



MarshMcLennan
Agency

Rx Solutions


Strategic approach to pharmacy management. Delivering pharmacy savings through proprietary tools, data insights, and pharmacy expertise





Your future is limitless.™


MMA RX Solutions - Our client focused approach


There are little to no barriers in our ability to deliver a client-focused approach.


 Any TPA/PBM

 Traditional (spread) or pass-through

 Access to the full marketplace and best-in-class solutions

 Carve in and carve out

 Direct contracts or those through coalitions or captives

 Not bound to any pre-defined PBM or arrangement

 Every ASO case can benefit from an analysis

** text to explain. ** text to explain*

Need a holistic approach to pharmacy management and solutions

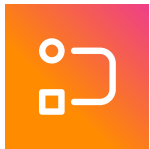
Contract procurement & management



Procurement services



Contract review & audit



Plan refinement



360 oversight

Advanced Rx interventions



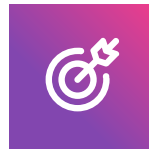
Clinical Rx program review



Specialty drug management



Formulary optimization



Condition specific management

In addition to securing a strong PBM contract, it is imperative that an employer uses its data to identify opportunities to save money and help employees with adherence





2024 pharmacy trends

Rx is a significant part of the healthcare dollar

Biggest portion of health care dollar

22.2¢
Prescription drugs

19¢
In-patient hospital costs

19.9¢
Out-patient hospital costs

3.3¢
Emergency room costs

11.8¢
Doctor visits

6.2¢
Other out-patient care



3.8¢
Taxes and fees

3.0¢
Other fees and business expenses

2.1¢
Cost containment

0.8¢
Quality improvement

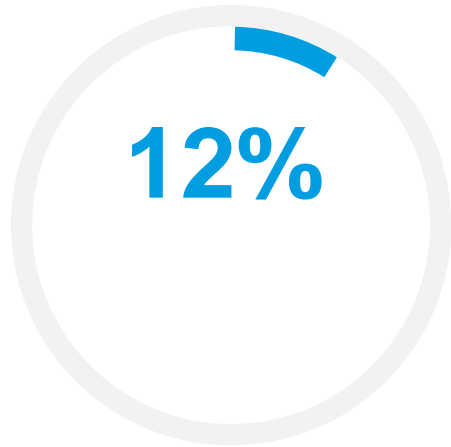
4.2¢
Other administrative expenses

3.6¢
Profit

Source: Milliman, Where does Your Health Care Dollar Go?, American Health Insurance Plans, Sep 6, 2022 <https://www.ahip.org/health-care-dollar/>.

