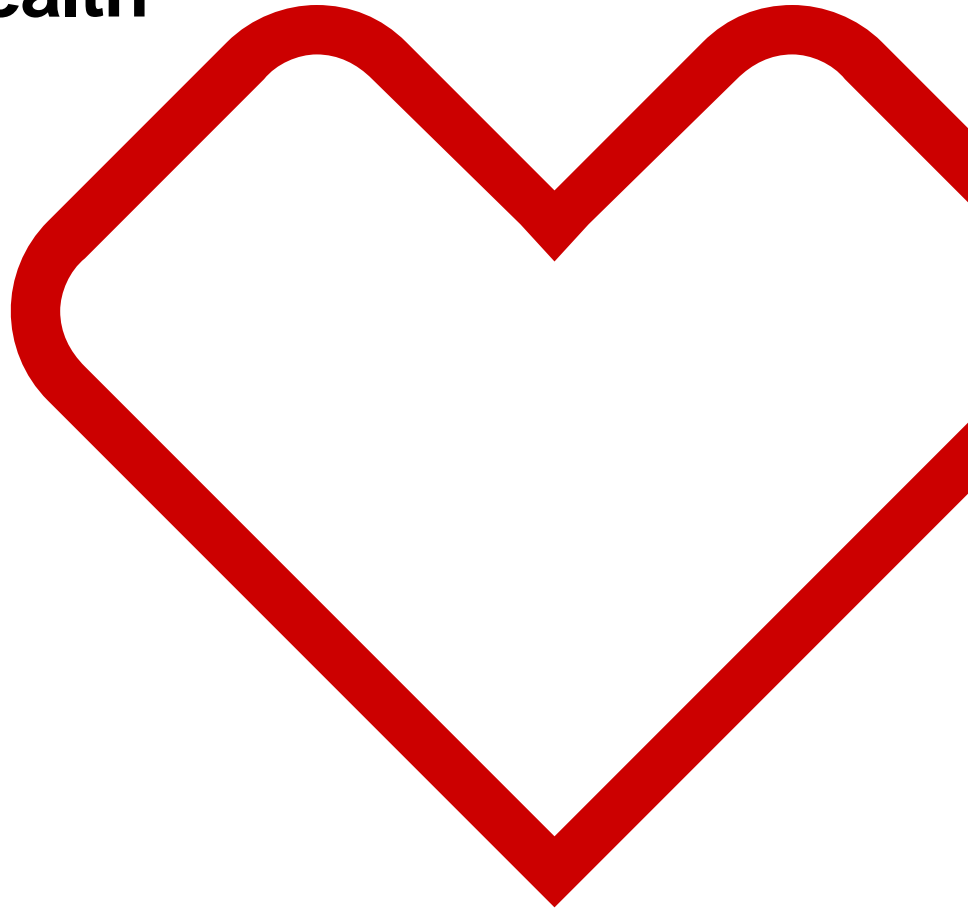
Advancing Your Specialty Strategy

with the Power of CVS Health

Employers' Forum of Indiana

July 14, 2015

Presented by:
Tierra Ford, PharmD
Clinical Advisor





Agenda

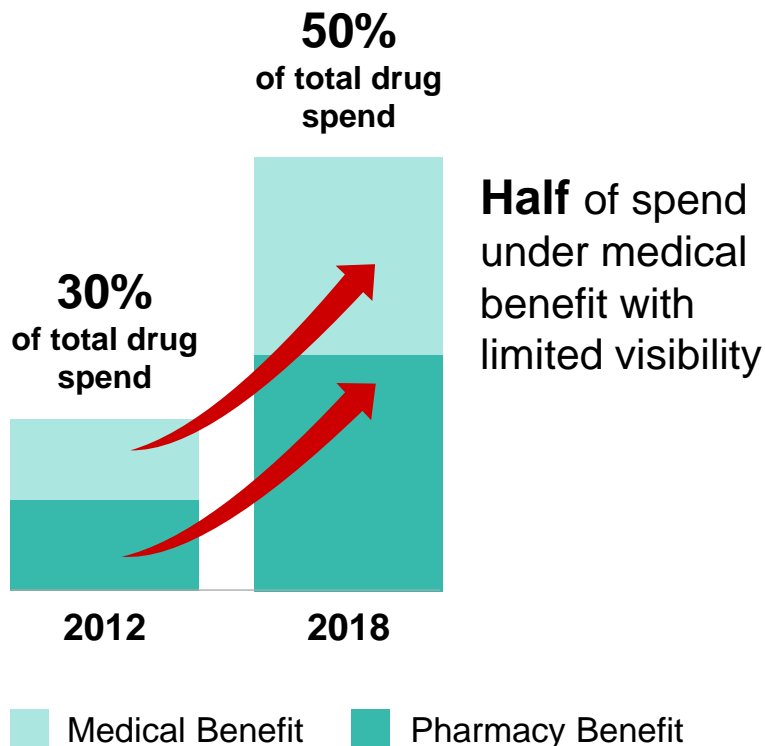
1. The Challenging Health Care Environment

