



WellDyneRx
ANNUAL
DRUG
TREND
REPORT

2018

Every Little Thing Brings
BIG OUTCOMES.



full-service independent Pharmacy Benefit Manager

Over the past year, we've seen several pharmacy benefit managers (PBMs) merge with large medical carriers. WellDyneRx, however, remains independent and focused on meeting our clients' goals. By contracting directly with us, our clients gain absolute insight into pharmacy claims data, reporting metrics, and true costs. We're committed to providing programs that reduce plan spend, drive adherence, and improve outcomes. Our data-driven solutions and clinical performance guarantees reduce risks and protect our clients' bottom line. We're continually leveraging technology, integrated data, and transparent, strategic clinical insights to offer low net cost solutions to health plans.

Our WellManaged-Formulary programs, including WellManaged- Generics and WellManaged-Preferred Brands, combined with utilization management strategies such as Hyperinflationary Drugs, prior authorization, quantity limits, and compound management, promote clinically appropriate and cost-effective drug spend.

Our WellManaged-Generics program drives utilization to preferred generics over more costly agents to achieve significant cost savings, and our WellManaged-Preferred Brands program drives utilization to preferred agents within key therapeutic categories. WellDyneRx's Hyperinflationary Drugs solution prevents utilization of egregiously overpriced drug products, and our remaining utilization management programs ensure that the right drug is given to the right patient at the right dose.

Quality outcomes through application of treatment protocols

Our WellManaged - Clinical Programs help our clients rein in drug spend while maintaining access to evidence-based care.

Geared towards boosting adherence rates, WellManaged - Clinical Programs also promote quality outcomes through application of treatment protocols. Program participants are able to engage with WellDyneRx clinicians through WellConnect, our member digital engagement solution, and receive information about their medication(s), disease state, and cost-saving opportunities. WellDyneRx staff perform outreach for high-risk patients and foster care coordination with prescribers. Our partnership with Sempre Health, a behavior-based healthcare pricing technology, allows WellManaged patients to receive additional copay savings by remaining adherent to their medication(s).

WellManaged - Clinical Programs address the following disease states and risk categories:

- » Diabetes
- » Respiratory
- » Heart Failure
- » Opioids
- » Inflammatory Conditions
- » Multiple Sclerosis
- » Hepatitis C
- » HIV
- » High Medication Utilizers

Clinical pharmacy expertise is at the core of all of our solutions, and WellManaged clients gain access to both value-based and outcomes-based rebate contracts. We offer these return-on-health guarantees because we're confident that these programs will have a positive impact on our clients' bottom line.

Components of Trend

WellDyneRx's commercial plans experienced an overall 0.3% increase in prescription drug spend in 2018, despite substantial price inflation and increased utilization of specialty drugs. Over 50% of our clients experienced negative overall trend. Specialty drug spend accounted for 36.7% of overall drug spend, which is slightly higher than last year's numbers. By 2021, specialty drugs are expected to account for almost 50% of overall drug spend in most commercial plans, based upon drugs currently in the pipeline and anticipated expanded indications for current specialty drugs.

Managed clients experienced a traditional drug trend of -6.6%, driven mostly by new-to-market generic products in highly utilized categories. Utilization decreases were largely due to expanded implementation of our Hyperinflationary Drugs and WellManaged-Generics formulary programs. Clients who implemented both of these programs saw savings between \$6 and \$12 PMPM.

The specialty drug trend for managed clients was 5.7%, largely driven by increases in utilization, which experienced an 11.1% increase over the previous year. Enhanced clinical and formulary management and new-to-market generics in key therapeutic categories, such as HIV and MS, kept specialty unit cost trend **negative** for a second year in a row.

HIV dropped off as one of the top 10 drug categories, with anticonvulsants moving up to position 9 from position 12. This is driven by new-to-market agents for treatment of rare epilepsy conditions and increased price competition amongst HIV agents, with the entry of Cimduo and Symfi.

Managed Trend

	Utilization	Unit Cost	Total Trend
Specialty	11.1%	-5.4%	5.7%
Traditional	-2.0%	-4.6%	-6.6%
Total	-1.9%	-0.3%	-2.2%

Highly managed clients achieved a **-2.2%** overall trend

Over **50%** of clients experienced a negative overall trend

The unit cost for Specialty was **negative** for a second year in a row.

2018 Top Drugs of Spend

Traditional Medications

Diabetes medications continued to dominate the top 10 category, with 60% of the top traditional drugs (by spend) all used to treat this condition.

Januvia retained its number 1 ranking and Trulicity jumped 9 spots to claim rank 2. Jardiance also made it to the top 10, replacing Invokana as the top SGLT2 medication. Novolog also claimed spots in the top traditional drug category.

Two drugs used to treat erectile dysfunction, Viagra and Cialis, dropped off the top 10 traditional drugs by spend with the entry of new-to-market generics.

Top Traditional Drugs

Drug	Category
1 JANUVIA	Diabetes
2 TRULICITY	Diabetes
3 LANTUS SOLOSTAR	Diabetes
4 JARDIANCE	Diabetes
5 LYRICA	Anticonvulsant
6 ELIQUIS	Anticoagulant
7 NOVOLOG	Diabetes
8 ADVAIR DISKUS	Respiratory
9 NOVOLOG FLEXPEN	Diabetes
10 SYMBICORT	Respiratory

2018 Top Drugs of **Spend**

Specialty Medications

Specialty medications used to treat inflammatory conditions, such as rheumatoid arthritis, psoriasis, ulcerative colitis, and Crohn's disease continued to dominate the top drug category, with 60% of the top 10 medications used to treat these conditions. Cosentyx made it to rank 10, displacing Otezla from the previous year. Stelara moved up in rank to claim the number 2 spot, swapping places with Enbrel Sureclick.

Two oncology specialty medications made the top 10 list this year, with several in the pipeline anticipated to displace other drugs currently in the top 10. Revlimid is used to treat multiple myeloma and mantle-cell lymphoma and other blood disorders known as myelodysplastic syndrome (MDS); Ibrance is most commonly used to treat breast cancer.

Utilization shifts to less costly Hepatitis C medications, such as Mavyret, knocked Zepatier from the top 10 specialty drug list. Drugs used to treat Hepatitis C did not even reach the top 25 specialty drugs by spend.



