



2015

2016

2017

2018

2019

2020

2021

2022

2023

2024

2025

# Trend Report

BETTER COST, BETTER ENGAGEMENT, BETTER CARE

TO OUR VALUED PARTNERS:

# It's time for meaningful change.



We believe that meaningful change in this industry is essential if we are to move beyond a narrow focus on rebates and the price of pharmaceuticals to solutions that lead to better health and lowest net cost.

At WellDyne, our relentless focus on the high-cost conditions driving pharmacy trend means we've built a clinical model to capitalize on the moments when better decisions can lead to better outcomes.

- When the potential cost savings or clinical benefit of a medication change outweighs the inconvenience.
- When avoiding a therapy escalation saves money for the individual and the plan – while maintaining a patient on a proven therapy with fewer known side-effects.
- When a healthcare provider needs to know the exact drugs a member is taking and an accurate list is as close as the member's phone.

It's at these and other pivotal moments when we help members make the most of their pharmacy benefit and lead healthier lives.

WellDyne has invested in the people, processes, programs and technology to leverage the power of medications to help people live better lives. Our team is proud of our 2019 results and looks forward to working to bring better engagement, better care and better cost to your members and your plan.

A handwritten signature in black ink that reads "Nick Page".

**Nick Page, PharmD**  
Chief Pharmacy Officer  
WellDyne

# TABLE OF CONTENTS

## 04 / Executive **Summary**

Highlights of specialty and traditional drug trend in 2019

## 06 / Better **Cost**

Leveraging analytics to uncover opportunities to manage trend

## 10 / Better **Engagement**

Individualized member and physician engagement leads to better outcomes

## 14 / Better **Care**

Improving the physical, psychological and financial well-being of patients

## 18 / Future **Trends**

What to expect: drug pipeline, emerging technology and treatment innovation

## 22 / Clinical **Review**

Additional detail on top therapeutic classes and drugs

## 24 / End **Notes**

Data methodology and reference sources

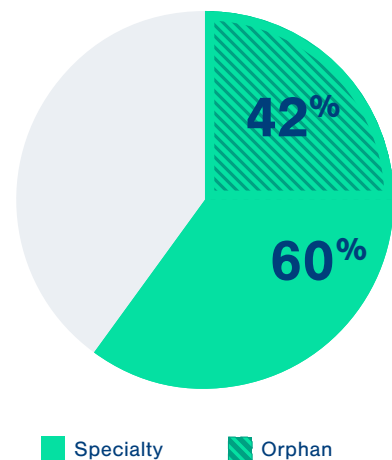


# Executive Summary

In 2019 there were many breakthroughs and challenges across the industry. Of the 48 new drug approvals by the FDA, nearly 60% were for specialty therapy and 42% of those came with an orphan designation.<sup>1</sup>

Inflammatory conditions was once again a major trend driver in the specialty space, with diabetes driving cost in the traditional space. Together, they accounted for 32% of overall drug spend.

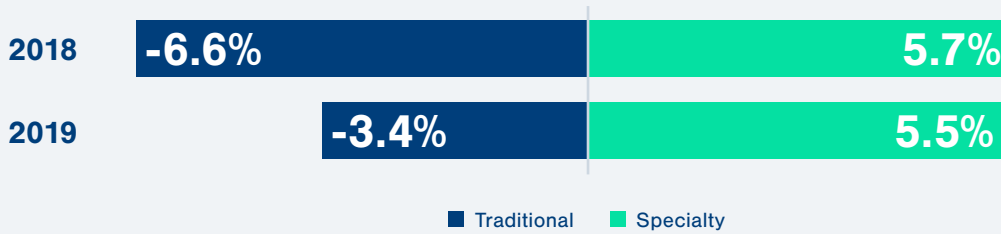
2019 FDA Approvals



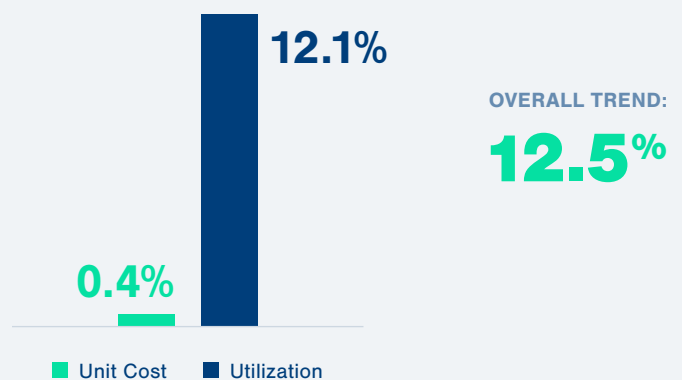
## OVERALL DRUG TREND

**In our 2019 trend analysis, it's quite clear that utilization, not unit cost, continues to be the main driver of pharmacy trend. Overall trend for the WellDyne book of business remained steady at 0.3% for the second consecutive year.**

## WellDyne Traditional and Specialty Drug Trend 2018 vs. 2019



### Inflammatory Conditions



### Specialty Drug Trend

WellDyne highly-managed clients experienced a 5.5% specialty trend, showing slight improvement from our industry-leading 5.7% specialty trend in 2018. In 2019, three of the top five therapeutic classes by spend were for specialty pharmacy – specifically, inflammatory conditions, oncology and multiple sclerosis. For specialty medications, utilization continues to drive trend.

