



benefitNEWS

New Survey Shows Specialty Pharmacy Now #1 Cost Concern for Many Major Employers

According to the National Business Group on Health's (NBGH) Annual Report on Large Employers Health Plan Design, specialty pharmacy is now top of the list of major cost drivers for benefit plans. It is the first time ever that specialty pharmacy was so positioned for employers and plan sponsors. A summary of the key findings is below:

- 31% of respondents ranked specialty pharmacy as the number one cost driver, up from only 6% in 2014. 26% said it was their second highest driver, and 23% said it was their third, for a total of 80% of respondents. This underscores the meteoritic rise in specialty costs and how it has impacted benefit plans.
- Prior authorization was the most common pharmacy utilization management tactic, with 95% of respondents saying they used it, followed by quantity limits (91%) and step edits (90%).
- Other approaches in tackling rising pharmacy include using a closed formulary (50%), integrating data from the medical and the pharmacy benefit (48%), placing quantity limits on initial supplies of a drug (35%) and implementing a formulary with at least four tiers (34%).

After specialty pharmacy, high-cost claimants and specific diseases or conditions were the next highest cost drivers reported.

Conner Strong & Buckelew is a member of the NBGH and relies upon their survey and benchmarking data to help employers and plan sponsors. Conner Strong & Buckelew has and continues to work with clients in developing contemporary and sustainable approaches in dealing with rising pharmacy costs and cost issues in general. This latest data from the NBGH underscores the significance of regularly focusing in on how to deal with issues of cost and quality in benefit plans. The NBGH's members are primarily Fortune 500 companies and large public sector employers who provide health coverage for more than 55 million U.S. workers, retirees and their families. Their survey data is relevant and helpful for employers and plan sponsors of all sizes who like to understand and evaluate trends in the marketplace.

Please contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220 with any questions.





INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS



[Click here to change your email preferences or unsubscribe from all communication.](#)