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CME PHARMACY

My responsibilities were:

- ☞ Worked with CME provider to define content
- ☞ Researched legislation, regulation, workflow efficiencies, & key pharmacy issues
- ☞ Wrote front matter, objectives, copy, & test questions

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PART I

Legislation and Regulation

THE STATE OF PHARMACY BENEFIT DESIGN

Maintaining affordability of the pharmacy benefit for the payer, while providing optimum healthcare to the member, is today's primary challenge in pharmacy benefit management.

Trends in Drug Spending

Drugs increasingly make up a larger part of healthcare outlays. According to the National Institute for Health Care Management (NIHCM), in 2001, retail spending on prescription drugs rose more than 17 percent for the fourth straight year.¹ The institute also found that sales of prescription medications at retail stores and through mail-service companies totaled \$175.2 billion in 2001, an increase of \$27 billion over the previous year.¹ The average price for a prescription rose 10 percent, according to NIHCM, from \$45.27 to \$49.84; moreover, the average price among the 50 best-selling drugs was \$71.56.¹ Over the last 5 years, the cost of providing prescription drug benefits has doubled, with half of this rise coming from increased utilization. Government forecasts predict drug costs will continue to increase significantly through 2010.¹ Although the annual trend may diminish going forward, drug trend is expected to remain above 10 percent.

Influences on Drug Trend

There are four major sectors that influence drug spending: (1) consumers, (2) employers, (3) state/federal governments, and (4) pharmaceutical manufacturers. In addition, there are five major factors responsible for the increase in pharmaceutical expenditures. Increased utilization is the largest factor, contributing an estimated one-half of the annual trend. Population demographics and health status determine a plan's spending trend, with older populations utilizing more prescription drugs for longer periods of time. Expanding indications, new drugs, patent expirations, and consumer demand fueled by direct-to-consumer advertising constitute 18% of the

trend. New drugs introduced in the last account for nearly half of the rise in spending remaining 31% of the trend is due to inflation hikes in the drug market.²

More than 80% of total drug expenditures are attributed to six major therapeutic drug classes: cardiovascular (30%), CNS agents (23%), respiratory (10%), (10%), gastroenterology (5%), and rheumatoid arthritis (5%). All other drug classes combined (17%) of expenditures.³ Consequently, these therapeutic classes must be the focus of pharmacy management. Another factor affecting drug utilization is the significant number of upcoming patent expirations on blockbuster drugs like Claritin[®] and Augmentin[®]. These expirations provide an opportunity for generic availability, which may actually drive costs down. The pipeline of new drugs and market changes raises several important questions that must be answered to determine pharmacy benefit management decisions (TABLE 1).

Benefit Design Management Techniques

Plan sponsors have two important, yet conflicting goals: (1) to provide broad access to quality pharmaceuticals, while (2) containing the growing cost of prescription drug benefits. Pharmacy benefit managers can offer a portfolio of tools and techniques that "build" a benefit design to help meet the needs of members and plans, while keeping costs down. Benefits are becoming increasingly complex; therefore, selecting the right

Table 1: COVERING NEW AGENTS

- ★ Should a new drug be covered?
- ★ Can the drug be covered conditionally?
- ★ Can formulary strategies lower costs?
- ★ Can we affect plan preferences for lower cost alternatives?
- ★ How will clinical, health, and safety implications be addressed?

PART III

New Products, New Skills

PREPARING FOR THE BIOTECH PIPELINE EXPLOSION: KEY ISSUES AND IMPACTS

Biotechnology is undergoing an explosion of growth and development, spurred by the completion of the Human Genome Project. Formally launched in 1990, the project was charged with identifying the approximately 30,000 genes in human DNA. The challenge for healthcare is to keep pace with new technologies that will emerge in the next decade. These rapid advancements in biotechnology have tremendous ramifications for scientific, financial, logistical, and ethical domains.

Therapeutic Technologies

The development of biotechnology compounds is exploding. Commercialization is beginning to blossom, with rapid growth expected in the near term due to decreased FDA approval times and new technologies that allow identification of disease targets for "intelligent" drug design. Industry needs to understand the status of these agents. The Healthcare Distribution Management Association's (HDMA) Healthcare Foundation selected several compounds for review, with the goal of reaching Phase 2 or 3 over a 3 to 5 year time frame.¹⁴ Of the more than 500 compounds initially reviewed, 98 potential therapies were selected for a focused analysis based upon disease prevalence, economic considerations, and potential therapeutic impact.¹⁴

The results of this analysis found a trend of evolution versus revolution, with each new discovery building upon the next. Most compounds generally fell under the purview of oncology (TABLE 8).

The majority of compounds in development will be additive or complementary to existing therapies. A few breakthrough treatments for the management of chronic disease, particularly those

Table 8: BIOTECHNOLOGY PIPELINE OF THERAPEUTIC TECHNOLOGIES

Disease State/Therapy	Phase 2	Phase 3
Hepatitis C		
Interferons		
Thymosin immune stimulator		✓
Immunomodulator	✓	
Preventive vaccine	✓	
Antisense inhibitor	✓	
Breast Cancer		
3 vaccines	✓	✓
4 monoclonal antibodies	✓	✓
Antisense inhibitor	✓	
Anti-VEGF antibody	✓	✓
HIV Infection		
2 vaccines in development	✓	✓
Fusion inhibitors	✓	✓
Interferons	✓	✓
Gene therapy	✓	
Lymphoma		
7 monoclonal antibodies	✓	✓
Vaccine	✓	
Prostate Cancer		
4 vaccines in development	✓	✓
Gene therapy	✓	✓
Anti-VEGF antibody	✓	
Monoclonal antibody	✓	
Congestive Heart Failure		
3 endothelin receptor	✓	✓

TRADE PHARMACY FELLOWSHIP REPORT

Capitalizing on Legislation, Automation, and Innovation

AN ACCREDITED CONTINUING PHARMACY EDUCATION PROGRAM

FEATURED TOPICS

- ★ The State of Pharmacy Benefit Design
- ★ Models of Successful Retailers
- ★ The Expanding Role of Pharmacy Technicians
- ★ Preparing for the Biotech Explosion

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