Inflammatory conditions trend, the main driver within specialty, was 12.5% – driven almost entirely by a 12.1% increase in utilization. Inflammatory conditions unit cost trend remained relatively flat at 0.4% despite price increases for several agents in the class. New therapies used to treat psoriasis and rheumatoid arthritis, such as Skyrizi and Rinvoq, contributed to increases in utilization.

### Traditional Drug Trend

Traditional drug trend increased somewhat to -3.4% across our book of business, compared to -6.6% in 2018. Increased utilization drove this change, while unit cost at -4.7% in 2019 showed a modest improvement versus -4.6% in 2018.

A higher generic dispensing rate, 86.9% in 2019 vs. 85.9% in 2018, helped maintain our steady results in managing unit cost. Clients using our WellManaged Generics program saw a significant improvement in drug mix and an 11% decrease in per member per month trend. In addition, expanded adoption of our Hyperinflationary Drug Program mitigated potential increases in unit cost.

# Better Cost

**Beyond healthy lifestyle choices, medications are often the most cost-effective, least-invasive treatment available to maintain health and postpone illness. WellDyne focuses on keeping patients on first-line therapies to promote better health and low net cost.**

## Specialty Trend Analysis

Specialty pharmacy continues to be one of the fastest growing costs within healthcare today. While a very small subset of patients are on specialty therapy, typically only 1-2% of the population, specialty therapy is the main driver of overall pharmacy trend. At WellDyne, managed specialty trend remained steady for the second consecutive year, with a 0.2% decrease in trend noted for 2019.

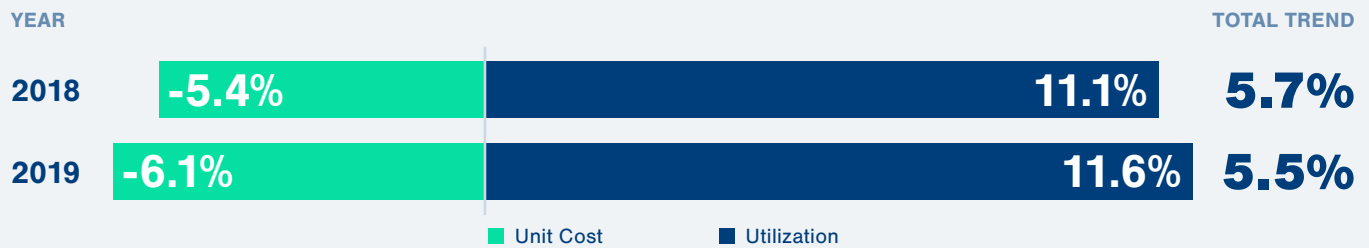
Utilization continues to be the largest driver of specialty trend. An 11.6% trend in specialty utilization was largely mitigated by a -6.1% unit cost trend. Inflammatory conditions continued to dominate, with a double-digit increase in utilization. This is not surprising due to all the agents now available for treatment of inflammatory disease states such as psoriasis, rheumatoid arthritis and psoriatic arthritis.

Two other top classes that predominantly treat specialty disease states, oncology and multiple sclerosis, experienced negative trend. This was driven by negative unit cost attributed to expanded use of generic agents in the class and predominant use of first-line therapies. New agents for treatment of multiple sclerosis, Mayzent and Mavenclad, that became available in 2019 may impact next year's drug trend and move this category up in rank.

Specialty spend across the WellDyne book of business accounts for 39.8% of overall drug spend, which has steadily been increasing over the last several years across the industry. WellDyne and our wholly-owned specialty pharmacy, US Specialty Care, continue to work to improve care and reduce costs through the use of indication-based formularies, generic dispensing, medical rebates, channel management and WellAssist to keep drugs affordable for plan sponsors and patients.

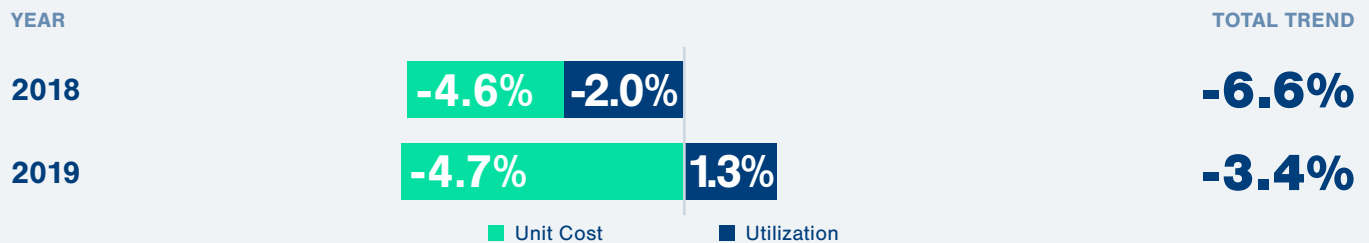
## WellDyne Specialty Drug Trend

2018 vs. 2019



## WellDyne Traditional Drug Trend

2018 vs. 2019



## Traditional Trend Analysis

Traditional drugs experienced an increase in utilization compared to 2018. However, these increases in utilization were mitigated by continued negative trend in unit cost due to drug mix. Fueled by both an 86.9% generic dispensing rate and a change in drug mix due to WellManaged Generics, unit cost trend for traditional drugs was -4.7%. Expanded client adoption of WellManaged Generics and our Hyperinflationary Drug Program also mitigated increases in unit cost.