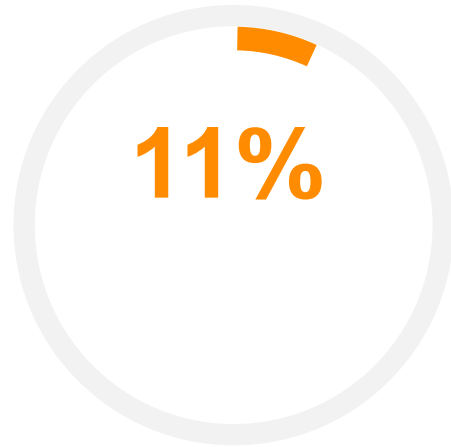
How PBMs Make Money

% of Revenue



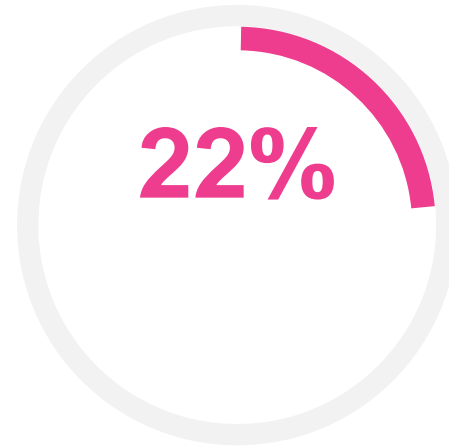
Rebates

Retention of
manufacture rebates by
PBM



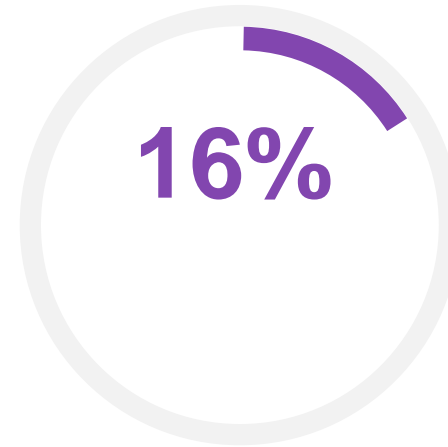
Spread

Margin on
retail claims



Fees

Client admin fees,
manufacturer fees,
pharmacy-paid discount
card fees



Mail Pharmacy

Margin on mail claims



Specialty Pharmacy

Margin on specialty
claims, clinical program
fees, copay program
fees

Source: Trends in Profitability and Compensation of PBMs & PBM Contracting Entities, Nephron Research, 9/2023

2024 Drug Pipeline

3Q and 4Q 2024

Condition	Drug	Estimated WAC	Plan Spend Impact	Anticipated FDA decision
Alopecia areata in adults, moderate to severe	Deuruxolitinib	\$50,000 - \$100,000 per year	No significant impact to plan spend – replacing existing competitors	July 2024
Paroxysmal nocturnal hemoglobinuria (PNH)	Crovalimab	TBD	No significant impact to plan spend – replacing existing competitors	7/27/2024
Post-traumatic stress disorder (PTSD)	Midomafetamine	\$5,000 - \$15,000 per course	No significant impact to plan spend – replacing existing competitors	8/14/2024
Primary biliary cholangitis	Seladelpar	\$100,000 - \$300,000 per year	Potential to drive increased plan spend	8/15/2024
Gastroparesis symptoms	Tradipitant	\$10,000 - \$12,000 per course	No significant impact to plan spend – replacing existing competitors	9/18/2024
Schizophrenia	KarXT	\$20,000 - \$50,000 per year	No significant impact to plan spend – replacing existing competitors	9/28/2024
Hereditary angioedema, prevention of attacks	Garadacimab	\$500,000 - \$750,000 per year	No significant impact to plan spend – replacing existing competitors	Q4 2024
Hemophilia A and B	Marstacimab	\$500,000 - \$750,000 per year	No significant impact to plan spend – replacing existing competitors	Q4 2024
Classic galactosemia	Govorestat	\$300,000 - \$500,000 per year	Minimal impact - Rare disease, expected to be high cost but low utilization	11/28/2024
Transthyretin amyloid cardiomyopathy	Acoramidis	\$200,000 - \$500,000 per year	No significant impact to plan spend – replacing existing competitors	11/29/2024
Heart failure with preserved ejection fraction (HFpEF)	Wegovy	\$17,537 per year	Potential to drive increased plan spend	11/30/2024

GLP-1 Drugs in the News

New weight loss drugs trending with billionaires and celebrities are about to enter more American homes

Weight loss pioneers aim to jump on Wegovy bandwagon

Employers grapple with coverage of weight loss drugs like Ozempic

What happens when a drug goes viral?

Novo Nordisk limits Wegovy doses for new patients as demand outpaces supply

Diabetes drug Ozempic is being prescribed for weight loss. Now the drug is in short supply.

<https://www.cnn.com/2023/01/20/trending-glp-1-weight-loss-drugs-are-shipping-to-more-american-homes.html>; <https://www.reuters.com/business/healthcare-pharmaceuticals/weight-loss-drug-pioneers-aim-jump-wegovy-bandwagon-2023-05-23/>; <https://www.axios.com/2023/05/04/employers-weight-loss-drugs>; <https://www.health.harvard.edu/blog/what-happens-when-a-drug-goes-viral-202302212892>; <https://www.cnn.com/2023/05/05/health/wegovy-weight-loss-drug-limits/index.html>; <https://www.cbsnews.com/news/ozempic-type-2-diabetes-drug-weight-loss-supply-shortage/>

