



What's new with the Specialty Guidance Program

Making preferred product and site-of-care strategies for managing specialty drugs work harder

Specialty medical drugs are those covered under the medical benefit rather than the pharmacy benefit. The medical benefit covers about 50% of specialty drugs.¹ These high-cost medications include treatments for conditions such as multiple sclerosis, rheumatoid arthritis and inflammatory diseases. In most cases, specialty medical drugs are administered intravenously or through injections in an office or outpatient setting.

The average cost of a medical specialty drug is \$136,401,² but a single drug can cost upwards of \$2 million for a one-dose treatment.³ While only 4% of a health plan's population may require a specialty drug,⁴ the high cost of these drugs and increasing utilization are more and more challenging for many health plans to manage.

Specialty treatments are the biggest driver of overall spend and projected to be \$505B by 2023.⁵ In addition to this significant cost trend, managing specialty drugs is also a challenge because the category is so broad – it covers more than 50 conditions. Each health plan has a different policy governing the purchase and administration of specialty drugs on the medical benefit, and providers struggle to keep all the different policies by plan straight.

Technology advancements that could help payers manage these specialty challenges and take costs out of the system are promising, but the health care industry is often slow in making investments that could change the status quo. This white paper examines how investment in automation supported by specialized clinical teams can help drive costs out of the system and help payers better manage specialty drug spend.

Optimizing specialty management through a unique platform

A recent Optum study analyzed the effect of two different management approaches on the specialty spend of a large national commercial health plan. Both strategies, a preferred product strategy and site-of-care management strategy, were executed through the Optum Specialty Guidance Program. This innovative utilization management and analytics solution is designed to address



Specialty Guidance Program results⁶:

~5:1 ROI

64 provider NPS

57% auto-approval rate

30% peer-to-peer discussions result in treatment change

99%+ custom reviews meet or exceed turnaround time requirements

the rising cost of specialty drugs on the medical benefit by guiding providers to select high-value, clinically appropriate specialty treatments. It supports all specialty conditions with digitized clinical guidelines.

The Specialty Guidance Program keeps evidence-based guidelines and health plan clinical policies updated in a utilization management platform. The platform recommends the most clinically appropriate options to providers when they are selecting a specialty treatment for prior authorization on the medical benefit. It then weighs cost savings opportunities such as preferred products, site of care, dosage and supplier management along with clinical appropriateness strategies as a part of its recommendation.

Combining these management strategies in a single, automated platform makes it easy for providers to choose the optimal treatment and help patients receive the best care more quickly. Payers benefit from this integrated strategy with improved partnership with providers, better managed costs and a more complete picture of specialty data across member populations.

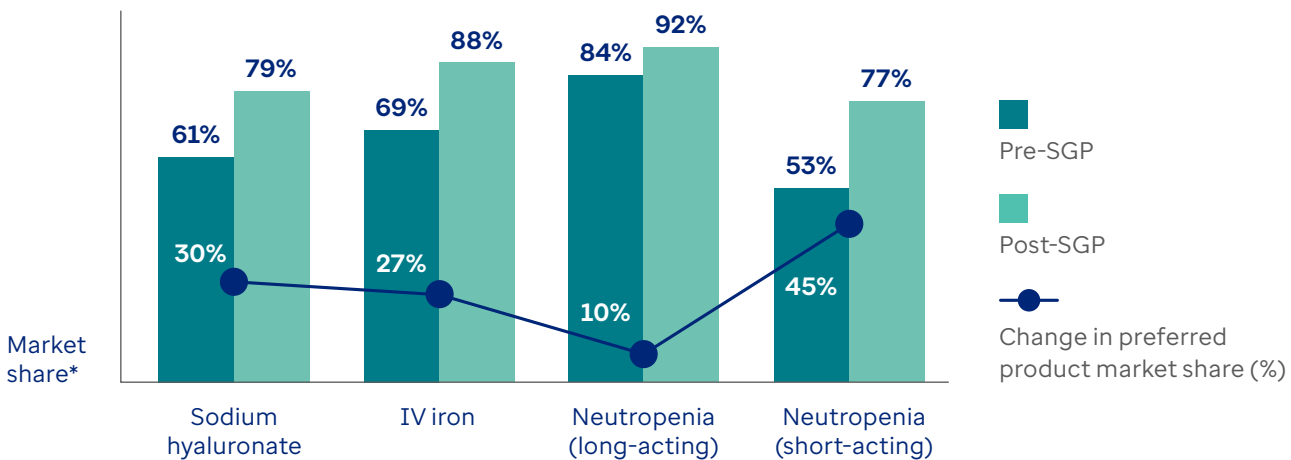
Preferred product strategy and results

Preferred products help ensure that appropriate lower-cost alternative drugs, such as biosimilars, are prescribed according to health plan benefit design. However, health plans are often challenged to ensure that providers are aware of the preferred products specific to their plan design.