**2. Advancing Your Specialty Strategy
with Condition-Level Trend Management**

**3. Advancing Your Specialty Strategy
with Complete Patient Care**

Specialty Continues to Grow: By 2018, It Will Represent 50% of all Drug Spend¹

TOTAL INDUSTRY SPECIALTY SPEND¹



KEY FACTORS DRIVING TREND

- Increasing utilization
 - Aging population
 - Robust pipeline
 - Expanding indications
- Increasing prices
 - Brand-name drug price inflation
 - Higher cost for innovative drugs

1. NHE, Artemetrx, CVS Health Internal Analysis, 2013.



Increasing Utilization of Specialty Drugs

THREE KEY DRIVERS 2011-2014

New Drugs + New Indications + Aging Population

88 

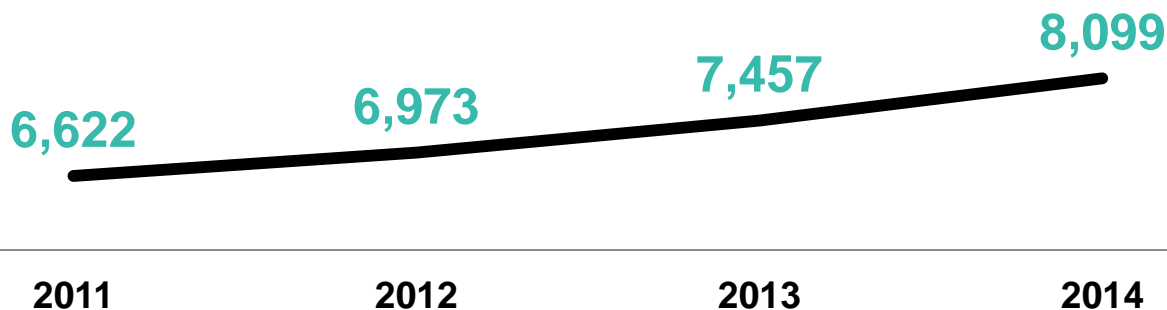
110 

6x PMPM costs for older patients

= Increasing Utilization

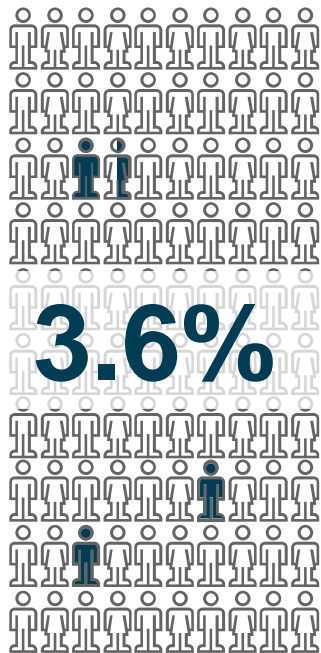
Utilization Trend

Rxs per million members per month



Source: CVS/caremark Enterprise Analytics, data 2011 through 2014. PMPM (Per Member Per Month).

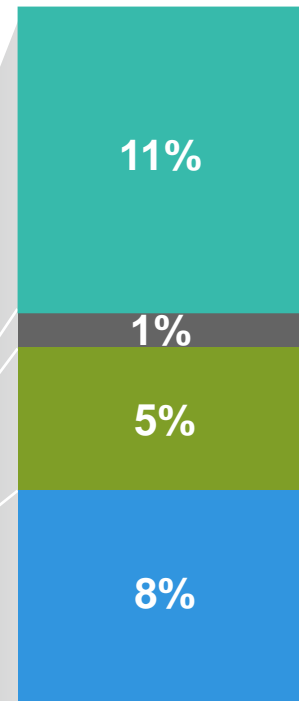
More than Medication: Specialty Patient Care Accounts for 25% of Total Health Care Costs



Patients Using Specialty Drugs



Specialty Portion of Total Health Care Spend



Specialty Drugs are Nearly One Third of the Total Cost

- All other medical costs
- All other drugs
- Specialty condition: other medical costs
- Specialty drugs

Source: Milliman Specialty Medication Benchmark Study, 2013 analysis of 2011 data.