Copaxone moved down to position 7 from position 5, driven largely by utilization shifts to two generics, Glatopa and glatiramer.

Top Specialty Drugs

	Drug	Category
1	HUMIRA PEN	Inflammatory Conditions
2	STELARA	Inflammatory Conditions
3	ENBREL SURECLICK	Inflammatory Conditions
4	TECFIDERA	Multiple Sclerosis
5	IBRANCE	Oncology
6	REVLIMID	Oncology
7	COPAXONE	Multiple Sclerosis
8	HUMIRA	Inflammatory Conditions
9	ENBREL	Inflammatory Conditions
10	COSENTYX SENSOREADY PEN	Inflammatory Conditions

All of the top 10 traditional drugs and most of the top 10 specialty drugs are preferred formulary agents across our formularies, contributing to lower overall trend across our book-of-business.

Top Therapeutic Categories

Inflammatory conditions and diabetes continue to be the predominant therapeutic categories, accounting for almost 27% of all drug spend in 2018, an increase from the previous year.

The oncology therapeutic category is outpacing other therapeutic categories, with the largest overall trend amongst the categories, driven mostly by unit cost increases due to new-to-market medications and double digit list price increases.

There were 17 new oncology medications approved in 2018, and at least seven either expanded indications or new chemical entities anticipated to be reviewed by the Food and Drug Administration (FDA) in the first half of 2019. Over one-third of all specialty drugs in the pipeline are for oncology, and this therapeutic class is expected to continue making up a larger portion of the overall specialty drug spend.

The Oncology therapeutic class is expected to continue making up a larger portion of the overall specialty drug spend.

Respiratory conditions moved up in the ranking from number 5 to number 4, driven mostly by new products to market used to treat COPD. Improved delivery systems and ease of dosing medications in this class contributed to increases in utilization.

Attention Disorder dropped off the top 10 therapeutic categories, due to utilization shifts to more cost-effective generic products, and drugs used to treat seizure disorders moved into position 10 from position 12, driven largely by new medications and AWP increases. A novel mechanism of action drug class, cannabinoid-derived anticonvulsants, had its first entry into the market with Epidiolex.



Changes in drug mix, with utilization shifts away from the brand drug Copaxone to generic products, and from per month more expensive agents to less expensive agents, kept the overall unit cost negative in the MS category. This contributed to the decrease in rank from number 3 to number 5.

HIV dropped off as one of the top 10 therapeutic classes, due largely to increased price competition amongst several HIV agents with the entry of cost-effective clinically comparable agents.

Hepatitis C continues to decrease in rank of overall spend, and did not make the top 25 in therapeutic categories by spend in 2018. WellDyneRx's Hepatitis C Indication-based formulary incorporated Mavyret as a preferred agent when it entered the market, due both to its clinical and cost-effectiveness across all genotypes.

WellDyneRx's WellManaged - Clinical Programs provide solutions that target over 60% of the overall medication spend, including programs targeting the top 5 therapeutic categories: Inflammatory Conditions, Diabetes, Oncology, MS, and Respiratory.

Rank	Category	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
1	Inflammatory Conditions	13.8%	1.9%	4.9%	6.8%
2	Diabetes	13.2%	-0.4%	8.4%	8.0%
3	Oncology	6.5%	2.1%	20.1%	22.2%
4	Respiratory	5.4%	-2.6%	6.2%	3.6%
5	Multiple Sclerosis	4.9%	-5.4%	3.2%	-2.2%
6	Mental Health	4.1%	-1.5%	4.4%	2.9%
7	Pain/Inflammation	3.1%	-5.9%	-10.4%	-16.3%
8	High Blood Pressure	3.1%	-1.5%	-4.2%	-5.7%
9	Anticonvulsants	3.0%	-0.9%	10.4%	9.5%
10	Cholesterol	2.9%	-2.0%	-4.1%	-6.1%

1. Inflammatory Conditions

Inflammatory Conditions, which includes rheumatoid arthritis, psoriasis, psoriatic arthritis, ulcerative colitis, Crohn's disease, and hidradenitis suppurativa, ranked as the top therapeutic category for the second year in a row, making up almost 14% of total drug spend. The overall trend was only 6.8%, driven largely by price inflation. The unit cost trend was 4.9%, less than half the unit cost trend in 2017 for this category. WellDyneRx's Inflammatory Conditions Indication-based formulary promoted the use of preferred products based on disease state, which affected the drug mix and resulted in lower unit cost trend than inflation.

Amongst the specialty products used to treat inflammatory conditions, Humira and Enbrel continue to dominate the market share in this category. While a third biosimilar to Humira was approved by the FDA in 2018 (Hyrimoz, Sandoz), it is not expected to launch until at least 2021 or later due to settlements and ongoing litigation. The biosimilar for Enbrel (Erelzi, Sandoz) may launch in the second half of 2019, depending on litigation.

Providers continue to prescribe Humira and Enbrel to new-to-specialty treatment patients, accounting for over 50% of new starts in 2018. Overall, 85% of new starts are prescribed injectable products, with only 15% of new starts using oral agents, such as Otezla or Xeljanz XR. This is likely due to the longer time to achieve efficacy typically seen with the oral agents as compared to the injectables.

Xeljanz XR, a JAK inhibitor, experienced an increase in market share due to increasing preference for oral medications and convenient dosing, as well as an expanded indication approved by the FDA in 2018 to treat ulcerative colitis, in addition to rheumatoid and psoriatic arthritis. A new JAK inhibitor, Olumiant, was approved in 2018 for treatment of rheumatoid arthritis. A new JAK inhibitor, upadacitinib, may be approved in late 2019.

