



PHARMACY BENEFIT MANAGEMENT SERVICES

2023 INSIGHTS REPORT

Historical Trend Insights | Product Solutions
Market Trends | Managed Case Studies | Pipeline



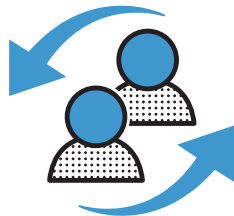
WELCOME

MaxorPlus continues to drive client and patient satisfaction through a lowest net cost approach focused on client and member engagement.

WE PROVIDE PREMIER CARE THROUGH:



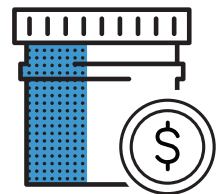
CONNECTION



MANAGEMENT

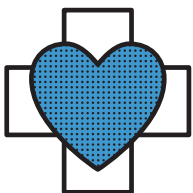


OPTIMIZATION



VALUE

TOP CHALLENGES CONTINUING TO DRIVE PHARMACY SPEND



HIGH-COST DIABETES &
OBESITY THERAPIES



HIGH-COST SPECIALTY
+ GENE & CELL THERAPIES



BIOSIMILAR MARKET
EXPANSION

TRADITIONAL TREND



MARKET MOVERS

DIABETES

25%

PMPM Trend

Continuing its reign as the number one class for traditional drug spend, the diabetes category included 4 of top 5 medications in overall traditional medication plan spend per member per month (PMPM). As expected, diabetes trend was predominantly driven by Glucagon-like peptide-1 (GLP-1) utilization as it represented 44% of traditional drug spend and an overwhelming 63% of traditional drug trend.

- Newcomer Mounjaro® outpaced Ozempic® with 431% year over year trend due to more promising outcomes and a reduced side effect profile. In addition, an anticipated shift in drug mix illustrated by a 14% trend decrease of Trulicity® and similar 44% trend decrease for Victoza® due to lower weight loss potential.^{2, 3, 4, 5}
- Insulin and oral DPP-4 medications experienced negative trends with decreased utilization while GLP-1 injectables had a 50% trend primarily driven by anticipated new script volume⁶.
- Changes in prescribing guidelines⁷ led to increased utilization and trend increases in continuous glucose monitors such as Dexcom CGM (91% PMPM trend).

OBESITY

242%

PMPM Trend

Anti-obesity medications, driven by GLP-1 market presence, experienced a triple digit trend increase of 242%. The volume of new utilizers was the overwhelming driver in the category which may have been impacted by the highly visible marketing campaigns that spotlight the positive outcomes.

- Wegovy® accounted for approximately 3% of traditional plan spend and experienced a 442% trend associated with obesity indication and increased benefit inclusion.⁸ Wegovy® is pending indication approval for nonalcoholic steatohepatitis (NASH).
- The highly anticipated launch of Lily's Zepbound® in late 2023 brought expected growth in market share while Saxenda's® utilization cannibalized due to a more frequent daily dosing schedule and lower weight loss potential (up to 9% weight loss versus up to 20% for newer agents).⁹

MENTAL HEALTH

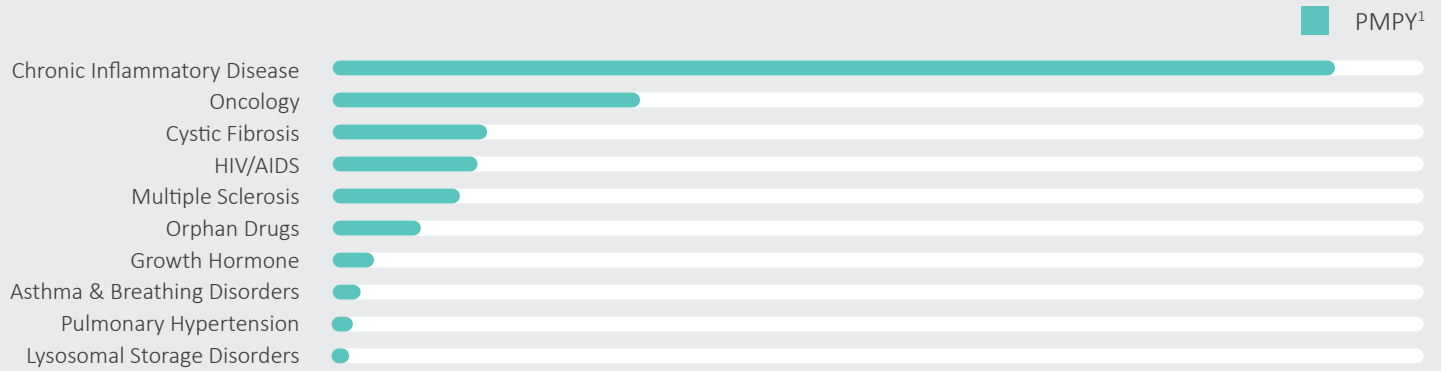
28%

of Traditional Utilizers

Mental health trend remained flat with zero percent PMPM increase overall although ranking in the top ten traditional categories due to overall historical spend and volume. Utilization of branded agents within the category was offset by lower cost generic entrants to market.

