

## **Employers manage prescription drug costs**

By Tracey Walker  
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Employers are more than just concerned about the rising costs of prescription drugs—they're ready to stem the tide, according to industry experts.

“Drug benefits continue to receive greater attention by employers because their costs are rising faster than overall medical costs. They are looking for new ways to manage these costs,” says Peter Wickersham, MS, MSE, senior consultant with Mercer’s managed pharmacy practice in Norwalk, Ct. “Employers have stated that they want to promote generic utilization and manage specialty drugs more closely. The challenge for executives will be to find effective solutions for employers to do that beyond recommending that they shift more of the cost burden to the employee.”

According to a Mercer survey, 75% of employers are interested in promoting greater utilization of generic alternatives. There is ample opportunity to lower costs now and over the next several years as some significant brand name drugs become available as less-expensive generics.

Promoting greater use of generic alternatives is an effective way to optimize employee wellness, employee satisfaction, and to manage healthcare costs, according to Suzanne Clough, MD, chief medical officer of Baltimore-based WellDoc Communications Inc., a healthcare company focused on improving diabetes management. Dr. Clough is an endocrinologist and has spent the past 10 years educating diabetes patients on prescription medication adherence and compliance.

“Generics allow employers to provide employees with broad coverage and access to prescription drugs, but at a lower price point than brand drugs,” she explains. “This not only helps reduce costs to the employer, but also alleviates some of the need to shift a greater portion of prescription drug costs to the employee, which, in turn, drives employee satisfaction.”

However, while employers can achieve immediate cost savings by finding better ways to promote or incent cost-effective generic utilization, they won't realize significant long-term savings unless employees adhere to their prescribed medication therapies.

“We see the implementation of medication adherence programs definitely on the upswing,” Wickersham says. “Waiving or reducing copayments in certain drug classes is one way to boost adherence.”

## MANAGING SPECIALTY DRUGS

The management of specialty or biotech drugs is becoming increasingly important for employers. “There have been a number of specialty medications that have launched over the past couple of years, and there are a number of new specialty medications in the pipeline,” Wickersham says. “They are highly complex products that employers want to understand and better manage.”

Anand Iyer, PhD, president and COO of WellDoc Communications, agrees.

“Employers are becoming more aware of the cost impact of biologics and other specialty drugs; biologically derived drugs are typically significantly more expensive than their generic, chemical compounds,” Iyer says. “At this point, we’re just at the front end of biologic and specialty drug wave. As more of these drugs move through pharmaceutical pipelines and become more widely prescribed, more employers will employ specific strategies to manage their use and costs.”