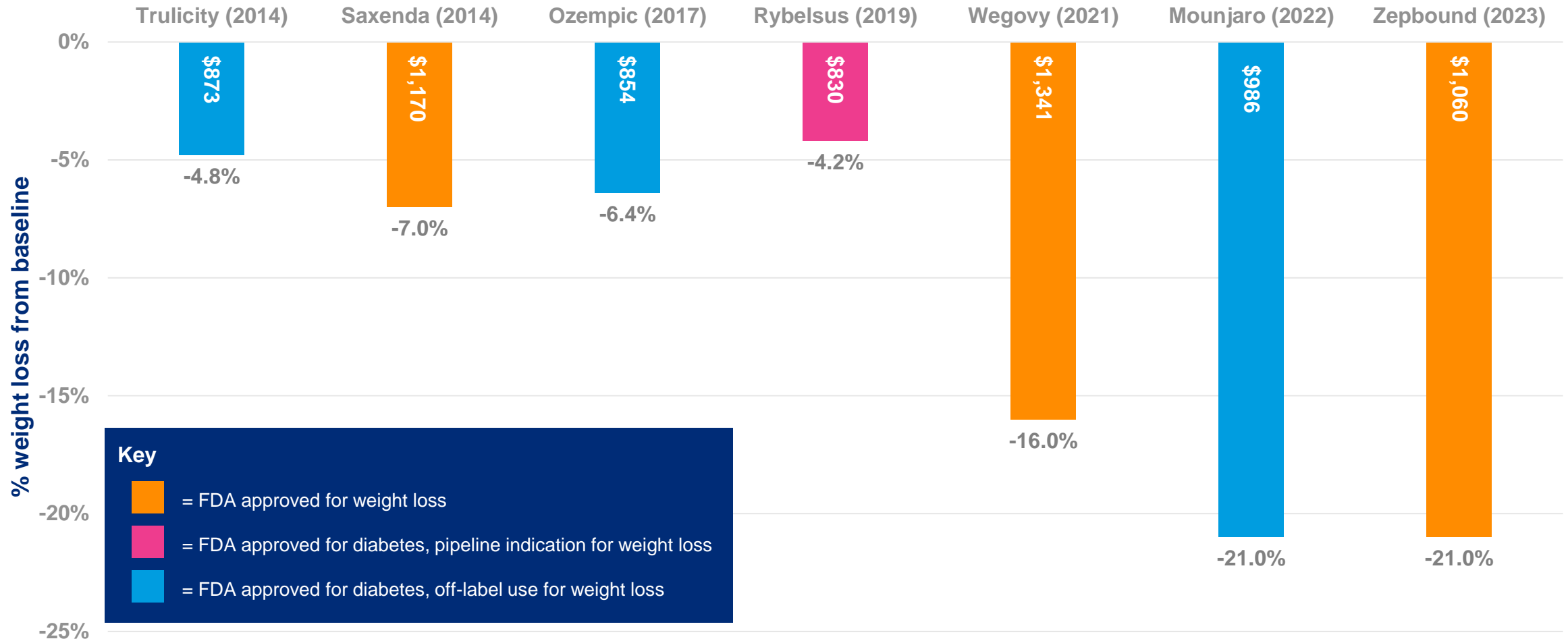
GLP-1 Drugs

- Glucagon-like peptide-1 (GLP-1) is a hormone that regulates blood sugar and appetite.
- GLP-1 agonists such as Ozempic, Trulicity, and Victoza work by triggering insulin release, which helps lower blood sugar, A1c levels, and can result in weight loss.
- The majority of GLP-1 drugs are FDA-approved for the treatment of type 2 diabetes, while fewer are FDA-approved for the treatment of obesity.
- Mounjaro, the most recent GLP-1 drug approved for type 2 diabetes, is expected to generate \$4.9 billion of yearly revenue by 2026.
- Zepbound, approved for obesity in late 2023, is projected to generate \$2.7 billion in revenue in 2024.