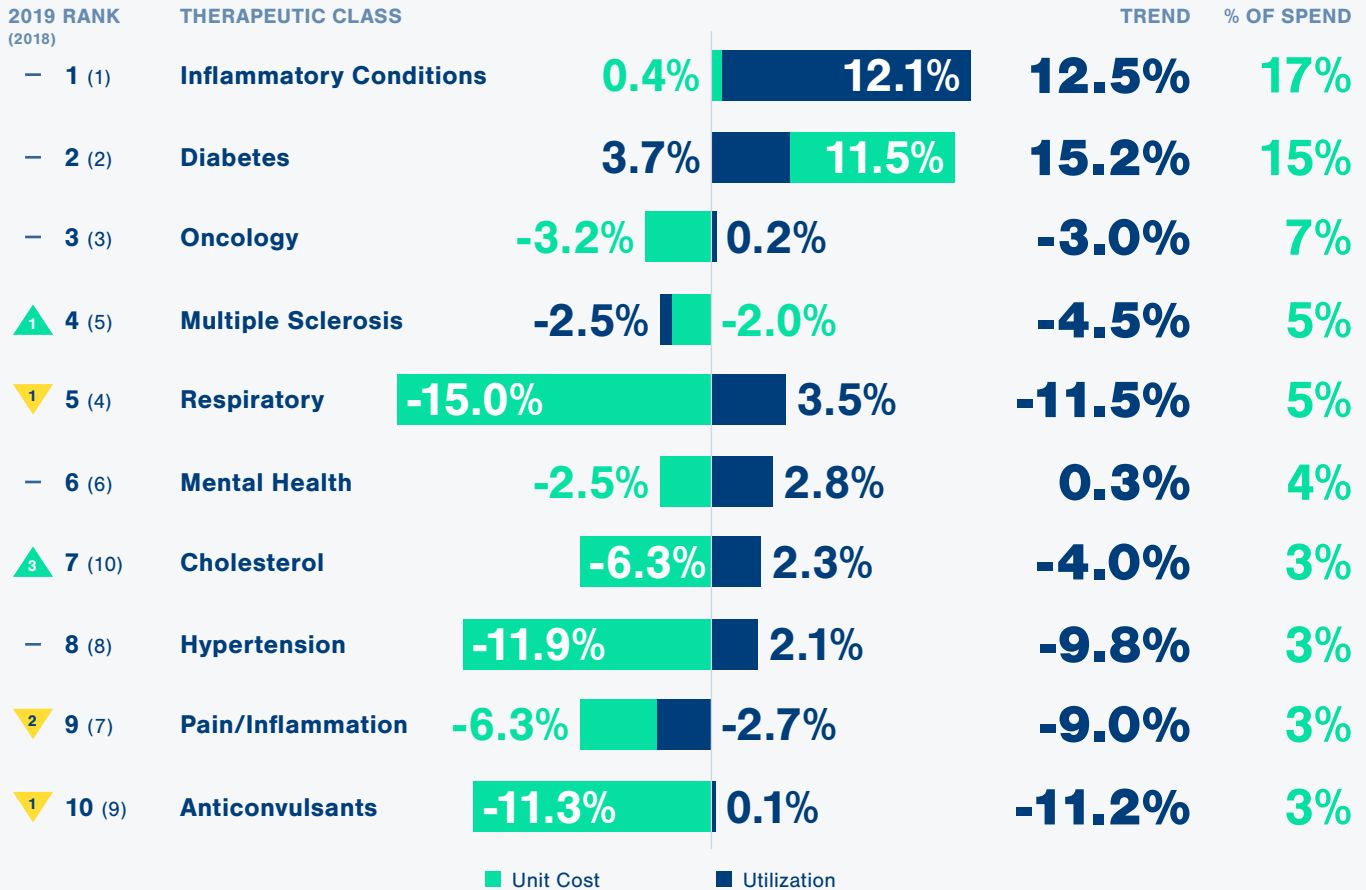
In addition, generic Lyrica (pregabalin – commonly used to treat neuropathic pain or seizures) first became available in the second half of 2019, and generic Cialis (tadalafil – to treat erectile dysfunction) became generic in the 4th quarter of 2018, which further contributed to lower unit cost due to their broad utilization.

## Generic Dispensing Rate (GDR)

2018 vs. 2019

2018	85.9%
2019	86.9%

## 2019 Top Ten Therapeutic Classes SPECIALTY AND TRADITIONAL COMBINED



- By far the largest utilization trend driver was seen in inflammatory conditions at 12.1%. In addition to several agents newly available in this class, such as Skyrizi (to treat psoriasis) and Rinvoq (to treat rheumatoid arthritis), the class has expanded with a number of new patients not previously treated.
- Unit cost inflammatory conditions trend remained relatively flat at 0.4% despite average wholesale price (AWP) increases for several agents in the class. The WellDyne indication-based formulary increased the utilization of preferred agents in this class by 3%, further mitigating unit cost increases.
- Multiple sclerosis and oncology round out the top categories that are predominantly specialty. It is

anticipated that these categories will continue to grow based on new indications and new drugs in the pipeline.

