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# DRUG TREND REPORT

Getting to Zero Waste



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**DEAR FRIENDS OF EXPRESS SCRIPTS:**

Last year, the increase in drug trend for Express Scripts plan sponsors was dramatically low: only 1.5% for traditional (nonspecialty) drugs — the lowest ever recorded. While trend for specialty drugs was 15.4%, the overall trend for specialty drugs and traditional drugs combined amounted to only 3%, which is substantially less than we have seen in previous years.

This historically low trend comes as welcome news, of course, but we still have work to do. We believe our industry-leading generic fill rate is still far below the potential in several leading therapy classes. Maximizing that rate could result in as much as \$42 billion in savings without compromising health outcomes. At the same time, our clinical programs can improve patient outcomes and increase value for both plan sponsors and patients.

**Now More Than Ever**

In the current recessionary economy, plan sponsors are more conscious than ever of the need to get the greatest possible value for every dollar they spend on pharmacy benefits. And that's where we can help.

In 2008, our innovative clinical programs and behavior-centric communications, encouraged patients to increase the use of generic drugs by 7.5% and lower the use of brand drugs by 10.9%. But, opportunities exist to increase generic fill rates even more in a number of high-use, high-cost drug classes. And, with more drugs going off-patent, we will continue to be aggressive in driving brand-to-generic conversions.

Patients gained, too, from a 2.2% decrease in overall prescription-drug copayments. On average, patients paid only \$12.82 for each drug prescription in 2008. More patients also converted to Home Delivery. Not only did they realize substantial savings but, for many, compliance and health outcomes improved.

**Special Solutions for Specialty Drugs**

Innovative and proactive solutions from CuraScript, Express Scripts specialty pharmacy, will help plan sponsors affordably address the specialty-drug needs of patients with chronic and complex diseases. Each year, more specialty drugs — some with annual costs as high as \$300,000 — become available, and the number of patients using these drugs continues to rise. Our personalized patient care model enables us to deliver superior patient support, and our trend management programs allow us to drive out wasteful spending in the specialty pharmacy benefit. We see accelerated development of follow-on biologics and behavior-centric approaches to influence member choices as the best ways to deliver the safest and most affordable specialty medications available and to improve the quality of life for our patients.

**Speaking Their Language**

One of our most exciting developments of 2008 — Consumerology — produced a new way of communicating with patients. Working with experts in behavioral economics, social psychology, cognitive linguistics, bioethics and other fields, we are gaining an advanced understanding of how and why people behave as they do. With this knowledge, we have the ability to shape communications in ways that motivate consumers to make positive choices about their pharmacy benefits, resulting in greater savings and value for both plan sponsors and patients.

We look ahead to 2009 and the years beyond with the conviction that we are making important strides toward achieving zero waste in pharmacy benefits — as well as toward creating a more-empowered, better-informed patient base that will make wiser choices, resulting not only in lower costs but also in better health.

Sincerely,



George Paz  
Chairman and CEO, Express Scripts