

Tighten *the* Valve

UNDERSTANDING THE SPECIALTY DRUG PIPELINE

The proliferation and utilization of specialty drugs is the *major cost and profit driver* in the pharmaceutical industry. Below is an in-depth illustration of the current state of the pharmaceutical market, employer exposure and potential levers to *combat these costs*.

Key Drivers: \$2 TRILLION PIPELINE WITHIN 10 YEARS



Patent expirations + increased generic utilization = manufacturers find more profitable alternatives



Price inflation is growing at **double-digit rates**



Higher cost distribution: hospitals, infusion centers, etc.

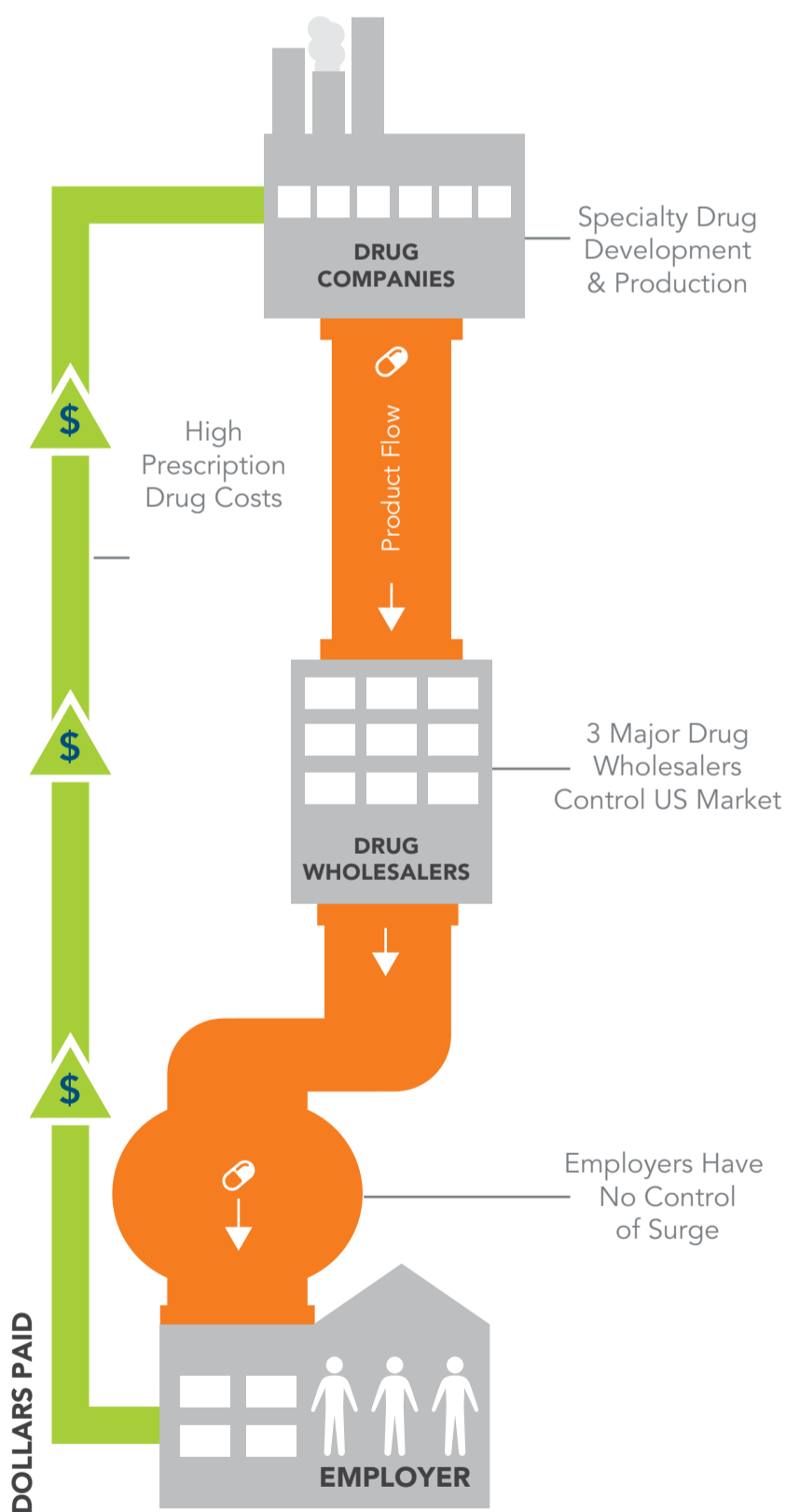


Growing interest in **personalized medicine**

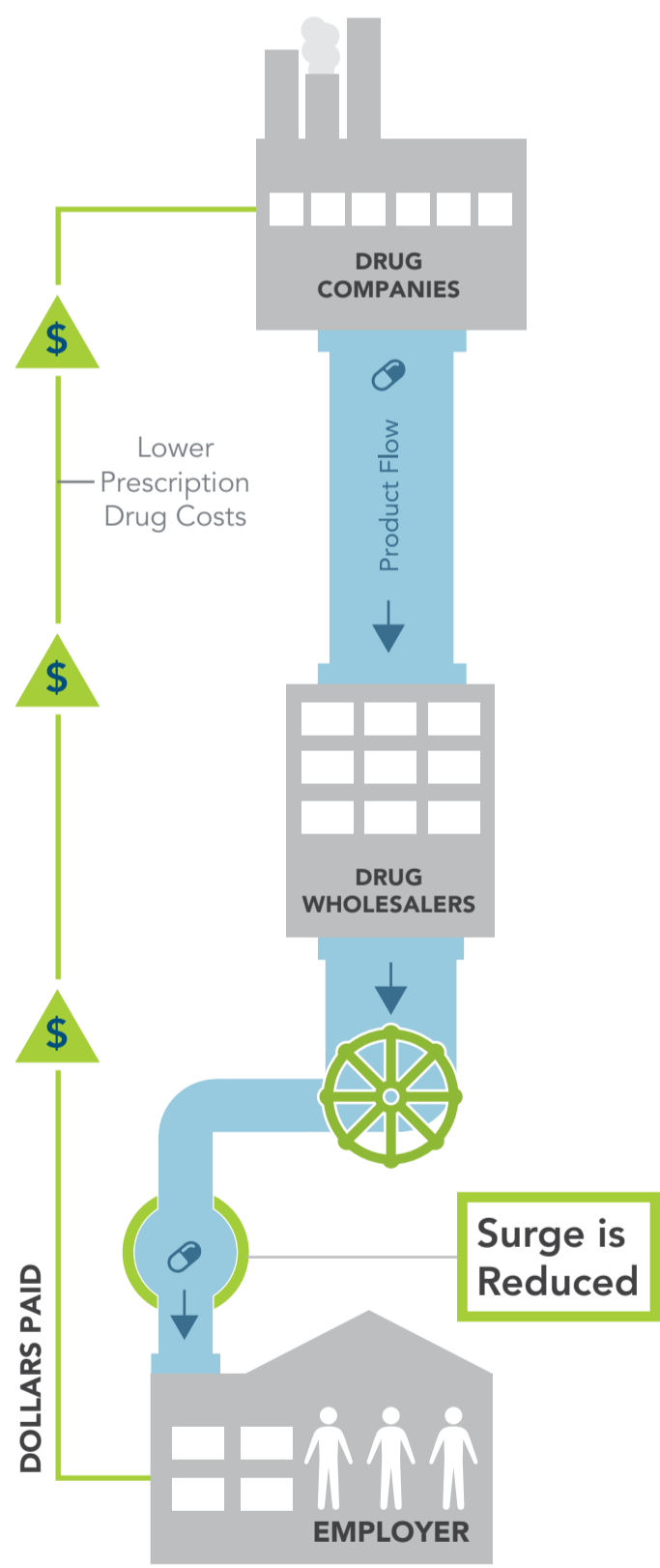


Breakthrough therapies with little or **no competition**

PROBLEM UNMANAGED



PROBLEM MANAGED



Tighten *the* Valve

FIVE WAYS EMPLOYERS CAN CONTROL THEIR PHARMACY SPEND:



Provider reimbursement & management



Distribution services



Benefit design



Utilization management



Visibility Rx