- A 27% increase in the generic dispensing rate for Copaxone was achieved and helped drive decreased spend on brand Copaxone. We anticipate further movement to the generic versions will result in improved costs with the same clinical outcomes.
- Diabetes continues to be a top trend driver, comprising 15% of overall drug spend – almost as much as inflammatory conditions. Of the 34 million estimated patients with diabetes in the US, only 80% know they have the disease.<sup>2</sup> Diabetes will continue to be a significant trend driver and the appropriate clinical management of these individuals will be critical to reduce overall healthcare costs.



## Achieving Low Net Cost

### Clinical Focus Formulary

In 2019, clients on the Clinical Focus formulary experienced a 6% lower PMPY than clients on our Open Access formulary. With targeted exclusions in therapeutic areas, along with innovative Indication-Based Formularies for key specialty disease states, clients on this formulary were able to mitigate the increases in utilization in specialty disease states without having runaway increases of drug costs.

**6% lower PMPY with exclusion-based formulary**

### WellManaged Generics

Our WellManaged Generics program innovates on the principles of step therapy. Rather than listing all generics as first line, WellDyne identifies targeted first-line generics in commonly utilized therapeutic categories, such as high blood pressure and cholesterol, that are more cost-effective but clinically equivalent to other generic therapies. As a result, clients who implemented the WellManaged Generics program experienced an 11% lower PMPM in targeted generics than those who did not.

**11% lower PMPM with WellManaged Generics**

### Hyperinflationary Drug Program

WellDyne's hyperinflationary program, which focuses on eliminating waste of healthcare dollars for medications that are egregiously overpriced with no additional clinical benefit, significantly impacted client results. Clients who newly implemented the program in 2019 reduced their spend in hyperinflationary drugs by 80%, despite a grandfathering approach by some plans. In addition to reductions in spend, denial of drugs in the hyperinflationary program drove cost-avoidance savings of \$2.76 PMPM.

**80% decrease in spend with Hyperinflationary Drug Program**

### WellManaged Diabetes Program

Diabetes was the number two trend driver across the WellDyne book of business, with a 15.2% trend. The cost mitigation elements of our WellManaged Diabetes program helped drive a 0.2% drug spend trend from 2018 to 2019 for one of the largest clients in our program. Overall, clients with our diabetes program had a 3.5% lower diabetes trend than clients without the program.

**3.5% lower diabetes trend in WellManaged Diabetes Program**

# Better Engagement

**We understand that medication decisions made by members and physicians drive overall healthcare costs for our clients. WellDyne engages at an individual level, using both high-touch and high-tech approaches, committed to helping members take ownership of their health.**

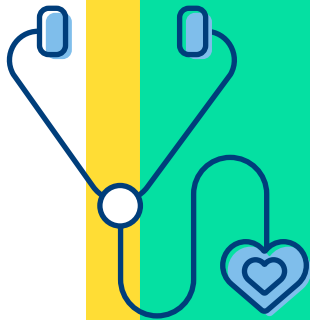
Our commitment to helping patients remain on first-line therapy helps drive our success in achieving low net cost and managing pharmacy trend. In addition to clinical utilization management programs, keeping patients on first-line therapy is achieved by proactive physician and patient engagement.

## Physician Engagement

Physicians may decide to escalate therapy to a higher cost or more invasive product, unaware the patient has not been adherent to the currently prescribed medication. For a variety of complex reasons, some patients may be reluctant to disclose when they have not been compliant to therapy. At WellDyne, we share adherence data with physicians to ensure the prescriber has a complete picture of the patient situation before we approve a therapy escalation to a higher-cost product.

We take a collaborative approach and share patient adherence data with physicians when we intervene in planned therapy escalations. Leveraging patient prescription history offers multiple benefits, including:

- Achieves savings for the plan and/or the patient
- Reduces unnecessary cost and prevents waste in the healthcare system
- Delays use of more expensive or more invasive therapies – preserving more therapy options if the patient's condition deteriorates
- Allows meaningful intervention by WellDyne and the prescriber to help patients overcome barriers to medication adherence



## Top Reasons We Engage Physicians

- Share adherence data before approving planned therapy escalation
- Encourage switch to more cost-effective medication
- Optimize therapy, including dosing schedule and combination drugs

## Patient Engagement

A one-size-fits-all approach to patient engagement does not work. At WellDyne, we build supportive relationships with patients when 1:1 interaction is needed for complex scenarios around new therapy starts, adherence support, side-effect mitigation and managing multiple medications.

We supplement these personal interactions with engagement tools that deliver just-in-time resources

and information to help patients understand their disease and make good decisions regarding their care.

WellConnect, our patient texting tool, turns text messages into positive actions. Using the communication method most consumers prefer, we provide personalized, timely and actionable updates to support patients.

## Why We Text Members

- Cost savings on medications
- Disease education
- Medication adherence support
- Health tips and reminders

TEXTING INCREASES PATIENT ENGAGEMENT

**48% of WellDyne members take action on savings opportunities presented via text.**

# Engaging Patients with Quality of Life Surveys

WellDyne collects Patient Reported Outcomes (PROs) from patients to get their input regarding how their conditions and medications are affecting their quality of life. Not only do we collect PROs – we review the data to glean insight into how well patients are managing on therapy and identify ways to better support them.