Drug Name	Indication
Ozempic (semaglutide)	Type 2 Diabetes
Rybelsus (semaglutide)	Type 2 Diabetes
Wegovy (semaglutide)	Obesity
Mounjaro (tirzepatide)	Type 2 Diabetes
Zepbound (tirzepatide)	Obesity
Trulicity (dulaglutide)	Type 2 Diabetes
Victoza (liraglutide)	Type 2 Diabetes
Saxenda (liraglutide)	Obesity

Weight loss drug cost and impact

Timeline of weight loss drugs in use today (with ingredient cost/Rx)



Off-Label GLP-1 Use for Weight Loss

- Due to effectiveness and significant social media attention, off-label use of GLP-1 drugs for weight loss has risen
 - This is made possible by the assumption that the drug is being used to treat diabetes, since that is the FDA-approved indication.
 - Approximately 4% of the US population utilizes weight loss drugs today, but the target market is up to 42% of Americans. Weight loss medications before rebates are approximately \$600-800 per month with a rebate approximately \$150-200 per month. **The average plan impact is between \$8-10 PMPM.**
- Tight utilization management will help ensure the right patient is taking the right GLP-1 drug at the right time and help employers avoid overspend as more products hit the market.
 - Many PBMs use a retrospective review of claims history to determine eligibility, meaning a patient with at least 90 days supplied of metformin in their claims history will receive an approval.
 - Gold standard prior authorization criteria will not rely on pharmacy claims history and will require that the provider provide a diagnosis code to ensure the drug is being used in alignment with FDA indications.
- **For plans electing to cover GLP-1 drugs indicated for obesity, an effective prior authorization process is important to ensure the patient meets clinical criteria for approval.**
 - A recent survey of employers found that only about 25% cover GLP-1s for obesity today, primarily due to cost concerns, but indicated that this figure could be closer to 43% by the end of 2024.

Looking Ahead

- The GLP-1 market was valued at \$11.3 billion in 2019 and is forecasted to grow steadily through 2027, reaching \$18.2 billion. This growth is driven by a robust pipeline and continuously innovative treatment options in the category.
- Both Novo Nordisk (manufacturer of Ozempic and Wegovy) and Eli Lilly are in the process of developing oral versions of GLP-1s to make them easier to market and use.
- Soon to be published peer-reviewed research could push these products into the cardiovascular management space and beyond, which could trigger increases in employer costs.
- The pharmaceutical research and development pipeline is full of additional companies racing to join the market
 - Pfizer, Amgen, Structure Therapeutics, and Viking Therapeutics are working to develop their own weight loss drugs
 - Companies are developing drugs that target additional receptors to increase weight loss. For example, rather than just GLP-1, drugs may target GIP (glucose-dependent insulinotropic polypeptide) and glucagon receptors too.

Source: <https://www.grandviewresearch.com/industry-analysis/glp-1-receptor-agonist-market>

Key Considerations for Weight Loss Drug Coverage

<p>Cost</p> <ul style="list-style-type: none"> • Average yearly cost per patient is around \$6,000. • Up to 42% of the U.S. population is obese • Groups who cover will experience steep year-over-year trend in the category. 	<p>Weight Loss Sustainability</p> <ul style="list-style-type: none"> • A recent study showed that patients re-gained 66% of weight back within a year of discontinuing a GLP-1. • Would need to be taken indefinitely to sustain results and associated benefits. 	<p>Discontinuation Rate</p> <ul style="list-style-type: none"> • A recent study found that 68% of patients prescribed a GLP-1 for weight loss discontinued therapy within a year • Reasons for discontinuing include side effects, costs, weight loss plateau, shortages 	<p>Employee Turnover</p> <ul style="list-style-type: none"> • Employers in industries with high employee turnover may be less likely to realize long-term financial benefits associated with members who lose weight
<p>Utilization Management</p> <ul style="list-style-type: none"> • There are a wide range of utilization management criteria on the market, which can drive plan spend. • Weak criteria can enable off-label utilization of diabetic GLP-1s for weight loss. 	<p>Clinical Outcomes</p> <ul style="list-style-type: none"> • Studies show positive clinical outcomes associated with GLP-1 driven weight loss, but difficult to quantify cost avoidance • Cardiovascular benefits, improvement in other chronic conditions 	<p>Employee Satisfaction</p> <ul style="list-style-type: none"> • About 30% of employers currently cover weight loss drugs • A recent survey found that 52% of employees desire weight loss drugs to be included in health benefits 	<p>Benefit Package Strength</p> <ul style="list-style-type: none"> • Plans that added weight loss coverage experienced increased enrollment • Weight loss coverage may help organizations attract and retain talent