Specialty Guidance Program automates inclusion of health plan-preferred products in its treatment recommendation to providers during the prior authorization process. This allows providers to stay up to date on the plan's policies on a case-by-case basis.

Specialty Guidance Program data analysis for all health plans shows more than 90% adherence to preferred products. The plan in the study was already managing preferred products, and the platform increased adherence further by 10–45%, depending on the drug. The chart below shows the findings from this study at a drug class level. The 45% increase to Neutropenia (short acting) preferred product saved the health plan \$1.5 million based on the average sale price.

Market share percent changes and shift in preferred product usage post-SGP launch (claims)



* Market share refers to proportion of preferred product claims to total number of claims in drug class in each year.

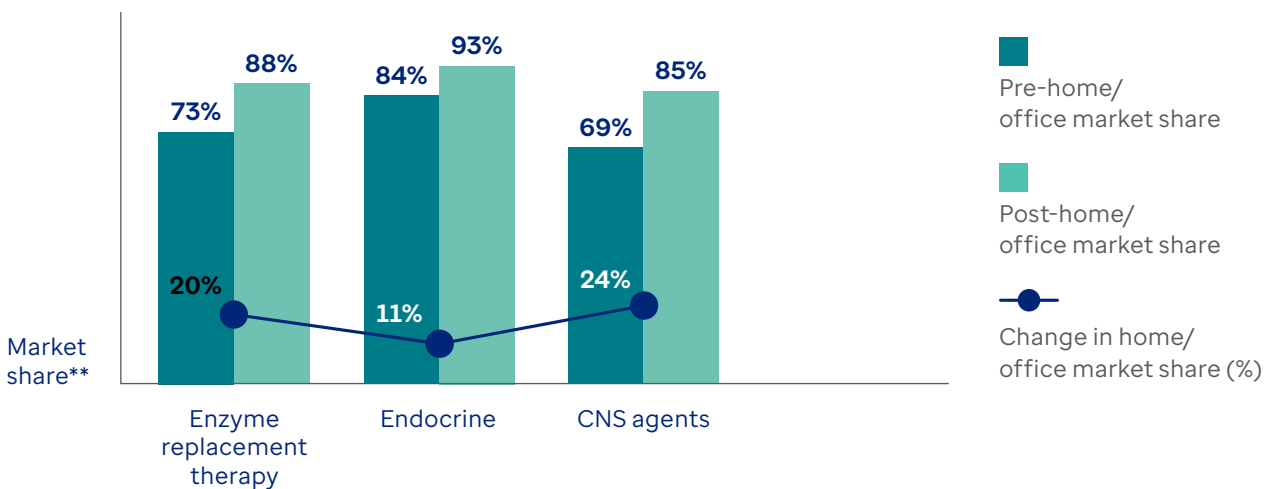
Site-of-care strategy and results

Using a lower cost setting to deliver care is another way to drive down specialty drug spend. Site-of-care rules encourage providers to prescribe the administration of specialty drugs in a physician office or home health setting in place of an outpatient facility where clinically appropriate. This helps dramatically reduce the cost of provider-administered injectable and infusion drugs.

The results of the study show that shifting central nervous system agents from an outpatient facility to a lower-cost setting saved the plan about \$90,000 per treatment. For some blood modifiers, the savings were nearly \$200,000 per treatment. Like with preferred products, providers aren't always aware of the cost savings associated with other care sites. Unless there is a medical reason to deliver care in an outpatient setting, there may be an opportunity to administer treatment at a lower-cost site of care.

For this study, Specialty Guidance Program automatically redirected providers to the most clinically appropriate, lowest-cost site of care during the prior authorization process. Optum analysis showed that the platform increased selection of a lower-cost site by about 20% even though the plan was already managing site of care with alternate strategies. The below chart shows that redirection across three drug classes increased 20%+ for ERT and CNS.

Pre- and post-home/office market share summary (claims)



**Market share refers to proportion of home, office or outpatient claims to total number of claims in each year.

Conclusion

As drug costs and the incidence of complex specialty conditions continue to rise, managing specialty drugs has never been more of a challenge for payers. By expanding, integrating and automating specialty management strategies, health plans can better guide providers to the optimal treatment choice as often as possible, to drive significant costs out of the system and benefit the health plan, the provider and the patient.

Learn more about how the Optum Specialty Guidance Program can help support provider treatment guidance and reduce medical expenses.



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