Specialty drugs represent one of the top challenges in healthcare today. Like much of healthcare itself, the world of specialty drugs is a complex one, and for many health plan members and employers, the environment around specialty drugs can be downright frightening. That’s where we can help. At Healthcare Management Administrators (HMA), we believe that with a clearer understanding of specialty drugs and related management tactics, all parties—employers, members, and providers—can have a better experience.

First, let’s define what we mean by “specialty drugs.” While there’s no official definition, specialty drugs (or specialty pharmaceuticals) are generally recognized as high-cost drugs that often require some level of special administration, handling, or monitoring. They also target more complex or chronic conditions such as cancer, asthma, rheumatoid arthritis, hemophilia, and hepatitis C. In all, there are hundreds of specialty drugs—treating dozens of conditions or diseases—on the market today, a list that has grown mightily in only the last 25 years. (In 1990, there were only 10 specialty drugs on the market.) And the list will grow longer: a specialty drug for Alzheimer’s disease is thought to be just around the corner—a potential blockbuster drug with, no doubt, a blockbuster price. Unlike nonspecialty drugs, specialty drugs have limited competition. With no substitutes or generic alternatives, there’s little incentive to drop prices or negotiate reductions.

Second, it’s important to understand that specialty drugs can be covered under the medical benefit, the pharmacy benefit, or both. Some specialty drugs have requirements (like injection under anesthesia) that make the drug only appropriate under the medical benefit. Others can be supplied by a physician’s office but would be less costly from the member’s pharmacy benefit manager (PBM). At HMA, we review these complex cases individually to determine the best benefit line to use.

Interested in learning more about management of specialty drugs? Contact your account manager or sales person.
In fact, at HMA, we’re working constantly and on many fronts to relieve the anxieties of members and employers that come all too naturally to this topic. Ultimately, effective management of specialty drugs starts with having the right partners at your side. HMA is in a more flexible position than traditional insurers to pursue solutions for a member’s specific situation and, consequently, raise the level of awareness throughout the process.

On the medical side, HMA has carefully defined the terms for coverage and follows best practices, including adhering to evidence-based medicine only, conducting regular reviews for efficacy, requiring authorizations for medications before use, and working with patients to align them with the best place for their care. Additionally, we’re currently driving certain self-injectable drugs to the client’s PBM through language in our plan documents.

On the pharmacy side, cost controls over specialty drugs are managed by PBMs. Many of the same tactics used to manage specialty drugs on the medical side apply to the pharmacy side as well. HMA coordinates with all of our clients’ PBMs to help ensure effective use of specialty drugs. We regularly help clients secure strong cost containment from their PBMs along with a high level of care for their members. For example, we recently arranged with one PBM to deliver a preapproved medication directly to a member’s doctor’s office at a much lower cost.

Of course, we should keep one last—but no less important—point in mind: specialty drugs certainly have a place in the healthcare landscape. For many patients, specialty drugs can work wonders to improve their quality of life or even provide a cure to chronic diseases or conditions. With that improvement come savings to the payers within the healthcare system, including the employer, the insurer, and the patient.

**“We regularly help clients secure strong cost containment...”**

**SOURCES:**