Sources: <https://www.primetherapeutics.com/wp-content/uploads/2023/07/GLP-1a-obesity-treatment-1st-year-cost-effectiveness-study-abstract-FINAL-7-11.pdf>; <https://dom-pubs.onlinelibrary.wiley.com/doi/10.1111/dom.14725>

Biosimilars in the News

CVS Caremark
accelerates biosimilars
adoption through
formulary changes

FDA Approves First
Interchangeable
Stelara Biosimilar

Biosimilars making
inroads into Humira
sales, but docs still
cautious on switching

Biosimilar makers split
strategies in bids to take
on top-selling Humira

Commercial Biosimilar
Coverage Is on the Rise,
but Preferences Still
Vary

Coherus works with
Mark Cuban to sell
biosimilar Humira at
steep discounts

<https://www.cvshealth.com/news/pbm/cvs-caremark-accelerates-biosimilars-adoption-through-formulary-changes.html><https://www.formularywatch.com/view/fda-approves-first-interchangeable-stelara-biosimilar>
<https://www.fiercepharma.com/marketing/biosimilars-making-inroads-humira-sales-docs-still-cautious-switching-spherix> <https://www.pharmacytimes.com/view/biosimilars-increasingly-being-added-to-pbm-formularies> [Commercial Biosimilar Coverage Is on the Rise, but Preferences Still Vary \(centerforbiosimilars.com\)](https://www.biopharmadive.com/news/humira-biosimilar-price-discount-strategy-abbvie/689011/) <https://www.biopharmadive.com/news/humira-biosimilar-price-discount-strategy-abbvie/689011/> <https://www.statnews.com/pharmalot/2023/06/01/humira-biosimilar-abbvie-coherus-cuban-pbm-payers-rebates/>

What is a Biosimilar?

Biologics

- Biologics are made from living organisms and are therefore more complicated to manufacture than conventional drugs.
- The FDA has a specific process for approving biologic drugs



Biosimilars

- Biologic product that has no “clinically meaningful” difference from the originator biologic
- Can achieve **interchangeable** designation, meaning the product can be substituted for the reference drug without health care professional intervention



Source: [https://www.fda.gov/consumers/consumer-updates/biosimilar-and-interchangeable-biologics-more-treatment-choices#:~:text=A%20biosimilar%20is%20a%20biologic,\(same%20route%20of%20administration\).](https://www.fda.gov/consumers/consumer-updates/biosimilar-and-interchangeable-biologics-more-treatment-choices#:~:text=A%20biosimilar%20is%20a%20biologic,(same%20route%20of%20administration).)

2024 Biosimilar Trends

- Humira, the #1 drug in the world for the last 10 years, now has more than 10 biosimilar competitors.
 - Biosimilar price points range from -5% to -85% below Humira's list price, with both high-list price/high rebate and low-list price/low rebate options available.
 - Many PBMs now include a Humira biosimilar option on the same tier as Humira on their formularies, and a few are giving Humira biosimilars preferred status.
 - Increased demand for biosimilars in 2024 and beyond will challenge historical market preferences for high rebates in this drug class.
- Plan sponsors should monitor utilization of anti-inflammatory biologics and explore strategies to maximize the potential savings that biosimilars present.
 - MMA Rx Solutions has identified PBMs and vendors who are aggressively leveraging these products.
- Looking ahead, several drugs face upcoming patent expirations that will open the door for biosimilar competition
 - 2024: Tysabri, Stelara, Actemra, Eyelea, Simponi

Humira & its Biosimilars

Wholesale Acquisition Cost Comparison

Key

- = Originator Product
- = High WAC
- = Low WAC



Source: <https://www.drugchannels.net/2023/07/four-crucial-questions-about-humira.html>