## Multiple Sclerosis Patient Story



### SURVEY TOOL:

We ask MS patients to complete the Multiple Sclerosis Quality of Life survey (MSQoL-54) twice per year. Survey data are analyzed by WellDyne pharmacists to assess status and focus on significant changes from previous results.



### PATIENT:

Susan\*, 51-year-old female  
First diagnosed with MS in 2017

**“ I was frustrated and thought I was just going to have to live with these new issues. ”**



### CLINICAL SITUATION:

Susan reported a significant decrease in her physical function and energy levels on her third survey. She was having trouble completing moderate activities, such as pushing a vacuum cleaner or moving a table, as well as lifting or carrying groceries. She reported feeling worn out and not having a lot of energy – a significant change for her.

Susan's limitations were likely associated with her medication – an interferon – known to cause fatigue and flu-like symptoms. A WellDyne pharmacist specialized in multiple sclerosis therapies contacted Susan to look for ways to help.

- Susan thought she was “just going to have to live with these issues” before talking to our pharmacist.
- Our pharmacist contacted her physician to discuss her treatment and share survey feedback.
- Her physician decreased her dose to alleviate side-effects, while still managing the disease.



### OUTCOME:

#### Better Patient Engagement

- Better understanding of disease
- Medication adherence likely to continue
- Symptoms alleviated with lower dose
- Improved physical function and energy score

\*Name has been changed to preserve patient confidentiality.



**“Asking patients like Susan for their input engages them to participate in their care. Patient engagement is foundational to improve outcomes and control costs.”**

**Patty Taddei-Allen**  
Sr. Director, Clinical Analytics

### **Q What are Patient Reported Outcomes (PROs)?**

**A** Patient Reported Outcomes (PROs) differ from biomarkers in that they are a subjective measure directly reported by the patient – without interpretation by a member of the healthcare team. They typically reflect the patient’s perspective on their health, quality of life or functional status. Survey tools are used to collect PROs from our specialty patients who are dealing with complex medical conditions.

### **Q Why are they important in patient care?**

**A** Surveys are a tool we use to identify patients who, despite being treated optimally from a physiological standpoint, are experiencing significant issues and may be at-risk for non-compliance. By looking at holistic measures, such as quality of life and symptom control, we can help patients manage their concerns and maintain high levels of treatment adherence.

### **Q Do all specialty pharmacies use PROs?**

**A** Although other programs may collect PROs, many times they do not have a process to review and incorporate them into ongoing clinical care. At WellDyne, our review of PROs helps us identify patient-related barriers to medication adherence and modify our approach to patient care by tailoring treatment based on their input.

### **Q How is patient input used to improve outcomes?**

**A** Insights gleaned from patient surveys are shared as part of the collaboration and ongoing communication we have with providers. Sharing survey results with other members of the treatment team creates an interdisciplinary approach to specialty pharmacy. Patients are more likely to engage in their healthcare and have better overall treatment outcomes when their perspective is valued.

# Better Care

**Few things are more personal than our health. Each individual brings unique history, experiences and characteristics as they confront healthcare choices. At WellDyne we focus on the person, treating every member in a holistic manner based on that individual's specific circumstances.**

Medication adherence is paramount to ensuring appropriate management of disease states and driving down total healthcare costs. Unfortunately, across the United States, medication adherence continues to be suboptimal, with estimates as high as \$300B in additional annual healthcare expenditures attributed to patients not taking their medications as prescribed.<sup>3</sup>

Improving medication adherence should be a critical focus of every pharmacy benefit manager. Studies show that adherence rates tend to drop after the first six months of therapy, when patients start to “settle” into their disease state. As a result, assessment and counseling regarding adherence should be done with every patient interaction, not only at the beginning or with a change of therapy.

## **Adherence rates tend to drop after the first six months of therapy.<sup>4</sup>**

In WellManaged Programs, our clinical pharmacists optimize patient medication regimens up to 20% of the time. This is completed by a thorough clinical assessment and holistic approach to patient care.

To achieve industry-leading levels of medication adherence for our specialty and chronic care patients, WellDyne uses a patient-centric approach to deliver high-touch and high-tech support. We offer a variety of different avenues for patient outreach to let patients choose their preferred method to connect. Whether it's via phone, video chat or text, we support patients on their health journey.

# 93.5% WellDyne Specialty Medication Adherence Rate in 2019

DISEASE STATE	ADHERENCE*
Rheumatoid Arthritis	92%
HIV	96%
Psoriasis	92%
Multiple Sclerosis	95%
Oncology	90%
Crohn's Disease	93%
Psoriatic Arthritis	92%
Hepatitis C	97%

National treatment guidelines for diabetes help improve quality and consistency of care – while also impacting drug utilization trend.

- Lantus is no longer one of the top 5 drugs utilized to treat diabetes, as it was knocked out by Jardiance, an SGLT2. National treatment guidelines over the last several years demonstrate superior cardiovascular and renal outcomes associated with SGLT2s for many patients with diabetes.
- There was a 15% increase in the utilization of both GLP1 and SGLT2 agents, while there was a 4% reduction in the utilization of DPP4s and insulin. This change was expected given the national treatment guidelines with a recommendation for use of these classes of medications after patients are optimized on metformin.

\*WellDyne uses proportion of days covered (PDC) as our preferred measure of medication adherence, with 80% PDC as a benchmark for optimal adherence.

Better Care...

