

Where will Express Scripts go after it hits the easy targets?



[Jonathan Gardner](#)

With the execution of cost-control programmes in five different therapy areas the pharmacy benefit manager Express Scripts has picked some low-hanging fruit. The next trick will be finding even newer ways to control drug spending (see tables below).

Announcement yesterday of a [targeted scheme](#) in inflammatory diseases was the second spending initiative in two weeks, and hit a category with forecast double-digit spending increases through 2022. As America's biggest pharmacy benefit manager (PBM) seeks further gains, it will prove difficult to find therapy areas as rich as rheumatoid arthritis or oncology, and Express Scripts will make itself vulnerable to charges that it is rationing care.

The programme in inflammatory diseases specifically mentions rheumatoid arthritis, psoriasis and Crohn's disease, three areas where expensive biologicals are used widely or are entering the market. Previous initiatives were in hepatitis C, high cholesterol, oncology and, just last week, diabetes – these all go hand in hand with an inflation protection programme in which the PBM has offered to protect its customers from the full cost of year-over-year price increases in brand drugs.

A unique aspect to the inflammatory disease plan, the widest ranging yet, is the promise of indication-specific pricing in which agents like Humira used to treat several different conditions could be forced to compete on a value basis with disease specific agents – for example, aminosalicylates or corticosteroids in Crohn's disease.

Double-digit growth

Inflammatory disease makes for a big target. The immunosuppressant category, which includes Johnson & Johnson's Stelara, approved in psoriasis and psoriatic arthritis, as well as Sanofi's dermatitis project dupilumab, is forecast to grow at 13% annually between now and 2022.

Anti-psoriasis agents, which include Lilly's new antibody Taltz and Johnson & Johnson's phase III project guselkumab, are projected to grow at an astonishing 39% annual rate. Although these numbers are global rather than US-specific, because of drug coverage policies the growth is largely due to US uptake. No wonder Express Scripts is concerned.

Fast-growing drug categories in the payer spotlight

Category	Global Rx & OTC sales by therapy area (\$m)		Avg annual growth rate
	2015	2022	
Anti-psoriasis agents	539	5,405	+39%
Immunosuppressants	9,519	22,063	+13%
Anti-diabetics	41,677	66,050	+7%
Anti-virals	50,714	50,864	+0%
Oncology	83,123	189,890	+13%

On the other hand, another of Express Scripts' cost-control programmes, hyperlipidaemia, is a condition where the worst fears about spending growth have yet to come to pass – this category is forecast only to grow at 2% between now and 2022.

The real worry in this category is Sanofi and Regeneron's Praluent and Amgen's Repatha. These two biologicals have a list price of around \$14,000 a year, and Express Scripts and fellow PBMs like CVS had reasonable concerns about their budget-busting potential ([\\$200bn a year for new cholesterol drugs? Try again, payers](#),

February 20, 2015).

A tight FDA label has kept the number of eligible patients small – upcoming cardiovascular outcomes trials could reveal a survival benefit for many more patients with elevated low-density lipoprotein, which could increase demand for these drugs.

There will be blood

With these rather obvious therapy areas out of the way, the big question is where else payers could go to limit costs. The 8% growth in treatments for sensory organs and 6% in blood-related disorders both look ripe for growth brakes.

In sensory organs, payers have already squeezed the wet age-related macular degeneration category by pitting Lucentis against Eylea and off-label Avastin. However, new fights could be brewing with the launch of Shire's dry-eye drug Xiidra and as Roche's lampalizumab nears the market in dry age-related macular degeneration.

Fast-growing drug categories on payers' radar			
	Global Rx & OTC sales by therapy area (\$m)		
Category	2015	2022	Avg annual growth rate
<i>Blood</i>			
Anti-coagulants	11,812	20,290	+8%
Fibrinolytics	1,232	1,760	+5%
<i>Sensory organs</i>			
Eye preparations	19,316	32,019	+7%
Ear preparations	439	1,244	+16%

Ear treatments, meanwhile, are growing at a quick 16% per year, although this is a tiny category that should only reach \$1.2bn by 2022. Still, with more modern technologies like kinase inhibition potentially entering even this sleepy space, more payer scrutiny could be stimulated.

In eyes and ears gene therapy is being explored enthusiastically, and if it is successful another value game could play out when balancing prices of hundreds of thousands of dollars versus a potential once-and-done treatment option.

The blood category is driven by four marketed agents with double-digit growth – Xarelto, Eliquis, Brilinta and Soliris – and one expected launch, Roche's emicizumab. The two of these that are orphan drugs – Soliris for paroxysmal nocturnal haemoglobinuria and emicizumab for haemophilia – are probably safe, but blood thinners Xarelto and Eliquis and the heart disease drug Brilinta could be in PBMs' sights.

Beyond the challenge of finding fat drug spending categories Express Scripts might need to also consider how patients view these cost-control activities.

Right now the payer community has pharma on its heels. However, seeking cost control in a category as sensitive as the life-extending drugs in oncology raises the likelihood that payers could be accused of rationing. Express Scripts will need to tread carefully to avoid giving pharma an opportunity to take the moral high ground in what is turning into an intense public relations battle.

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