Washington State Prescription Drug Price and Purchasing Summit

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Director of Pharmacy Services
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Moda’s participation in the health care market is broad and diverse.

Source: Moda Health Data Analytics: 2010 – 2015
Specialty drug costs are consuming a larger share of overall pharmacy budget, increasing more than 260% since 2010.

Source: Moda Health Data Analytics: 2010 – 2015
Prescription Spend Distribution

Percentage Share of Overall Pharmacy Budget 2010 - 2018

- **2010**
  - 86.5% Traditional
  - 13.5% Specialty

- **2012**
  - 80.0% Traditional
  - 20.0% Specialty

- **2015**
  - 64.4% Traditional
  - 35.6% Specialty

- **2018 - Projected**
  - 50% Traditional
  - 50% Specialty

Specialty drug costs projected to account for 50% of entire outpatient pharmacy budget by 2018.

Source: Moda Health Data Analytics: 2010 – 2015
While new medications may help offset healthcare costs, they consume a larger percentage of overall healthcare spending.

Source: Moda Health Data Analytics: 2010 – 2015
Specialty Drug Costs Increase Faster Than Rate of Inflation

### Manufacturer Price Inflation Increases Faster Than Rate of Inflation

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<thead>
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<tbody>
<tr>
<td>Analgesics / Anti-Inflammatory (drugs used to treat Rheumatoid Arthritis)</td>
<td>65.3%</td>
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<tr>
<td>Psychotherapeutic / Neurological Agents (drugs used to treat Multiple Sclerosis)</td>
<td>35.5%</td>
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<tr>
<td>Antineoplastics and Adjunctive Therapies (drugs used to treat Cancers)</td>
<td>30.8%</td>
<td>1.7%</td>
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<tr>
<td>Dematologic Agents (drugs used to treat Psoriasis)</td>
<td>120.0%</td>
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<tr>
<td>Endocrine / Metabolic Agents (drugs used to treat Growth Hormone)</td>
<td>44.1%</td>
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Price Increases for products already established in market increase financial burden patients, families, businesses, tax payers and insurers.

Source: Moda Health Data Analytics: 2010 – 2015

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Example: Cost of Care for Members with HCV

High cost of new HCV drug treatment has not (yet) had a corresponding offset to medical costs. Example is highly representative of drug costs and impact on medical costs associated with other complex diseases (e.g., Cancer, RA, MS, and HIV).
Members pay approximately 3.5% of specialty drugs cost. With manufacturer patient assistance and other programs, the average out of pocket expense is reduced to $25.