Agenda

1. The Challenging Health Care Environment

**2. Advancing Your Specialty Strategy
with Condition-Level Trend Management**

**3. Advancing Your Specialty Strategy
with Complete Patient Care**



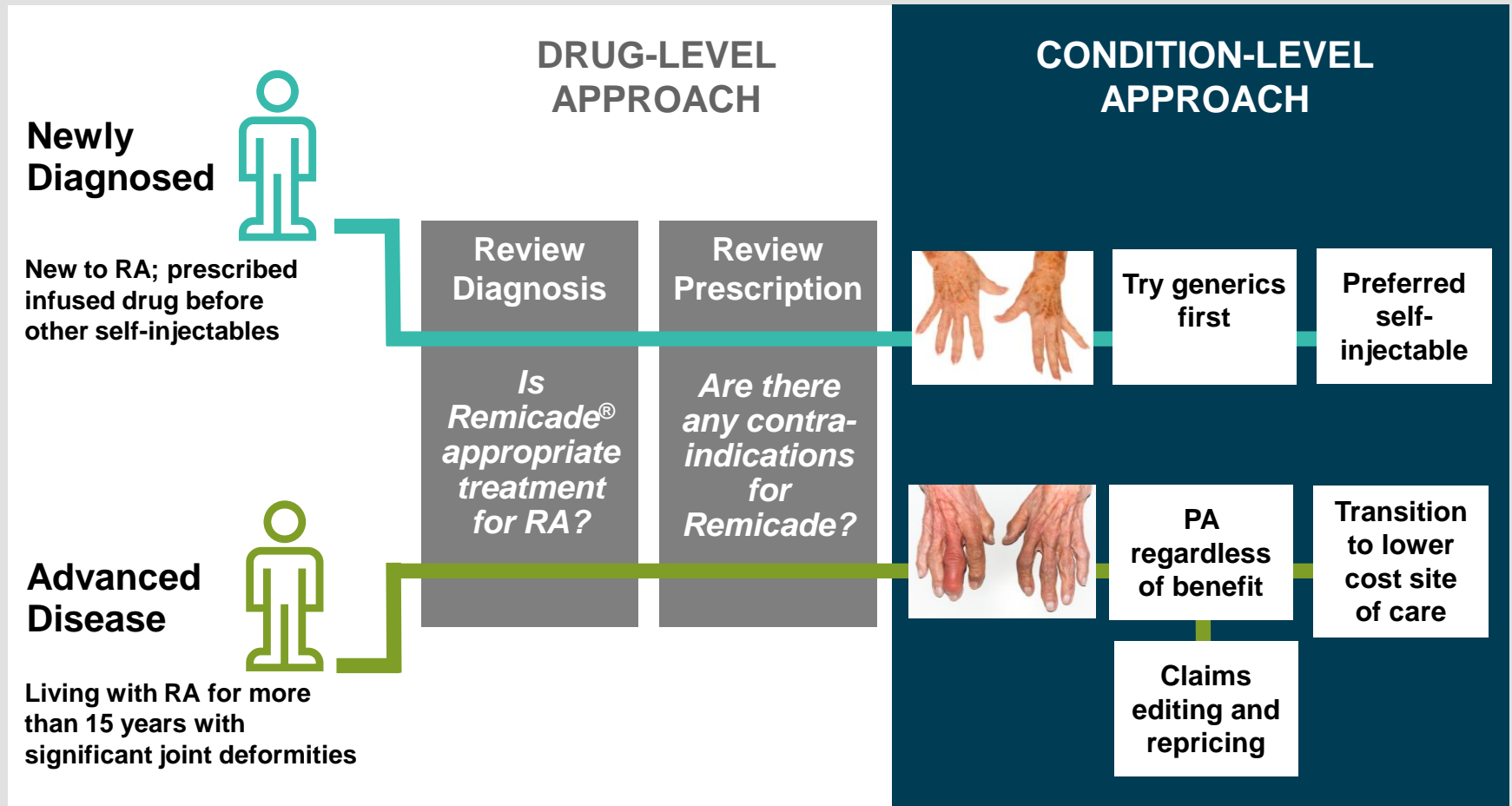
Traditional Approach Manages Price and Utilization for Individual Prescriptions