## Means Better Control of Disease

### Better Disease Control for Siblings with Diabetes

As part of our WellManaged Diabetes program, we identified teenaged siblings with type 1 diabetes who were each testing approximately 14 times/day with finger-stick tests that required a drop of blood to run the glucose test. As such a high daily testing rate indicates poor disease control, the WellDyne pharmacist, a certified diabetes educator (CDE), contacted the siblings and parents for a counseling session.

As both teenagers led an active lifestyle, the pharmacist recommended optimizing the timing and dosages of their long-term and short-term insulin to help control blood sugar extremes and worked with the physician to improve the insulin regimen.

Disease  
Education



Lifestyle  
Coaching



Improved Blood Sugar Control  
Decreased Testing



Improved  
Quality of Life

Better Care...

## Means Improving Clinical Outcomes

### Closing Gaps in Diabetes Care for a Large Employer

A government employer with more than 12,000 lives wanted to provide enhanced education and clinical support for their members living with diabetes – approximately 10% of the people covered by their pharmacy plan.

National treatment guidelines recommend inclusion of both metformin and statin therapy in patient care plans, helping to decrease comorbidities and limit disease progression. Implementation of our WellManaged Diabetes program, powered by WellConnect, produced favorable results.

#### WellManaged Diabetes Results

**↑41%** increase in patients taking metformin

**↑20%** increase in patients on statin therapy

**↓0.8%** hemoglobin A1C reduction in uncontrolled diabetic patients vs. baseline results



Better Care...

## Means Optimized Medication Therapy

### Higher Adherence and Lower Costs for a COPD Patient

In our WellManaged Respiratory program, we identified a 57-year-old female using two inhalers for COPD treatment. Our respiratory pharmacist scheduled a patient counseling session to review her medical history, active medications and any questions.

The pharmacist advised that rather than using two separate inhalers, there was a formulary product that combined both medications into one inhaler.

The physician agreed with the recommendation by our pharmacist to change the patient's prescription and this intervention eliminated potential barriers to successfully managing her COPD.



**Improved adherence with simpler treatment and fewer doses to remember**



**Improved the ease of use with only one type of inhaler to learn and manage**



**Saved money by eliminating the monthly cost – to the patient and the plan – for the second inhaler**



**Across the US, the impact of suboptimal medication adherence on overall healthcare costs is as high as**  
**\$300 Billion.<sup>3</sup>**

# Future Trends

**With novel therapies, new drug indications, a robust pipeline and increased utilization there is much momentum fueling increases in specialty spending. Looking ahead, gene therapies and biosimilars will also impact the specialty drug landscape.**

## Digital Therapeutics

Digital therapeutics (DTx) is an emerging field with a lack of knowledge and potential misunderstandings that complicate the discussion regarding the appropriate place for digital therapeutics as part of overall treatment. In addition, the regulatory approval process for digital therapeutics is not well understood by healthcare payers, and can result in blanket exclusions that may not promote optimal clinical and financial outcomes.

As WellDyne prepares to support plan sponsors facing challenges in determining how digital therapeutics and related tools are incorporated into, or excluded from, benefit coverage, we are:

- Developing a curated list of digital therapeutics and health tools using the same evidence-based strategies we use as part of our standard formulary management approach.
- Utilizing comparative effectiveness research and pharmacoeconomic analyses to assess clinical and financial outcomes for all relevant stakeholders.
- Evaluating peer-reviewed clinical data when making digital therapeutics and health tools formulary inclusion/exclusion decisions.
- Considering patient experience with digital therapeutics and health technology as an additional important element in determining formulary placement.

## Gene Therapies

Healthcare and scientific advances have resulted in the development of gene therapies that treat rare diseases.

---

**Less than 10% of rare diseases have available treatment options and while they affect a small portion of the population, they are often debilitating and life threatening.<sup>5</sup>**

---

Gene therapies have the potential to not only treat but be curative following a one-time administration, and as such, typically command a large price premium in the market, often times reaching over \$1M for the one-time dose.

WellDyne is closely monitoring gene therapies in phase II and phase III clinical trials for treatment of Duchenne muscular dystrophy, lysosomal storage disorder MPS-III, and other rare genetic diseases that affect the eyes, brain, and immune system.

## Biosimilars

Biosimilars continue to offer the promise of reducing the high costs of specialty drugs. Although not as dramatic as the typical 80-90% price decrease seen with a generic drug over a brand, biosimilars are generally predicted to decrease specialty drug costs within a range of 20-30% over the reference product. At this time, despite approximately 28 FDA biosimilar approvals, only half of these biosimilars are available in the market.

WellDyne closely monitors the biosimilar market, with anticipated entry of the first biosimilar TNF-alpha inhibitor, an adalimumab (Humira) biosimilar, not expected to launch until 2023. There was speculation that a biosimilar for etanercept (Enbrel) would enter the market in 2020, but due to a court decision, the first Enbrel biosimilar is likely delayed to enter the market until 2029.

**Despite 28 FDA biosimilar approvals, only 14 of these biosimilars are available in the market.**

**The proportion of patients using either Truvada or Descovy for PrEP rather than HIV treatment, increased approximately **13%** in 2019 vs. 2018.**

## Pre-Exposure Prophylaxis (PrEP) Therapy

In June 2019, the US Preventive Services Task Force (USPSTF) updated its recommendations to include the addition of pharmacologic therapy for pre-exposure prophylaxis (PrEP) to HIV. The recommendation applies to people who are not infected with HIV, but are at high risk for acquiring the disease.