2024 Biosimilar Pipeline

Brand Drug (Manufacturer)	Therapeutic Area & Indications	Brand Drug 2023 Sales	Biosimilar Drug	Anticipated Launch
Eylea (Regeneron)	Ophthalmology: Age-related macular degeneration, diabetic macular edema, diabetic retinopathy	\$5.89 billion	Yesafili: FDA approved Opuviz: FDA approved Ahzantive: FDA approved ABP938: Pending Q3 2024 FDA approval CT-P42: Pending FDA approval Others (4): In clinical trials	2025+
Actemra (Genentech)	Immunology: Moderate to Severe Rheumatoid arthritis	\$1.39 billion	Tofidence: Launched 5/2024 Tyenne: Launched 4/2024 Others (2): In clinical trials	Launched
Tysabri (Biogen)	Neurology: Multiple sclerosis	\$998 million	Tyruko: FDA approved	2024+, pending patent settlement
Simponi (Janssen)	Immunology: Moderate to Severe Rheumatoid arthritis	\$1.84 billion	AVT05: In clinical trials BAT2506: In clinical trials	2024+
NovoLog (Novo Nordisk)	Diabetes	\$674 million	MYL-1601D: Pending Q4 2024 FDA approval Others (2): In clinical trials	2024+

Source: <https://www.cardinalhealth.com/content/dam/corp/web/documents/Report/cardinal-health-2024-Biosimilars-Report.pdf>, <https://www.amerisourcebergen.com/insights/manufacturers/biosimilar-pipeline-report>, <https://www.carelonrx.com/perspectives/2024-q1-carelon-rx-drug-biologic-pipeline-update>, <https://www.cardinalhealth.com/content/dam/corp/web/documents/Report/cardinal-health-biosimilar-launches.pdf>

2025+ Biosimilar Pipeline

Brand Drug	Therapeutic Area & Indication	Brand Drug 2023 Sales	Biosimilar Drug	Anticipated Launch
Soliris (Alexion)	Immunology: Paroxysmal nocturnal hemoglobinuria (PNH) to reduce hemolysis	\$3.15 billion	ABP959: Pending FDA decision Other (1): In clinical trials	Q1 2025
Prolia/Xgeva (Amgen)	Bone Health	\$4.2 billion	Wyost/Jubbonti: FDA approved Others (14): In clinical trials	2025, pending patent settlement
Entyvio (Millennium)	Immunology: Moderate to severe Crohn's disease	\$8.26 billion	PB016: In clinical trials	2025
Perjeta (Genentech)	Oncology: HER2-positive metastatic breast cancer	\$4.2 billion	HLX11: In clinical trials PERT-IJS: In clinical trials	2025
Stelara (Janssen)	Immunology: Plaque psoriasis, psoriatic arthritis, Crohn's disease, ulcerative colitis	\$10.9 billion	Wezlana: FDA approved CT-P43: Pending Q2 2024 FDA decision FYB202: Pending Q4 2024 FDA decision DMB-3115: Pending Q4 2024 FDA decision DMAB-1200: Pending 1Q 2025 FDA decision Others (2): Pending FDA decision Others (2): In clinical trials	January 2025
Xolair (Genentech)	Asthma: Moderate to severe arthritis	\$1.46 billion	5 in clinical trials	2026
Cosentyx (Novartis)	Immunology: Hidradenitis suppurativa, plaque psoriasis, psoriatic arthritis	\$4.98 billion	BAT2306: In clinical trials	2029
Enbrel (Amgen)	Immunology: Rheumatoid arthritis, psoriatic arthritis	\$3.65 billion	Eticovo: FDA approved Erelzi: FDA approved YLB113: In clinical trials	2029

Source: <https://www.cardinalhealth.com/content/dam/corp/web/documents/Report/cardinal-health-2024-Biosimilars-Report.pdf>, <https://www.amerisourcebergen.com/insights/manufacturers/biosimilar-pipeline-report>, <https://www.carelonrx.com/perspectives/2024-q1-carelon-rx-drug-biologic-pipeline-update>, <https://www.cardinalhealth.com/content/dam/corp/web/documents/Report/cardinal-health-biosimilar-launches.pdf>

PBM Legislation in the News

Senate Finance
Committee targets PBM
reform in new legislation

PBM reform
advocates preach
optimism as Congress
delays action

Congress pressured
to pass PBM
legislation by state
AGs

State PBM Legislation a
Growing Concern for
Plan Sponsors

FL Prescription Drug
Reform Act Takes Shot
At 'Big Pharma,'
Middlemen

Proposed New York
state rule targets PBM
'spread pricing'