- DRUG-LEVEL APPROACH



Important but incomplete

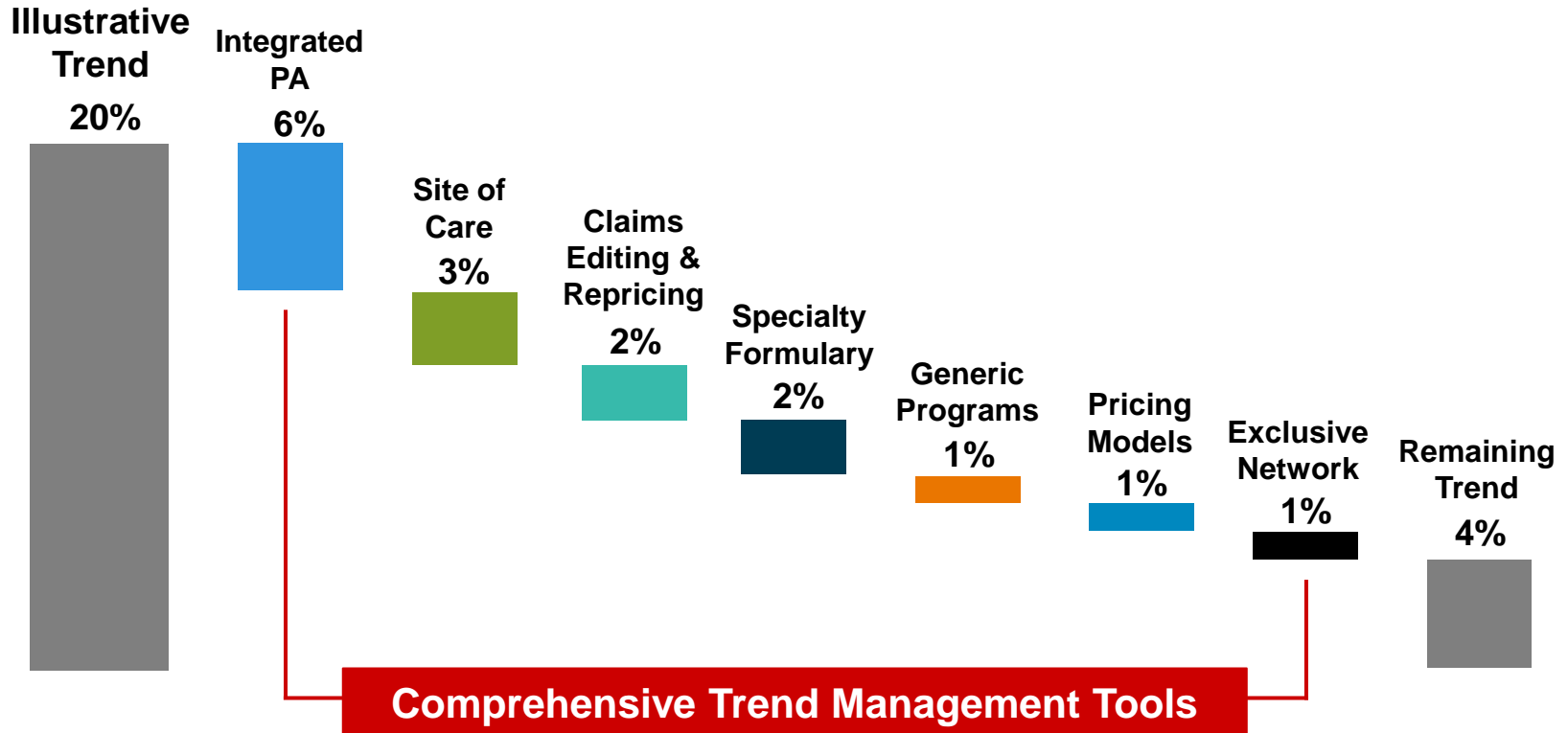
Condition-Level Example: Addressing Unique Opportunities Based on Specific Patient Needs



RA (Rheumatoid Arthritis) PA (Prior Authorization)

This slide contains references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers not affiliated with CVS Health.