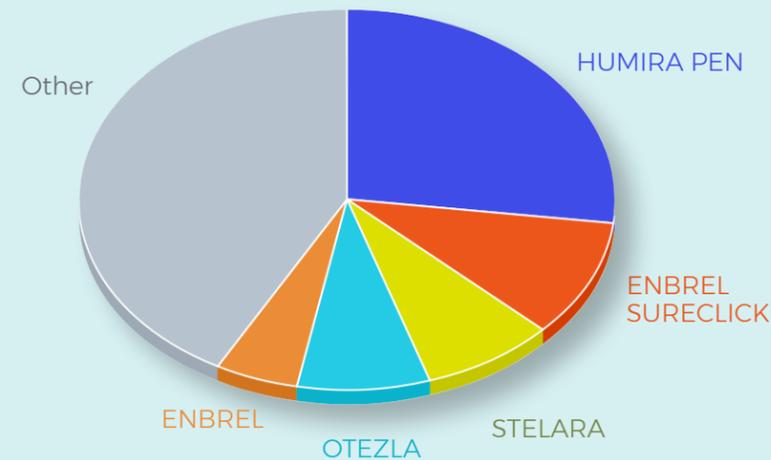
The American College of Rheumatology, which most recently released treatment guidelines for Rheumatoid Arthritis in 2015, will release updated guidelines in late 2019. It is anticipated that many of the new agents released since 2015 will be included in the updated guidelines, which will likely result in utilization shifts.

Amongst the traditional drug products used to treat inflammatory conditions, methotrexate utilization remained relatively the same, with significant increases in new-to-market generics for Lialda, mesalamine DR.

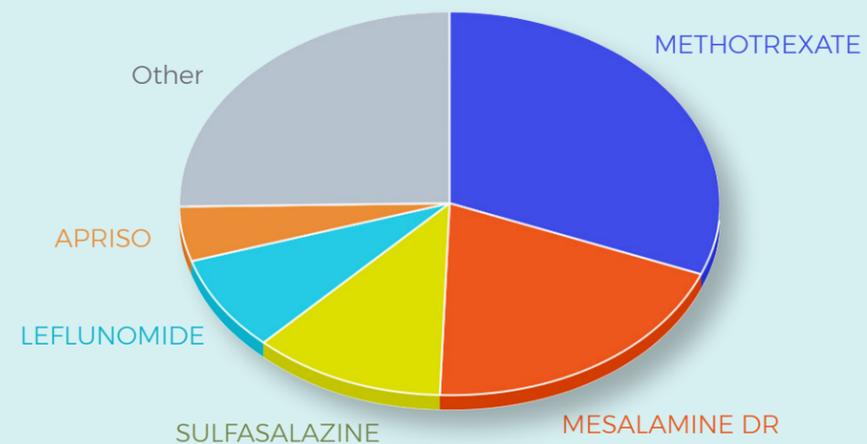
US Specialty Care (USSC), WellDyneRx's wholly-owned specialty pharmacy, boasts a 92% adherence rate for inflammatory conditions. Adherence to treatment regimens helps prevent disease progression and the need to use more expensive second and third line agents.

Inflammatory Conditions

2018 Market Share Specialty



2018 Market Share Traditional



WellDyneRx's Inflammatory Conditions Indication-based formulary promoted the use of preferred products based on disease state, which affected the drug mix and resulted in lower unit cost trend than inflation.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Inflammatory Conditions	13.8%	1.9%	4.9%	6.8%

2. Diabetes

Diabetes is the highest cost traditional drug category again with an overall trend of 8%.

Medications used to treat diabetes account for over 13% of overall drug spend, with increases driven largely by unit cost inflation. Over 30 million Americans are currently living with diabetes, and over 84 million additional Americans meet the diagnostic criteria for prediabetes. As a result, diabetes will continue to be a cost-driver for most plans for the foreseeable future.

Metformin is the most utilized class in this category, accounting for 40% of medication use, which is in line with clinical guidelines as a first line agent. Insulin is the next most highly utilized class in this category, accounting for about 18% of medication use. There have been negligible utilization changes from the previous year in these two most utilized classes.

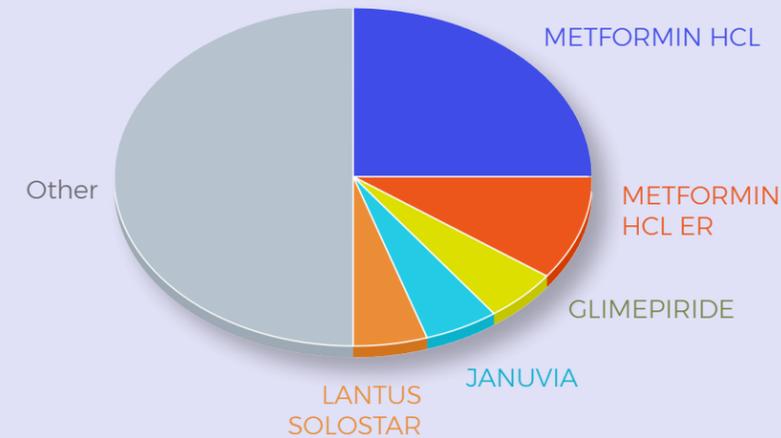
There were significant changes in utilization between drug class, with higher use of SGLT2 and GLP1, and decreasing use of DPP4s. This is likely attributable to the favorable cardiovascular and weight loss benefits of using SGLT2s and GLP1s, when compared to other drug classes in the category.

A new SGLT1/SGLT2 dual inhibitor drug, Zynquist (sotagliflozin), studied for use in type 1 diabetics along with insulin, with an anticipated review by the FDA in March 2019, may have significant impact as the first oral agent to use in type 1 diabetes.

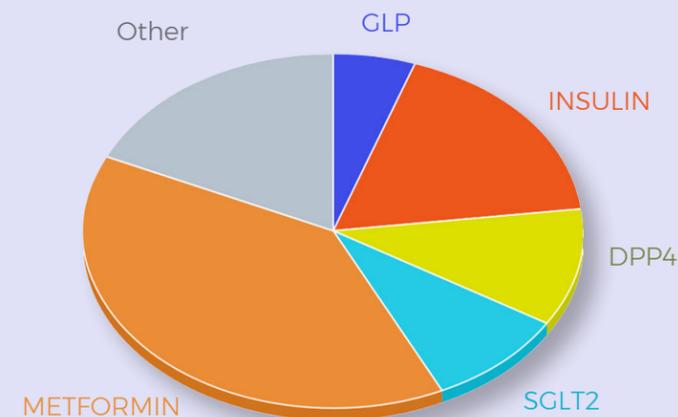
Clients participating in the WellManaged - Diabetes program experienced an overall 2.5% trend in diabetes, compared to a 13% overall trend for clients that did not implement the program. In addition to improved hemoglobin A1c values for participants in the WellManaged - Diabetes program, patients also experienced an overall **decrease** in cost share of 14.6%. Diabetic patients from plans that did not implement the WellManaged - Diabetes program experienced almost a 6% cost share increase.