The Food and Drug Administration (FDA) approved Descovy in late 2019 for PrEP, and it joins Truvada as the only other medication with this indication currently available. As of January 2020, several drugs/regimens are currently being studied for use in PrEP in various stages, from phase I to phase III clinical trials, including long-acting injectable agents dosed every 8 weeks versus a daily tablet.

## Analytical Insights

- WellDyne has observed significant increases in the proportion of patients using either Truvada or Descovy for PrEP rather than HIV treatment with an approximate 13% increase in 2019 from 2018.
- WellDyne anticipates that use of PrEP will continue to increase over the next year due to the recommendations from the USPSTF and availability of generally well-tolerated medications in the marketplace.
- A generic for one of the two currently available agents, Truvada, is expected to enter the market in 4th quarter 2020. It is likely that the effect on spend due to the increase in utilization of the PrEP agents may be mitigated through the entry of an AB-rated generic.

## In the Pipeline

Currently, there are almost 30 different orphan designated drugs anticipated to be reviewed in 2020. Many of these are oncology agents, as well as agents used to treat rare diseases. In addition, WellDyne is tracking drugs in the pipeline for these common diseases:

### Ocaliva (obeticholic acid) for NASH

- If approved, Ocaliva would become the first FDA-approved therapy for the treatment of patients with liver fibrosis due to non-alcoholic steatohepatitis (NASH). NASH is a progressive liver disease caused by excessive fat accumulation in the liver that includes chronic inflammation, resulting in fibrosis that can lead to cirrhosis, eventual liver failure, cancer and death.
- NASH is preceded by non-alcoholic fatty liver disease (NAFLD). In the US, it is estimated that about 5% of adults have NASH and are at higher risk of developing cirrhosis.<sup>6</sup>

### ITCA 650 (Exenatide) for Diabetes

- If approved, ITCA 650 would be a new twice-yearly glucagon-like peptide-1 (GLP-1) agonist delivery system for maintenance therapy of patients with type

2 diabetes. The implant is a matchstick-sized osmotic mini pump delivery system that is placed under the patient's skin in the abdominal area.

### Inclisiran for Cholesterol

- Inclisiran, an investigational cholesterol-lowering therapy in the small-interfering RNA class, has demonstrated sustained LDL (low density lipoprotein) reductions with twice yearly dosing in high-risk patients with atherosclerotic cardiovascular disease (ASCVD).

### Viaskin for Peanut Allergy

- If approved, Viaskin would be the first allergen-containing transdermal patch (epicutaneous immunotherapy) for peanut allergy desensitization in children.

### GLPG0634 (Filgotinib) for Rheumatoid Arthritis

- Filgotinib is an investigational selective JAK1 inhibitor for the treatment of adults with moderate-to-severe active rheumatoid arthritis (RA). This agent has been studied across a variety of populations.

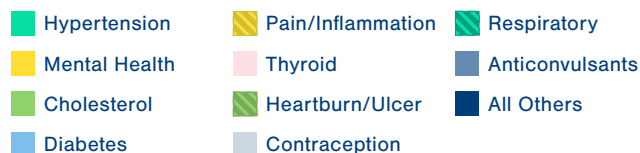
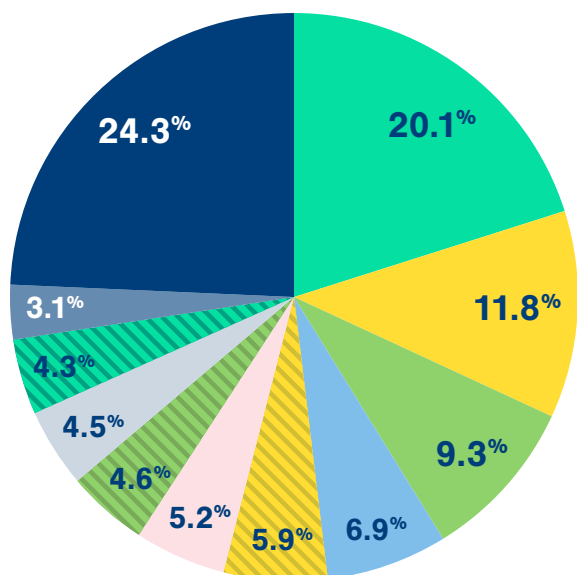


Nearly **30** different orphan-designated drugs are anticipated to be reviewed in **2020**.

# Clinical Review

## Top Therapeutic Categories

The top 10 therapeutic classes ranked by utilization in the WellDyne book of business are responsible for 75.7% of drug spend. As the less than 2% of patients taking specialty drugs are driving approximately 40% of drug spend, the vast majority of utilization in the top 10 therapeutic categories is for traditional therapies, including treatments for hypertension, mental health, cholesterol and diabetes.