- Vraylar®, Rexulti®, and Caplyta®, branded agents used in the treatment of various mental health indications, experienced overall PMPM increases.
- The launch of a more cost effective generic for highly utilized Latuda®, with an average cost per brand script \$1,600 compared to an average cost per generic of \$400, helped to mitigate overall trend increases within the category.

SPECIALTY TREND



MARKET MOVERS

CHRONIC INFLAMMATORY

>75%

Specialty Trend

52%

Specialty Spend

Chronic Inflammatory Disease (CID), which outpaced the 2022 PMPM trend, experienced a 14% PMPM trend for 2023 and costs were driven by Tumor Necrosis Factor (TNF-i) Inhibitors and Anti-psoriatics. Chronic Inflammatory increase was driven by volume, inflation, and shifts in member cost share. These increases were mitigated by reduction in spend associated with drug mix.

- Highly marketed agents with direct to consumer advertising such as Skyrizi® and Stelara® experienced increases in both volume and spend.
- The overall PMPM trend for Dupixent® increased by 23% due to continued expansion in indications. Dupixent® trend anticipated to increase as Sanofi seeks to expand indications.
- Adalimumab biosimilars have had a slow uptake in market share, however the expectation is that usage of the biosimilars will increase as more payors adopt formulary alternatives for Humira®.

ONCOLOGY

15%

Oncology PMPM
New Breast Cancer treatments

Oncology, ranking in as a distant second in terms of Specialty spend for 2023, represented 16% of overall specialty spend and driven by volume and cost. The 15% increase in Specialty Oncology trend was mitigated by market availability of generics within the category.

- Ranking in the top 5 for oncology PMPM spend, lenalidomide (generic Revlimid®) which is used in the treatment of various type of cancers¹⁰, increased in market share and spend, while Revlimid® experienced a 64% reduction in PMPM.
- Oncology experienced inflationary increases associated with brand name drugs, (ex. Sprycel®, Tagrisso®, Tasigna®) ahead of anticipated 2024 patent expirations and generic product launches.
- Expanded approvals aimed towards early breast cancer therapy intervention¹¹ leads to volume increases for branded agents such as Verzenio®, which experienced a 30% surge in volume.

MULTIPLE SCLEROSIS

26%

PMPM Trend

Multiple Sclerosis ranked within the top five Specialty categories and continued to experience declining trend (- 21% year over year) due to both diminishing utilization and pricing improvements as the generic landscape expands for specialty brands.

- The launch of generic options for both Aubagio® and Gilenya® played a significant role in the overall trend for 2023, cannibalizing market share from their brand name counterparts and leading to double digit volume decreases for both products.
- Kesimpta® continued to gain market share as evidenced by its double digit increase in both volume and utilization. This highly effective, self-administered subcutaneous therapy gained traction in the market as compared to Ocrevus® and Briumvi®, similar products that require IV administration.

MaxorPlus PRODUCT SOLUTIONS

Our clinician-led product solutions put members and their health first. With a multifaceted approach for disease management, member engagement, clinical strategies, and financial support, we lower the financial burden of high-cost, high-touch therapies for patients and clients while improving member outcomes.

Improving Outcomes with Disease Management

The MaxorPlus **Care Improvement Program Plus** is a powerful combination of pharmacy analytics and insights, social determinants of health risk assessments, and integrated medical data. These work together to provide a holistic view of the member's health to identify opportunities to improve health outcomes.

Risk models and member analytics will guide clinical decisions for provider and/or member outreach. By identifying members with the highest risk who would be most likely to accept outreach and change behavior, we can offer creative solutions to help address their individual member challenges.

Financial Support

MaxorPlus' **Value Based Arrangements** captures medical pharmacy rebates for medication claims in 20+ key therapeutic categories that are processed through a client's medical claim benefit. Our medical rebate offering strengthens the financial performance of our clients, leveraging innovative technology and clinical solutions.

The **Maxor Copay Solutions Plus** program helps our clients align the value of manufacturer copay programs in specific markets to support your plan formulary. It helps to decrease the cost of your plan with zero copay for members. This program is also designed to help you utilize Manufacturer Copay Assistance on claims to achieve savings earlier in the plan year.