Diabetes

2018 Market Share



2018 Diabetes Drug Class Utilization



Clients participating in the WellManaged - Diabetes program experienced an overall **2.5%** trend in diabetes, compared to a **13%** overall trend for clients that did not implement the program.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Diabetes	13.2%	-0.4%	8.4%	8.0%

3. Oncology

Oncology continued to rise in the ranking, from 4th place to 3rd place, with an overall trend of 22.2%. This double-digit trend is due to unit cost increases attributed mostly to changes in drug mix and slight increases in utilization. There were substantial shifts to newer, more expensive agents away from less costly agents in this category.

There were approximately 17 new chemical drug entities approved for use in oncology in 2018, with several more in the pipeline for 2019. This will affect the drug mix and likely create an increase in trend over the next several years.

Prescribing patterns and treatment guidelines are shifting towards targeted drug therapies for tumors with specific genetic markers and immuno-oncology, which leverages the body's immune system to fight cancer.

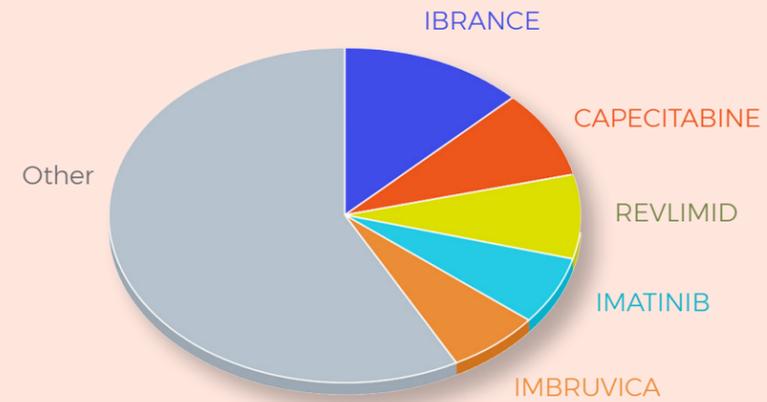
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Chimeric Antigen Receptor (CAR) T-cell Therapy is an emerging treatment option in the oncology space, which involves engineering a patient's own immune cells to recognize and attack tumors. Currently, there are two CAR-T therapies on the market with indications for types of lymphoma and leukemia: Yescarta and Kymriah. Oncologists estimate that the total cost of CAR-T therapy, including the required hospitalizations and drug costs, is likely to reach over \$1,000,000 per patient. There are several agents in various phases of clinical trials in development for treatment of additional cancer types, including melanoma, ovarian and non-small cell lung cancer.

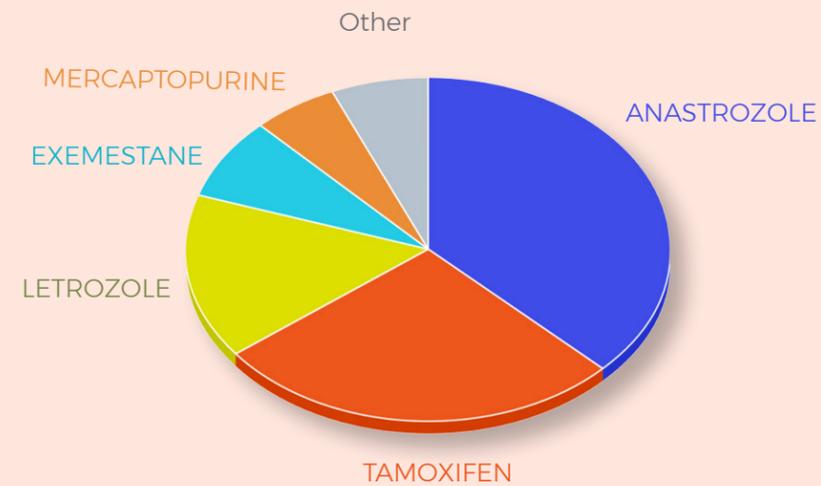
Vitrakvi was the first oncolytic agent approved for a specific type of tumor rather than a specific type of cancer. This type of tumor agnostic approach will likely continue in the future, both for new drug approvals and expanded indications of existing agents.

Oncology

2018 Market Share - Specialty



2018 Market Share - Traditional



There were substantial shifts to newer, more expensive agents away from less costly agents in this category.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Oncology	6.5%	2.1%	20.1%	22.2%

4. Respiratory

The overall trend was 3.6%, which was driven mostly by unit cost increases.

Respiratory moved up from rank 5 to the 4th most costly therapeutic category across our book of business. Ventolin, Proair, and Proventil are all brand product inhalers of albuterol. Ventolin utilization increased and Proventil decreased due to the influence of the WellManaged - Preferred Brands Program.

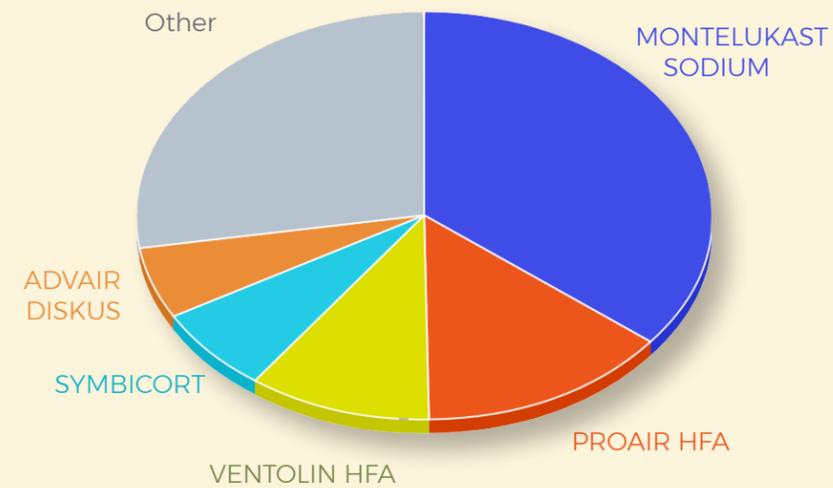
Breo Ellipta and the first triple combination product for use in COPD, Trelegy, experienced utilization increases. The largest increases in utilization were for controller-inhaled medications used in COPD vs. asthma.