Comprehensive and Flexible Solutions Help Deliver on Your Trend Management Goals

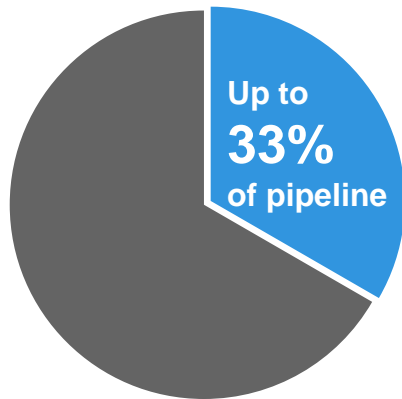


Source: CVS/caremark Specialty Client Solutions and Trend Management, 2013, internal analyses for estimated program savings.

Infusion Therapy for Specialty Conditions: Selecting Optimal Site of Care is Imperative

INFUSED DRUGS...

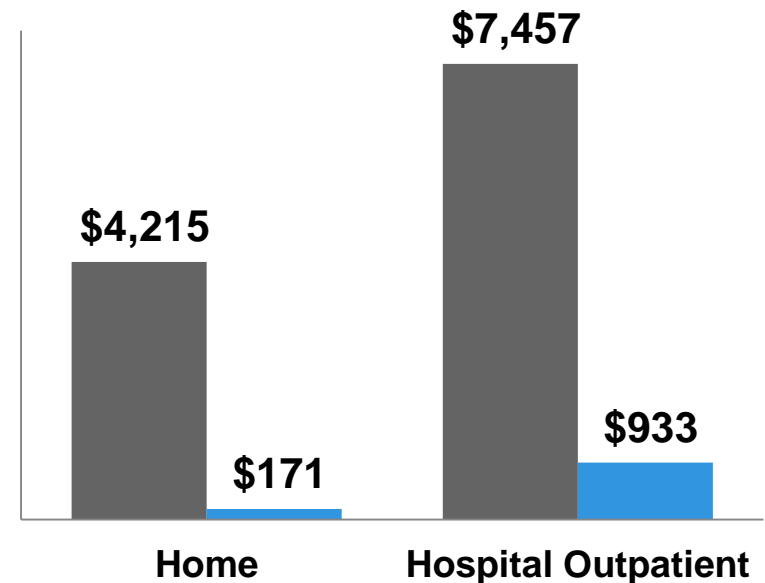
...are estimated to account for **\$35 billion** of the specialty market¹



...make up as much as **33%** of specialty drugs in the pipeline²

INFLIXIMAB (REMICADE), STANDARD DOSING OF 100 KG PATIENT³

■ DRUG COST BY SITE OF SERVICE
■ AVERAGE COST OF ADMIN



1. EvaluatePharma. 2. EMD Serono Specialty Digest. 3. CVS Caremark Internal Data, 2014.

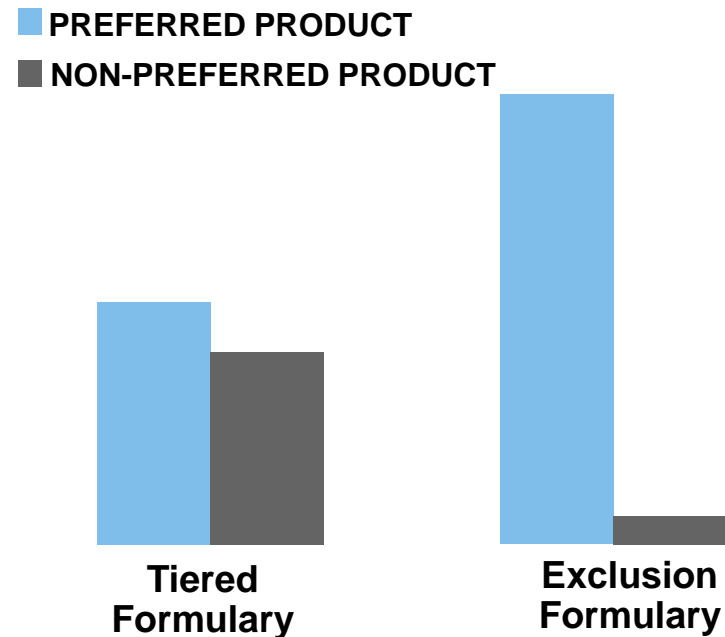
This slide contains references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers not affiliated with CVS Health.