PayRx offers on-demand, low-cost, risk financing for high-cost therapies with a +\$200k annual plan spend per therapy to MaxorPlus clients. With PayRx, clients can track and forecast spend in specific markets with customized dashboards and proprietary analytics providing visibility into upcoming high-cost therapies and their potential impact on member populations.

This inclusive program:

- Drug and channel agnostic
- Provides financial flexibility
- Mitigates drug trend spikes
- Suppresses stop-loss increases/lasers

Innovative Technology

Approximately 90% of members with rheumatoid arthritis (RA) receive a therapy that fails to reach treatment targets, wasting high-cost drugs and biologics¹². The **PrismRA®** test helps to identify the likelihood of effectiveness of a TNFi therapy. On average, this testing before or during treatment, saves plans about \$20k - \$77k per member with RA annually. Additional benefits of likely responsiveness to TNFi RA treatment include: improved work function, slowed disease progression, and significantly lower overall healthcare costs.

\$20k- \$70k

Annual Targeted Therapy
PrismRA® Drug Cost Savings¹³

*Some products may not be available for all clients



Optimization

MaxorPlus' **Better Choice Program** focuses on lowest net cost and excludes certain high-cost, low-value medications deemed to have little to no clinical value when compared to others within the same therapeutic class.

\$4.50-\$8.50

Better Choice Program
PMPM Client Savings

The **True Spend Solutions** product identifies funds contributed by manufacturer or coupon programs and removes them from the deductible and out-of-pocket calculation, in specific markets. The plan provides coverage only when the member genuinely fulfills the deductible or out-of-pocket expenses, without the application of any ancillary funds.

Digital Communication

MaxorPlus employs a multifaceted approach to engage members including **myMaxorLink™** and **Dynamic Discounts**. Monthly wellness messages, targeted disease state information, and opportunities for cost-share savings are shared through a secure link delivered through a mobile messaging platform.

These education and adherence messages encourage members to engage with their pharmacy benefits and optimize health outcomes.