There was an overall decrease in the utilization of short-acting beta agonists, also known as “rescue inhalers” and an increase in utilization of long-term controller medications. One of the goals of the WellManaged-Respiratory program is to reduce the over-utilization of rescue inhalers and improve the adherence of controller medications in both asthma and COPD.

Specialty biologics played a recent role in the treatment of severe forms of asthma. Fasenra and Xolair showed an increase in utilization compared to Nucala. In late 2018, Dupixent was approved for the treatment of moderate-to-severe asthma in patients 12 years and older. Although there are now several biologic therapies on the market for the treatment of asthma, the Institute for Clinical and Economic Review (ICER) concluded that these products have similar effectiveness to inhaled treatments, but are more expensive with few added benefits.

Respiratory

2018 Market Share



Ventolin utilization increased and Proventil decreased due to the influence of the WellManaged-Preferred Brands Program.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Respiratory	5.4%	-2.6%	6.2%	3.6%

5. Multiple Sclerosis

The overall trend for Multiple Sclerosis (MS) was negative for a second year in a row, driven largely by decreases in utilization. Ocrevus boasts significant market share based on efficacy and safety, and utilization is expected to increase in the future. However, it is usually billed under the medical benefit and not seen in pharmacy claims. It is likely that the decrease in utilization seen in this category is largely due to patients either starting, or transitioning to, Ocrevus.

Oral MS continues to dominate the overall market share, accounting for almost 55% of medication use. Tecfidera, the market share leader, and Gilenya saw slight utilization decreases, while Aubagio utilization increased.

Oral MS continues to dominate the overall market share, accounting for almost 55% of medication use. Tecfidera, the market share leader, and Gilenya saw slight utilization decreases, while Aubagio utilization increased.

New-to-treatment patients, however, predominantly start therapy on an injectable medication, at a ratio of 2:1. It is likely that most patients transition to the oral agents once they become stable on an injectable therapy.

Changes in drug mix with the increased utilization of generics for Copaxone, Glatopa and glatiramer, contributed to low unit cost increases despite significant AWP increases in the category. Several additional potential generics of Copaxone are expected to enter the market in the next two years.

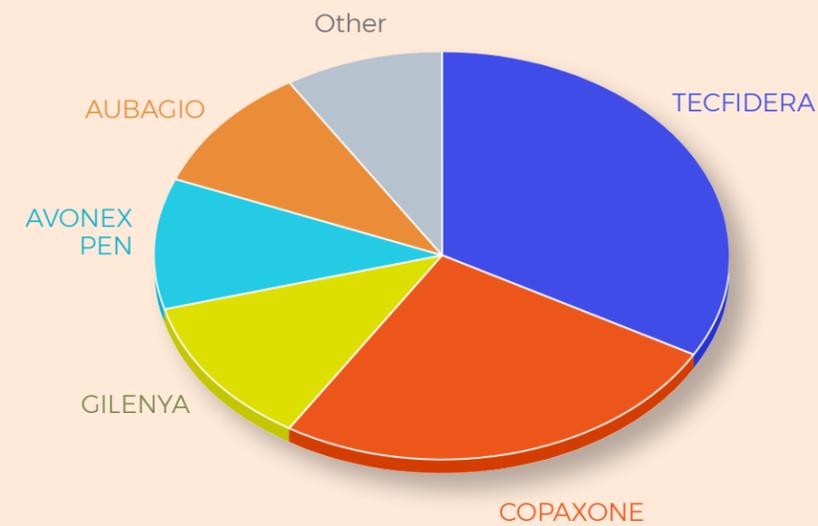
Generic competition for Gilenya could begin in August 2019, but a recent patent office determination may delay a generic launch until 2023.

Drugs with a novel mechanism of action for treatment of MS, S1P receptor modulators, ozanimod and siponimod, are likely to be approved in 2019. Siponimod will be indicated for use in patients with a severe form of MS, known as secondary progressive multiple sclerosis (SPMS), for which there are no currently approved FDA products on the market. Also, siponimod shares an efficacy profile on par with Gilenya and a safety profile that could be superior to Gilenya with no first dose bradycardia or shorter half-life.

The American Academy of Neurology released guidelines for the treatment of MS in 2018 that urged earlier initiation of disease-modifying therapies, which may result in increased utilization.

Multiple Sclerosis

2018 Market Share



Oral MS continues to dominate the overall market share, accounting for almost 55% of medication use.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Multiple Sclerosis	4.9%	-5.4%	3.2%	-2.2%

6. Mental Health

The overall trend for mental health, which includes depression and anxiety, was 2.9%, driven largely by increases in unit costs.

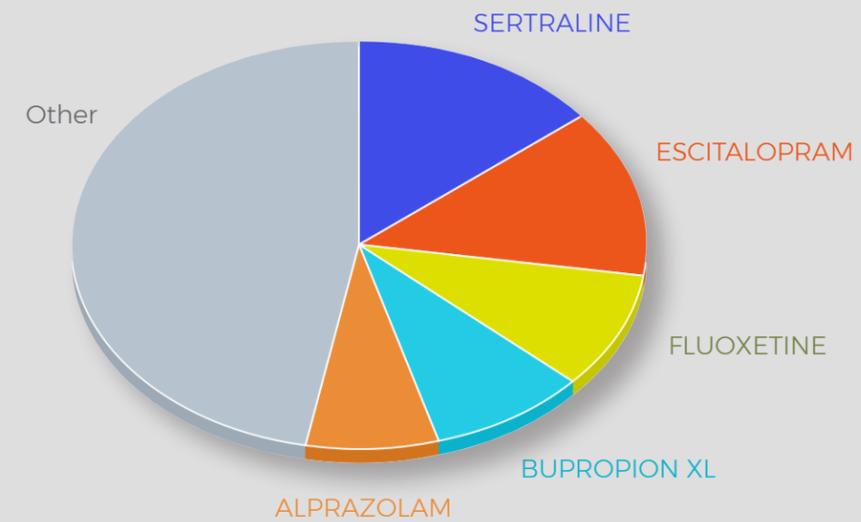
Generic drugs continue to dominate this category, and over 97% of utilization is with generic products. Many of the generic products in this category did experience significant price inflation, however, which contributed to the overall trend increase.