<https://www.healthcarefinancenews.com/news/senate-finance-committee-targets-pbm-reform-new-legislation>, <https://www.modernhealthcare.com/politics-policy/pharmacy-benefit-managers-pbm-bills-congress-state-attorneys-general>,
<https://www.fiercehealthcare.com/payers/pbm-reform-advocates-preach-optimism-congress-delays-action>, <https://www.mercer.com/en-us/insights/us-health-news/state-pbm-legislation-is-a-growing-concern-for-plan-sponsors/>,
<https://patch.com/florida/southtampa/desantis-prescription-drug-reform-act-takes-shot-big-pharma>, <https://www.benefitspro.com/2024/02/13/ny-proposes-new-rules-to-rein-in-pharmacy-benefit-managers-412-162088/>

PBM Pricing Transparency

- The pharmacy supply chain is a layered and complex industry that is in the spotlight of state and federal legislators due to warranted critiques of their long-standing practices.
- The legislative process, new PBM models, public register list pricing, and published acquisition costs are shining light in areas of the industry like never before.
- Recent federal laws have caused the removal of rebates for entire classes of drugs
- Despite good intentions, in the near term, state regulations will likely drive employer costs up.
- Achieving transparency continues to be a moving target, and PBMs and employers will be required to navigate the implications of new regulations as they are implemented.