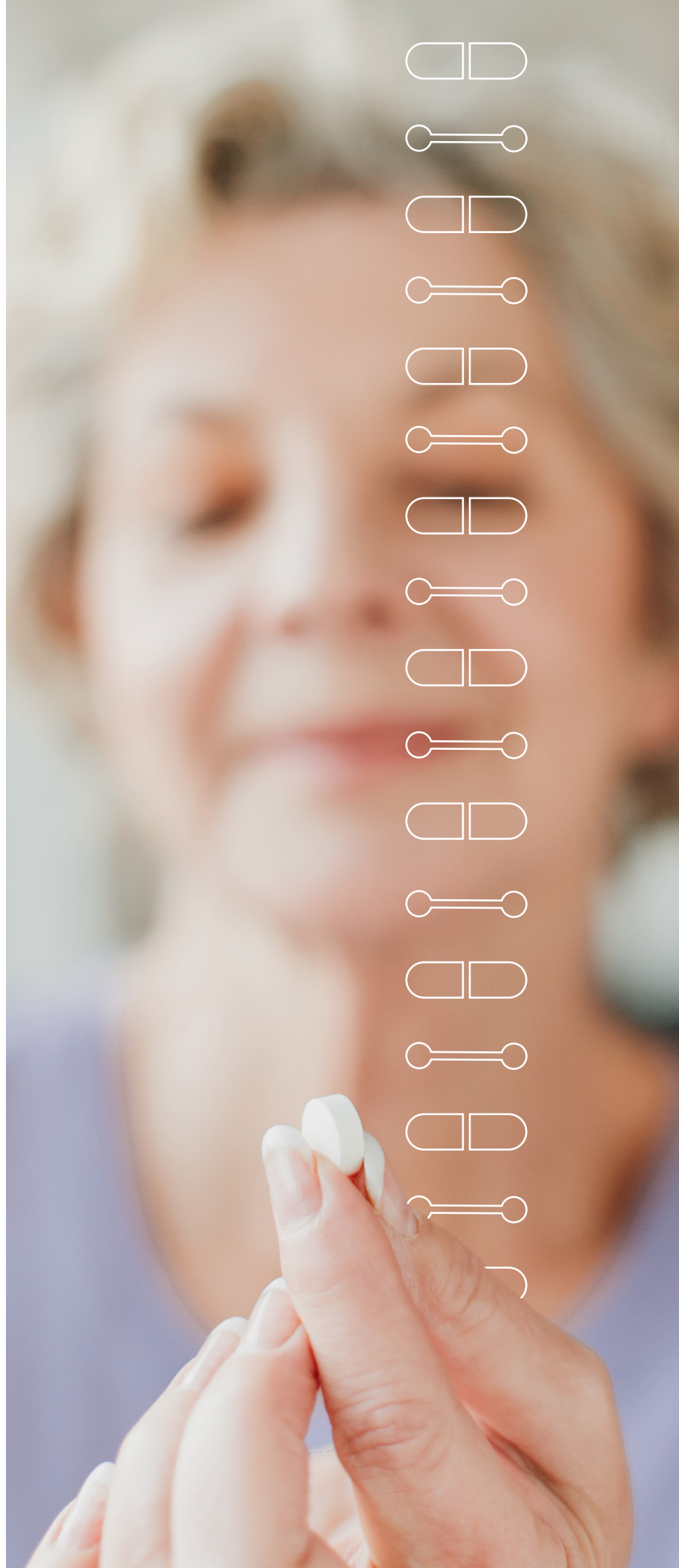
\$40-\$50

Dynamic Discounts
Average Copay Savings per Fill

13%-19%

Dynamic Discounts
Improved Adherence

*Some products may not be available for all clients



TOP 4 INDUSTRY TRENDS

1 GLP-1 Agonists

- Glucose-dependent insulinotropic polypeptide/ glucagon-like peptide-1 (GIP/GLP-1) agonists continue to gain market share with no signs of slowing down. Double digit to triple digit trend increase has pushed these medications into the spotlight for both payers and manufacturers.
- Recent label expansion for Wegovy® (semaglutide) to reduce risk of major cardiovascular events in people who have established cardiovascular disease and who are obese or overweight may open the door to even more growth.
- Multiple GLP-1 products are in late phase development for well-known indications such as non-alcoholic steatohepatitis (NASH), polycystic ovary syndrome, and sleep apnea. These potential advances, along with the already compelling data behind these products, are enough to keep GLP-1 medications at the top of the market for many years to come.

2 Biosimilar Market

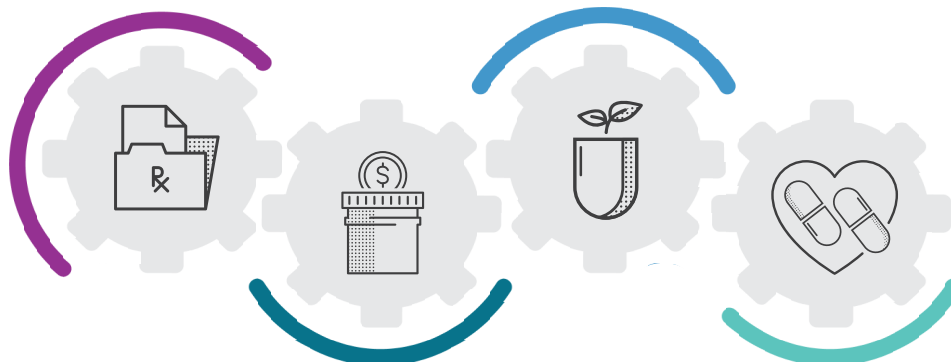
- Historically, it has taken 2-3 years for biosimilar products to take a firm hold of significant market share from their reference products. Humira® biosimilars seem to be following this trajectory. The new products have captured ~2% market share since launching throughout 2023. With the launch of new interchangeable and high-concentration biosimilars, Humira® market share is expected to drop by ~35% in 2024.¹⁴

3 Cell/Gene Therapy (CGT)

- Of note in 2023, two products for sickle cell disease were approved (Casgevy™ and Lyfgenia™), and the long-awaited therapy for hemophilia A therapy (Roctavian™) was granted FDA approval.
- Early CGT is provided under the medical benefit; however, the first topical gene therapy (Vyjuvek®) has entered the market and is part of the pharmacy benefit.
- Still to be determined is how FDA recommendations for new black box warnings for secondary malignancies will impact utilization of CAR-T therapies.

4 Drug Importation

- Following decades of attempts by states to import medications from Canada, the FDA announced that Florida has met the requirements and can move ahead with their importation program for their state funded programs. Many other states are actively pursuing importation regulation and are awaiting FDA decision.



MaxorPlus

MANAGED CASE STUDY

COMPREHENSIVE CLINICAL SOLUTIONS

Challenge

Healthcare costs are increasing and our clients look to MaxorPlus to help mitigate those costs using our innovative technology and product offerings, while delivering positive impact to members and their optimal healthcare.

Solutions

The robust suite of programs offered by MaxorPlus provides effective strategies to mitigate the escalating expenses associated with healthcare, ensuring better financial outcomes for highly managed clients.