Among the brand products, Trintellix, Latuda, Viibryd, and Rexulti held the most market share.

New drugs in the pipeline include treatment for moderate-to-severe post-partum depression and treatment-resistant depression.

Mental Health

2018 Market Share



Generic drugs continue to dominate this category, and over **97%** of utilization is with generic products.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Mental Health	4.1%	-1.5%	4.4%	2.9%

7. Pain / Inflammation

Pain/Inflammation saw an overall negative trend of 16.3%.

Broader implementation of both the WellManaged - Opioids and WellManaged - Hyperinflationary Drug Programs contributed to substantial utilization and unit cost decreases in this category, resulting in a negative 13.7% trend.

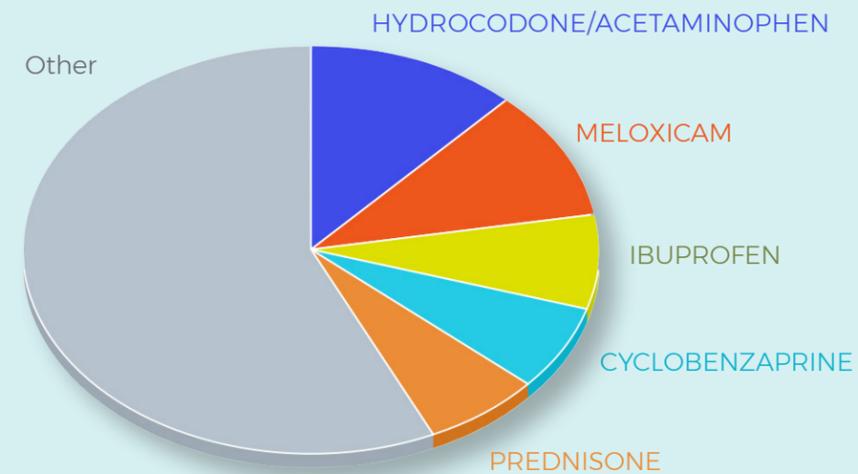
Only one opioid, hydrocodone/apap, made it to the top 5 drugs in 2018 (based on market share utilization), compared to three opioid products in 2017. Tramadol and oxycodone/apap were replaced by prednisone and cyclobenzaprine.

Continued regulatory and media scrutiny, along with utilization management programs that promote appropriate opioid prescribing, will decrease utilization of opioid products in this category, with a shift to non-opioid medications, as well as non-pharmacological therapy.

Approximately 25% of all utilization is made up of three low cost, generically available NSAIDs: meloxicam, ibuprofen, and naproxen. Expanded implementation of our Hyperinflationary Drug program prevented the use of egregiously priced products when other agents with similar clinical outcomes were available.

Pain / Inflammation

2018 Market Share



Broader implementation of both the WellManaged - Opioids and WellManaged - Hyperinflationary Drug Programs contributed to substantial utilization and unit cost decreases in this category, resulting in a **negative 13.7%** trend.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Pain/Inflammation	3.1%	-5.9%	-10.4%	-16.3%

8. High Blood Pressure

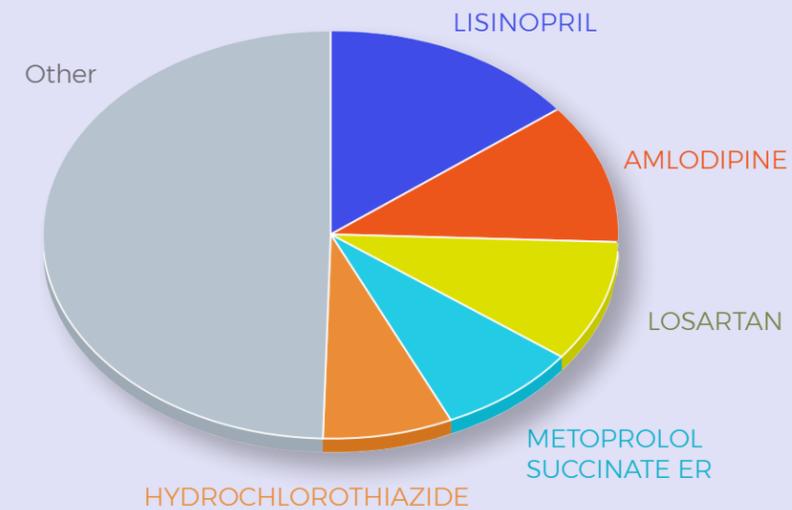
The overall trend for high blood pressure was negative 5.7%, driven largely by decreases in unit cost.

Valsartan use decreased dramatically, due to repeated recalls regarding FDA-warnings of carcinogenic material found in some generic manufacturers. As a result, utilization for losartan and other lower-cost angiotensin-receptor blockers (ARBs) increased and affected the drug mix. This, in turn, lowered the unit costs.

Generic drugs continue to dominate this category, with over 97% of utilization associated with generically available products. Among the brand products, Bystolic and Entresto are the most commonly used.

High Blood Pressure

2018 Market Share



Generic drugs continue to dominate this category, with over **97%** of utilization associated with generically available products.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
High Blood Pressure	3.1%	-1.5%	-4.2%	-5.7%

9. Anticonvulsants

Anticonvulsants moved up to position 9 in 2018 from position 12 in 2017 with an overall trend of 9.5%, largely due to price inflation.

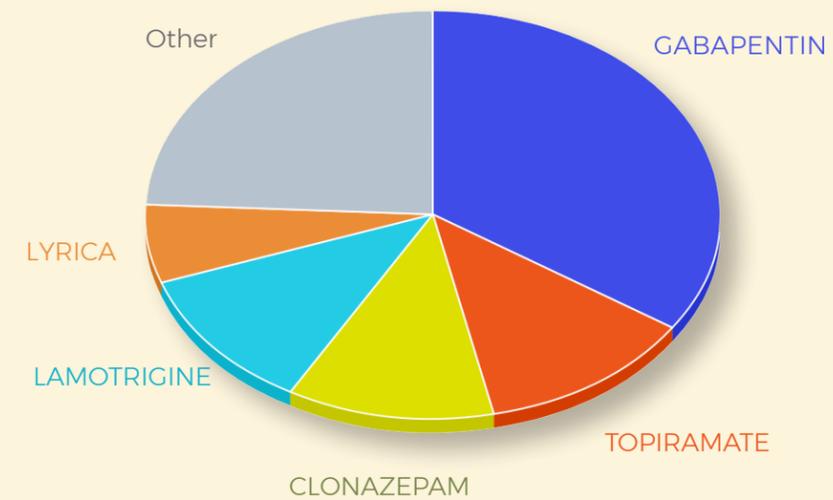
Almost 40% of drug products in this category experienced double digit price inflation.