Anti-Steering

Spread Pricing

**Copay Accumulator
Bans**

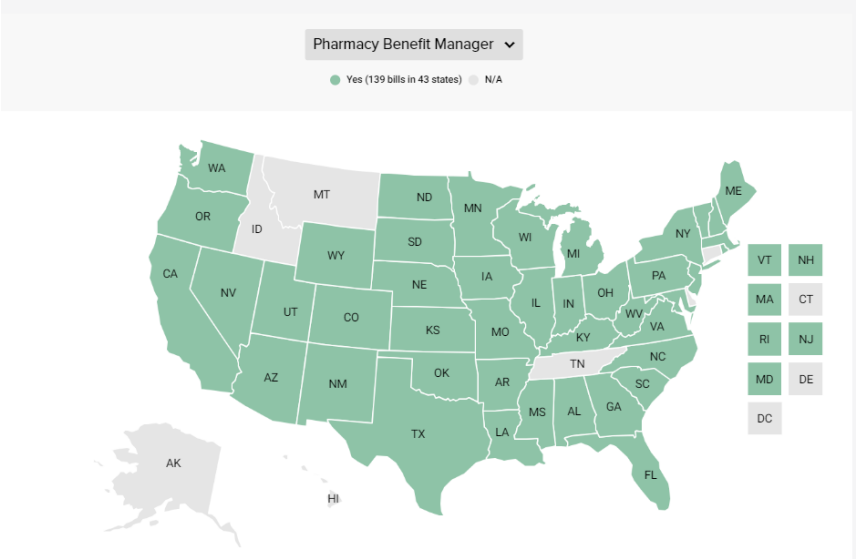
**Minimum
Dispensing Fees**

**Point of Sale
Rebates**

PBM-Focused Legislative Activity

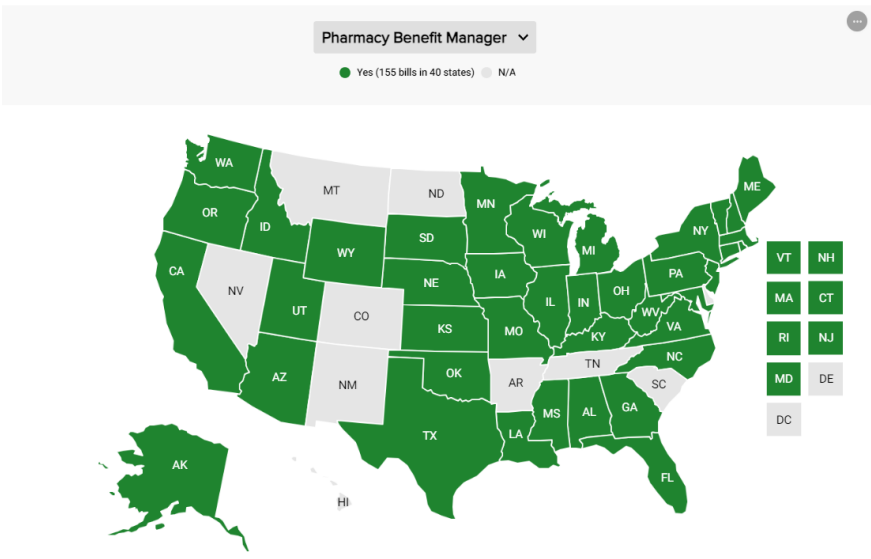
139

PBM bills in 42 states introduced in 2023



170

PBM bills in 41 states introduced in 2024



Source: <https://infogram.com/2023-rx-tracker-1h7v4pwyjdpv86k>, <https://nashp.org/state-tracker/2024-state-legislation-to-lower-pharmaceutical-costs/>, <https://www.obroncology.com/article/major-pbm-reforms-soon-25-bills-in-congress-show-momentum>

GoodRx

- Features prescription drug discount cards and manufacturer copay cards, which may offer patients a lower-cost purchasing option compared to the price available through their commercial insurance
- **Discount Cards**
 - Primarily for low-cost generic medications, but available for some brand drugs
 - Offers access to alternative PBM network rates
 - Cash-based, no employer obligation and no credit toward member's accumulator or deductible
- **Manufacturer copay cards**
 - Drug companies offer copay cards to make their high-cost brand drugs more accessible and to incentivize members utilize them
 - Copay cards reduce the member cost share, but employer still pays all of its cost for an expensive drug
 - GoodRx delivers sponsored advertising content for available copay cards to members searching for brand drugs
 - In the case that there are lower-cost drug alternatives available, copay card use may result in increased brand drug utilization and drive employer pharmacy spend

Mark Cuban Cost Plus Drug Company

- Mark Cuban launched his generic drug company, the Mark Cuban Cost Plus Drug Company, in January 2021, aiming to produce “low-cost versions of high-cost generic drugs” and to “provide radical transparency in how we price our drugs”.
 - Shortly after launch, the company announced construction on a drug manufacturing facility in Dallas, TX.
- MCCPDC launched its online pharmacy in January 2022 under a cash-pay model.
 - Pricing is transparent: a 15% mark up from manufacturer price + a \$3 pharmacist fee + \$5 shipping.
 - Plan pharmacy spend savings through cash-based programs have been limited to date and depend on plan design.
 - It’s important to note that advertised prices are not always exact and often reflect the price point for the lowest strength of each drug, so a member’s prescribed dosage and strength can make pricing materially different.
 - MCCPDC now sells over 2,000 drugs including over 10 brand-name medications.
- MCCPDC continues to announce partnerships with “like-minded organizations”: PBMs EmsanaRx, Rightway, and RxPreferred Benefits as well as its first payer partner, Capital Blue Cross
 - Rx Solutions continues to engage with MCCPDC to determine how we can leverage them as well as their partners to support our clients.

FAQs: Cash-Based Pharmacy Programs



Question	Answer
What drugs are available through GoodRx?	View the list at https://www.goodrx.com/ .
What drugs are available through Mark Cuban Cost Plus Drug Company?	View the list at https://costplusdrugs.com/medications/ .
Do cash-based pharmacy programs offer plan savings?	If a member fills a drug using a cash-based pharmacy program, a claim is not generated and there is no financial responsibility for the employer. Cash-based programs typically have minimal overall impact on plan drug spend.
Do cash-based pharmacy programs offer member savings?	Members in their deductible phase are exposed to the full PBM negotiated drug price, which is when cash pharmacy offerings can provide the most benefit. Once a deductible is satisfied or when plans use copays for generic medications, the cash pharmacy model typically struggles to compete with pricing available through insurance.
How will the member experience change if utilizing a cash-based pharmacy program?	Members who utilize a cash-based pharmacy program will not receive credit towards accumulators or deductibles for their purchases.

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