Successful Specialty Management Requires Exclusion Formularies With Clinically Appropriate Options

PROACTIVE SPEND CONTROL

- Exclusions in 12 specialty classes; more expected each year
- Integrates preferred drug and generic drug strategies
- Day-one control of new products and line extensions until reviewed
 - Avoids approval of costly new drugs without clinical advantages

EFFECTIVE BEHAVIOR CHANGE



Up to 4% savings with fewer than 0.2% of members affected*

Note: % Market Share (totals to 100%).

*4% savings in select classes: Gross pharmacy savings include rebate impact. Client savings may vary by plan design, pricing arrangement, drug mix and at-risk market launches. Member savings will vary based on several factors, some of which include plan design, plan performance, etc.



Managing Cholesterol in the PCSK9 Inhibitor Era

HIGH PREVALENCE

1 in 3 adults in U.S. have high LDL¹, putting them at increased risk for cardiovascular disease

EFFECTIVE, LOW-COST THERAPIES

Current treatments, like statins, are effective for most patients, but not always taken appropriately

OPTIMIZE CARE

Maximize benefit from established treatments before moving to PCSK9 inhibitors

APPROPRIATE ACCESS

PCSK9 inhibitors may be appropriate for high-risk patients, and we provide them with specialized support

1. <http://www.cdc.gov/cholesterol/facts.htm>, accessed March 16, 2015.

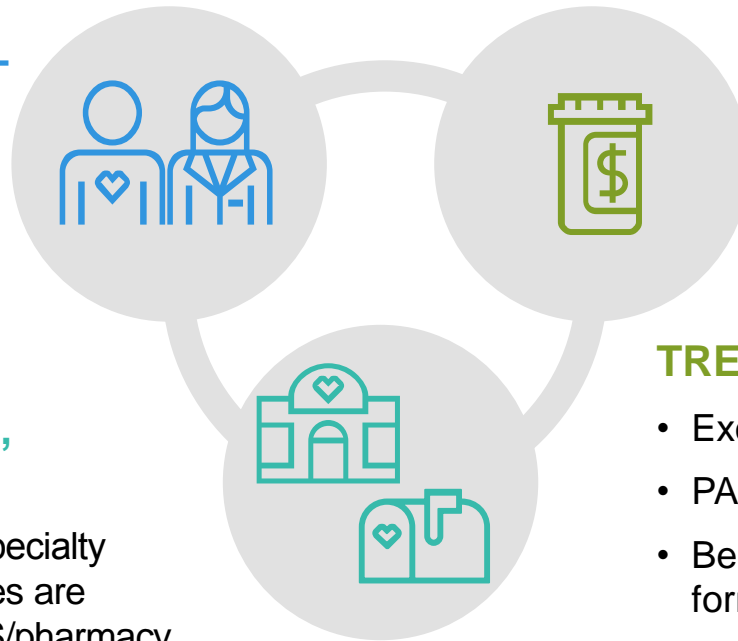
Comprehensive PCSK9 Inhibitor Management Program

PATIENT-FOCUSED CLINICAL MANAGEMENT

- Pharmacist-led clinical support by phone 24/7

EXPANDED CHOICE, GREATER ACCESS

- Specialty Connect™: specialty medications and services are accessible through CVS/pharmacy or by mail*



TREND MANAGEMENT

- Exclusive specialty
- PA/clinical guidelines
- Benefit design and formulary strategies

Members will have convenient access to PCSK9 inhibitor therapy and specialty pharmacy services through CVS/pharmacy retail locations.*

PA (Prior authorization).

*Where available by law. In-store pick up is not available in Arkansas, Oklahoma and West Virginia. Some states require first fill prescriptions to be transmitted directly to the dispensing specialty pharmacy. Other restrictions may apply.



Agenda

1. The Challenging Health Care Environment

**2. Advancing Your Specialty Strategy
with Condition-Level Trend Management**

**3. Advancing Your Specialty Strategy
with Complete Patient Care**

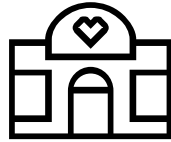
Making it Easier for Patients and Their Physicians to Start Specialty Therapy

WHAT DO I DO WITH A NEW SPECIALTY PRESCRIPTION?