In 2018, the first liquid cannabidiol product, Epidiolex, was approved for use in severe and rare forms of infant and childhood epilepsy, with an estimated annual cost between \$15,000 and \$32,500, based on patient weight.

While brand anticonvulsant products only represented approximately 11% of overall anticonvulsant utilization, they accounted for almost 77% of the overall spend in the category.

Anticonvulsants

2018 Market Share



Almost **40%** of drug products in this category experienced double digit price inflation.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Anticonvulsants	3.0%	-0.9%	10.4%	9.5%

10. Cholesterol

High blood cholesterol moved down a spot from the previous year to rank 10, with an overall trend of negative 6.1%, and decreases in both utilization and unit cost.

Continued erosion of brand products towards generically available agents contributed to negative trend in this disease category. The WellManaged – Formulary Programs shifted utilization to less expensive and highly potent statins, such as atorvastatin, from other agents.

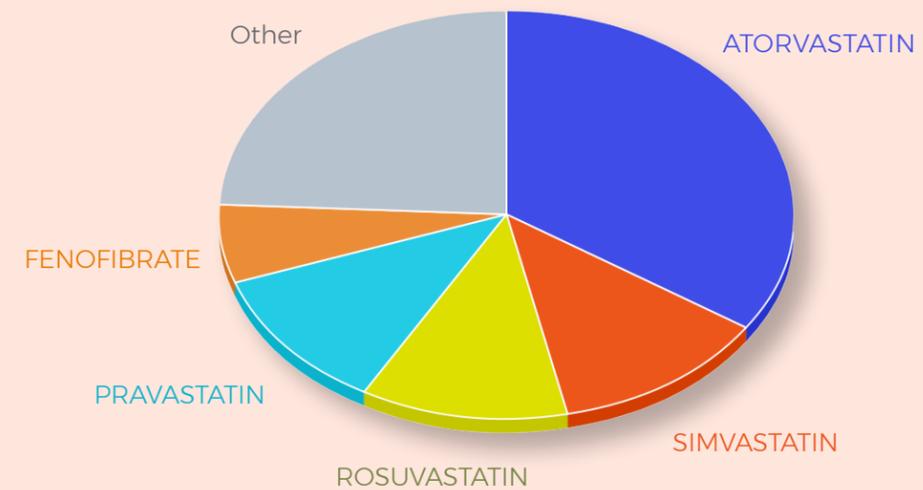
PCSK9 Inhibitors experienced negligible changes, accounting for less than 0.5% of overall market share in this category. While these agents are appropriate in high-risk patients, effective utilization management strategies kept spend clinically relevant. Also, in 2018, the manufacturer significantly decreased the list price of Repatha, a change that will contribute to future decreases in trend in this category.

There was no change in the top 5 agents by market share from 2017, with atorvastatin being the market leader, followed by simvastatin, rosuvastatin, and pravastatin. These four statin agents make up almost 80% of all utilization in this category.

In November 2018, updated cholesterol treatment guidelines were released, which addressed patients older than 75 and younger than 40 years of age, and stated that people with LDL levels of 100 mg/dL or lower tend to have lower rates of heart disease and stroke, and set an LDL goal for high risk patients of less than 70mg/dL. This will likely contribute to an increase in utilization of statin and non-statin agents in 2019 as compared to 2018.

Cholesterol

2018 Market Share



The WellManaged – Formulary Programs shifted utilization to less expensive and highly potent statins, such as atorvastatin, from other agents.

CATEGORY	% OF TOTAL SPEND	UTILIZATION	UNIT COST	TOTAL
Cholesterol	2.9%	-2.0%	-4.1%	-6.1%

Recap

of **Traditional** Clinical Programs

Clients who implemented the WellManaged - Diabetes Program experienced only a 2.5% overall diabetes trend, compared to a 13.2% diabetes trend for non-participating clients. Additionally, hemoglobin A1c levels (a measure used to monitor diabetes patients' response to therapy) and medication adherence to therapy improved for members who were part of the program. Over half of the uncontrolled diabetic patients at baseline experienced an average 1.4% A1c reduction. **Aggressive formulary management and use of appropriate clinical pathways, combined with increased provider communication and collaboration, improved both clinical and financial outcomes.**

WellManaged - Diabetes Program clients experienced only a **2.5%** overall diabetes trend

Since 2014, the WellManaged - Opioids Program has helped clients mitigate inappropriate opioid use while maintaining appropriate access to medications used to relieve pain. **While the WellManaged -Opioids Program is not designed to be a cost-containment program, clients with this solution experienced a negative 16% overall trend in opioid spend.** Additionally, clients



continued to see significantly lower rates of chronic and high-risk opioid utilizers ($p < 0.001$) compared to clients who chose not to implement the WellManaged - Opioids Program.

WellDyneRx's formulary and utilization management strategies are continuously evaluated and updated by our clinical staff. By offering multiple formularies, we provide choices to meet our clients' diverse needs and stay current in a dynamic marketplace. From minimizing member disruptions to aggressively reducing costs, WellDyneRx's formularies reflect our clients' priorities—keeping costs low and quality of care high.