## Top Drugs – By Spend

Four of the top 10 drugs ranked by drug spend are used to treat inflammatory conditions. The US spend on inflammatory conditions has quadrupled over the last 10 years, growing by approximately \$5B annually, and expected to be more than \$40B in 2019.<sup>7</sup>

### 2019 Top Drugs by Spend

2019 (2018)	TOP DRUGS	CATEGORY
1 (1)	Humira Pen	Inflammatory Conditions
2 (3)	Stelara	Inflammatory Conditions
3 (5)	Trulicity	Diabetes
4 (2)	Enbrel Sureclick	Inflammatory Conditions
5 (8)	Jardiance	Diabetes
6 (4)	Tecfidera	Multiple Sclerosis
7 (16)	Cosentyx	Inflammatory Conditions
8 (6)	Januvia	Diabetes
9 (19)	Eliquis	Anticoagulant
10 (11)	Revlimid	Oncology

WellDyne book of business

There were minor shifts noted in the top four drugs by spend when comparing rank in 2018 to rank in 2019, with greater shifts noted across drugs ranked fifth through tenth. Insights regarding what drove changes in drug rank are noted below.

### Analysis – Top Drugs by Spend

- In the top spend category, inflammatory conditions, medications predominantly used to treat psoriasis, such as Cosentyx, Tremfya and Taltz, experienced large increases, likely driven by the increase in direct-to-consumer advertising for psoriasis agents. Cosentyx moved from 16th place in 2018 up to 7th place in 2019.
- Two drugs to treat diabetes, Trulicity, a GLP-1 agonist, and Jardiance, an SGLT2 inhibitor, moved up in rank from 2018 due to changes in national treatment guidelines promoting their use after metformin. Januvia, a DPP-4 inhibitor, moved down in rank as this class of drugs does not offer the additional cardiovascular and renal benefits seen in GLP-1 agonists and SGLT2 inhibitors.
- Eliquis, an anticoagulant, jumped 10 spots from rank 19 to rank 9 in 2019. This was driven by changes in national treatment guidelines promoting the use of these agents over warfarin for many indications.

## Top Drugs – By Utilization

There were few changes to the most-utilized drugs from the previous year. Most patients with hypertension are on multiple drugs, which contributes to the large number of drugs in the top 10 used for treatment. Atorvastatin continues to lead the top drugs for utilization, due to its inexpensive cost and vast clinical evidence to decrease risk of heart attack and stroke.

### 2019 Top Drugs by Utilization

2019 (2018)	TOP DRUGS	CATEGORY
1 (1)	Atorvastatin	Cholesterol
2 (3)	Levothyroxine	Thyroid
3 (5)	Lisinopril	Hypertension
4 (2)	Amlodipine	Hypertension
5 (8)	Losartan	Hypertension
6 (4)	Metformin	Diabetes
7 (16)	Omeprazole	Heartburn/ulcer
8 (6)	Montelukast	Respiratory
9 (19)	Metoprolol Succinate ER	Hypertension
10 (11)	HCTZ	Hypertension

WellDyne book of business

## End Notes

### Data Methodology

Trend: Represents change for Total Costs PMPY (total plan and member pay) for 2019 from 2018 for WellDyne's commercial book of business and is net of rebates.

Unit Cost: Represents the change in Total Cost per day supply, year over year, net of rebates by plans.

Utilization: Represents the change in days supply PMPY, year over year.

Note: Plans were excluded if they were not clients for all of 2018 and 2019 or if they had 100% or 0% copayment benefits. Minimum essential coverage (MEC) clients were also excluded. In most cases, results are rounded down to one decimal for easier reading.

### References

1. FDA.gov. "Novel Drug Approvals for 2019." <https://www.fda.gov/drugs/new-drugs-fda-cders-new-molecular-entities-and-new-therapeutic-biological-products/novel-drug-approvals-2019> Accessed January 30, 2020.
2. CDC.gov. "National Diabetes Statistics Report." <https://www.cdc.gov/diabetes/data/statistics/statistics-report.html> Accessed January 30, 2020.
3. NACDS.org. "The Cost of Medication Non-Adherence." National Association of Chain Drug Stores, 20 April 2017. <https://www.nacds.org/news/the-cost-of-medication-non-adherence/> Accessed January, 30, 2020.
4. Brown M, Bussell J. Medication Adherence: WHO Cares? *Mayo Clin Proc.* 2011 Apr; 86(4): 304-314.
5. Globalgenes.org. "Rare Facts." <https://globalgenes.org/rare-facts/> Accessed April 1, 2020.
6. Liverfoundation.org. "NASH Definition & Prevalence—American Liver Foundation." <https://liverfoundation.org/for-patients/about-the-liver/diseases-of-the-liver/nonalcoholic-steatohepatitis-information-center/nash-definition-prevalence/> Accessed April 1, 2020.
7. IQVIA MIDAS data, August 2019.





## Our **Mission**

To be the disruptive force that drives meaningful change within pharmacy services.



## Our **Vision**

To fulfill the essential promise of pharmacy care and help people live to their healthiest, happiest and fullest potential.

## Our Values

### Curiosity

We ask questions, listen and seek to identify ways to make things better.

### Courage

We are change agents who are willing to speak up and challenge the status quo.

### Compassion

We are in a people business and want to help make things better.



For more than 25 years, WellDyne has leveraged deep clinical expertise to achieve better outcomes and reduce pharmacy trend for healthcare payers. Knowing that medications are among the safest, easiest and lowest cost treatments to help people live their best lives – we believe a smarter approach to the delivery of PBM services unleashes the full power of medications to reduce future healthcare costs. **Visit [WellDyne.com](http://WellDyne.com) to learn more.**