TRADITIONAL MODEL

- Bring prescription to local pharmacy
- **1 in 4** are turned away¹

CVS/SPECIALTY™



Specialty prescriptions accepted at every local CVS/pharmacy*



Access to 99% of drugs, including most with limited distribution**



Centralized clinical support

1. 2011 New England Opinion focus group of specialty patients; calls to 150 retail pharmacies (CVS and competitors) on January 13-15, 2012.

*In-store pick up currently is not available in Arkansas, Oklahoma and West Virginia. Some states require first fill prescriptions to be transmitted directly to the dispensing specialty pharmacy. Other restrictions may apply. Products available through the Specialty Connect program are dispensed by CVS/specialty in compliance with all applicable state laws. **Based on analysis of 2009 medical and pharmacy claims data, CVS/specialty was able to dispense to more than 99.9% of specialty members accounting for 99.9% of costs, CVS/caremark Enterprise Analytics, 2010.

More than Medication: Managing the Complex Needs of Patients on Specialty Therapies

HOW CAN I GET HELP MANAGING MY MEDICATION AND CONDITION?



**SPECIALTY
PHARMACIST**

- Medication questions
- Side effects
- Medication compliance
- Medication adherence



**RARE DISEASE CARE
MANAGEMENT NURSE***

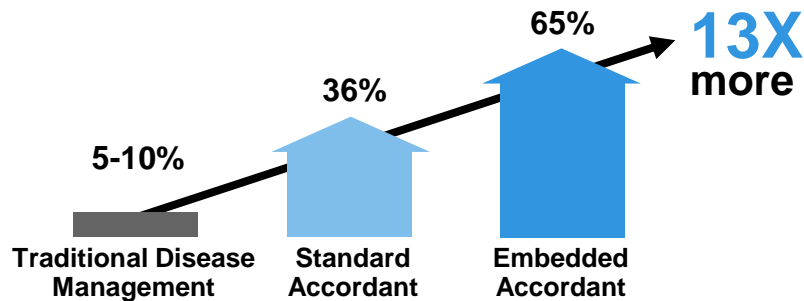
- Understanding of condition
- Mobility and safety
- Symptom management and self care
- Comorbidities and lifestyle changes

*The Rare Disease Management Nurse is providing support to CVS Caremark Specialty Pharmacy under the Embedded Accordant Mode.



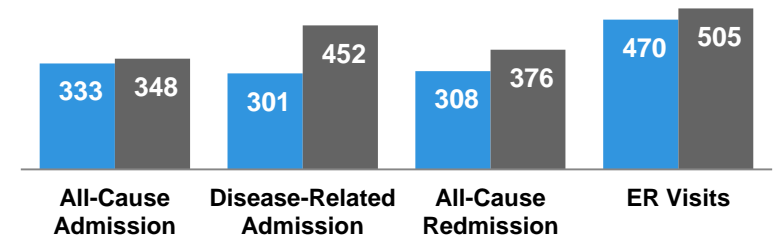
More Patients Get Nurse Support, Helping to Improve Outcomes and Reduce Hospitalizations

MORE PATIENTS ENGAGED



FEWER HOSPITALIZATIONS

Utilization Per 1,000 Members



IMPROVED OUTCOMES

52% fewer patients with multiple sclerosis report **flares**

27% fewer patients with epilepsy report **seizures**

10% fewer patients with rheumatoid arthritis report **pain**

Source of reduction rates: Accordant internal analysis of Book of Business data, 2013. Projections based on CVS/caremark data. Individual results will vary based on plan design, formulary status, demographic characteristics and other factors. Client-specific modeling available upon request.

Collaborative Approach to Help Mitigate Rising Specialty Trend

EMPLOYERS

Identify opportunities to provide enhanced management

Support complete patient care to manage drug and non-drug costs for complex specialty patients

HEALTH PLANS

Adopt solutions across medical and pharmacy benefits that help ensure quality programs

- Utilization and price
- Clinical consistency and quality
- Data and visibility
- Coordination with health care providers

PROVIDERS AND HEALTH SYSTEMS

Support interconnected health care system to help improve patient care and increase engagement

Collaboration can improve clinical quality and lower costs for specialty patients



Questions?