WellManaged-Formulary Programs work with a plan's formulary to drive utilization of clinically proven and cost-effective drugs. By encouraging members to use a preferred generic drug instead of a higher cost generic or brand medication, this program lowers drug spend without compromising quality of care. **As a result, the Generic Dispensing Rate (GDR) increased from 84.9% in 2017 to 85.9% in 2018, which translates into approximately \$4.80 PMPM in savings.** This rise in GDR was driven by new-to-market generics and expanded adoption of our WellManaged - Formulary Programs into plan formularies. In addition, our Hyperinflationary Drug Program continues to have a positive effect on trend. Drugs that meet the program criteria for exclusion are added to the list on an ongoing basis. **In 2018, we were able to reduce utilization of hyperinflationary drugs by almost 42%, resulting in approximately \$1.07 PMPM savings from the previous year.**

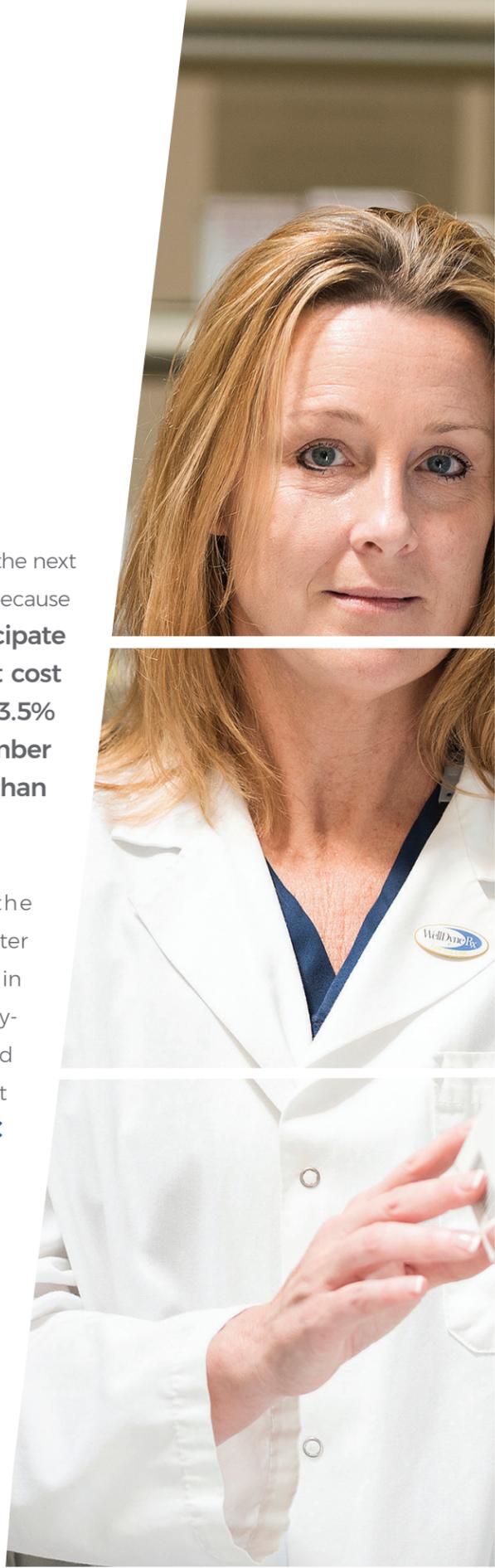
Clients who implemented two or more programs had a negative 0.3% unit cost trend, compared to a 4.4% unit cost trend in clients who implemented one program or less.

Recap

of **Specialty** Clinical Programs

Specialty pharmaceuticals will continue to drive overall drug spend over the next several years, not only due to new medications in the pipeline, but also because of expanded indications for these medications. **Clients who participate in our Intercept program experienced a negative 5.5% unit cost trend within specialty medications, compared to a positive 3.5% unit cost increase in non-Intercept clients. In addition, member cost shares within the Intercept program were 70% lower than plans that did not participate in Intercept.**

According to the World Health Organization, increasing the effectiveness of adherence interventions may have a far greater impact on the health of the population than any improvement in specific medical treatments. US Specialty Care (USSC) drives industry-leading medication adherence rates with exceptional patient and provider support. Winner of the 2017 Specialty Pharmacy Patient Choice Award™ and a finalist in 2018, **over 89% of all of all USSC patients are adherent to their medication regimens, with overall adherence rates higher than 90% for the most expensive and utilized categories. These include Inflammatory Conditions (92% adherence rate), Multiple Sclerosis (92% adherence rate), and HIV (95% adherence rate).** Our proven approach to drive medication adherence, identify and intervene on treatment issues, and improve provider care coordination through multiple touchpoints bolsters the percentage of patients who are adherent with their complex treatment regimens.



Traditionally, healthcare was measured using biomarkers associated with improvements in disease state. Over the past several years, however, a greater focus is shifting to incorporate patient-reported outcomes (PROs) into the overall measurement of healthcare performance. There are patients who are optimally being treated physiologically, but when looking at holistic measures, such as quality of life or symptom control, the patient may become non-compliant and therefore will not benefit from the physiological benefit of the medication used to treat disease. PROs differ from biomarkers in that they are a subjective measure that is directly reported by the patient without interpretation by a member of the healthcare team. They typically are associated with the patient's perspective of their health, quality of life, or functional status as a result of health care.

USSC began incorporating PROs into its **WellManaged - Multiple Sclerosis (MS)** program in early 2017, and, in 2018, these measures were incorporated into the **WellManaged - Rheumatoid Arthritis** and **WellManaged - Migraine** programs.

In response to member feedback, USSC also implemented WellConnect technology in 2018, to deliver personalized healthcare journeys to its patients. This technology enables the pharmacy to enhance its relationship with patients and influence their behaviors. From medication refill reminders to disease information, the WellConnect messaging system allows USSC staff to send secure communications to patients related to their drug therapy. To date, over half of USSC members actively use this service with more patients signing up each day.

Methodology

Trend: Represents change for Total Costs PMPY (total plan and member pay) for 2018 from 2017 for WellDyneRx's commercial book of business and is net of rebates.

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

About WellDyneRx

WellDyneRx is a full-service independent Pharmacy Benefit Manager (PBM) that makes the little things matter for its clients, employees, partners, and members. We leverage integrated data and cutting-edge analytics to deliver transparent, low net cost solutions to our clients. Our highly-targeted pharmacy programs focus on expensive therapeutic categories to balance optimal clinical outcomes with minimized plan costs. Our award-winning, wholly-owned specialty pharmacy, US Specialty Care, advances this effort with industry-leading adherence rates and a patient-centric approach to care.

Visit www.WellDyneRx.com to learn more.

Note: Plans were excluded if they were not clients for all of 2017 and 2018 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.



WellDyneRx
ANNUAL
DRUG
TREND
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2018

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