Care Improvement
Program

\$3.05
PMPM SAVINGS

Opioid
Safety Program

45%
VOLUME REDUCTION OF
LONG-ACTING OPIOID SCRIPTS

Dynamic
Discounts

\$44
SAVINGS PER RX

myMaxorLink™

4,120
WELLNESS MESSAGES

Better Choice
Program

\$8.38
PMPM SAVINGS

Clinical Utilization
Management

\$3M
SAVINGS

Benefits

VALUE

In addition to providing value to our clients and members, our digital communication programs improve member adherence and provide easy access to copay savings while our disease management programs reduce member risk.

COMPREHENSIVE CLINICAL MANAGEMENT

Through a lowest net cost approach, we continue to put client and member satisfaction first. Our product portfolio drives increased member engagement, disease management, and improved clinical outcomes.

Managed Client

\$4.6M

Annualized Savings¹⁵

savings may vary

The MaxorPlus product portfolio complements each other to obtain both member and plan savings while reaching optimal healthcare goals.





DEPRESCRIBING CASE STUDY



Decreased Duplicate
Anti-Diabetic
Therapies



Decreased
Unnecessary Inhalers



Decreased Pill Burden

Challenge

The prevalence of polypharmacy, or the use of excessive or unnecessary medications, continues to increase. Inappropriate polypharmacy has been reported in over 50% of US adults with diabetes¹⁶. The utilization of unnecessary medications can lead to increased risk of drug interactions, unintended side effects, and increased spend for both the member and plan over time.

Solutions

The Care Improvement Program Plus identifies instances of possible excessive or unnecessary medication use. Clinical review of targeted cases along with provider outreach and follow-up help mitigate the continued use of redundant and unneeded medications.

Benefits

DECREASE IN PILL BURDEN

Reducing the number of medications being taken daily can positively impact adherence to the correct medications a person is taking.

DECREASE IN DRUG INTERACTION RISK

Adverse drug reactions and drug interactions account for up to 5% of hospital admissions¹⁷. Deprescribing unnecessary medications may lower the risk of required emergency care or hospital admissions due to drug interactions.

DECREASE IN SPEND

Member out-of-pocket spend is positively affected when no longer needing to pay for additional prescriptions. When medications are discontinued, this positive impact on spend extends to the plan.

DEPRESCRIBING INITIATIVE

Our Care Improvement Program Plus is a comprehensive disease state management program that identifies utilization of unnecessary medications as an integral step in case management.

45%

Reduction in diabetes
therapeutic duplication*

50%

Reduction in redundant
respiratory therapy*

12%

Reduction in unnecessary
proton-pump inhibitor use*

*Savings May Vary

PIPELINE

In 2023 and the beginning of 2024, we have seen an increase in novel drugs. This will only continue to increase in the second half of 2024 and into 2025.¹⁸

72

Novel Drug Approvals in 2023

60% increase in approvals
compared to 2022

10

Novel Drug Approvals
to Date in 2024
(as of 4/1/24)

60+

Pending/Tentative
FDA Approvals

First Sickle Cell Gene Therapy

CASGEVY™ & LYFGENIA™

\$2.2M- \$3.1M one-time treatment

Postpartum Depression

ZURZUVAE™

First oral therapy option

Non-Alcoholic Steatohepatitis (NASH)

REZDIFFRA™

First approval for diagnosis
~\$47k Annually

High Concentration Humira®
Interchangeable Biosimilar

SIMLANDI™

Makes up 85% of Humira® Sales

Subcutaneous therapy for
Hemophilia A & B

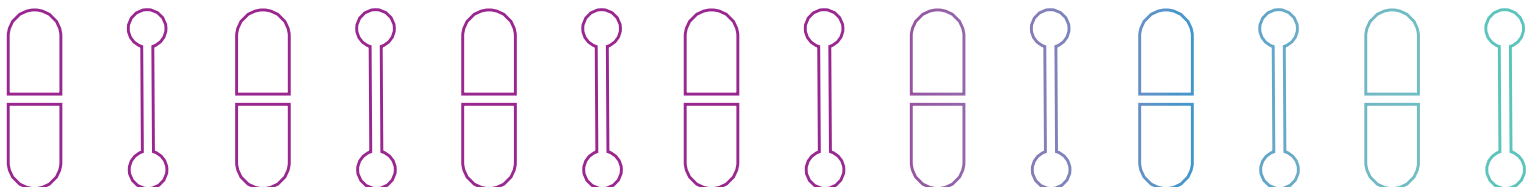
MARSTACIMAB

\$500k- \$1M Annually

Schizophrenia and
Alzheimer's psychosis

KARXT

~\$25k Annually



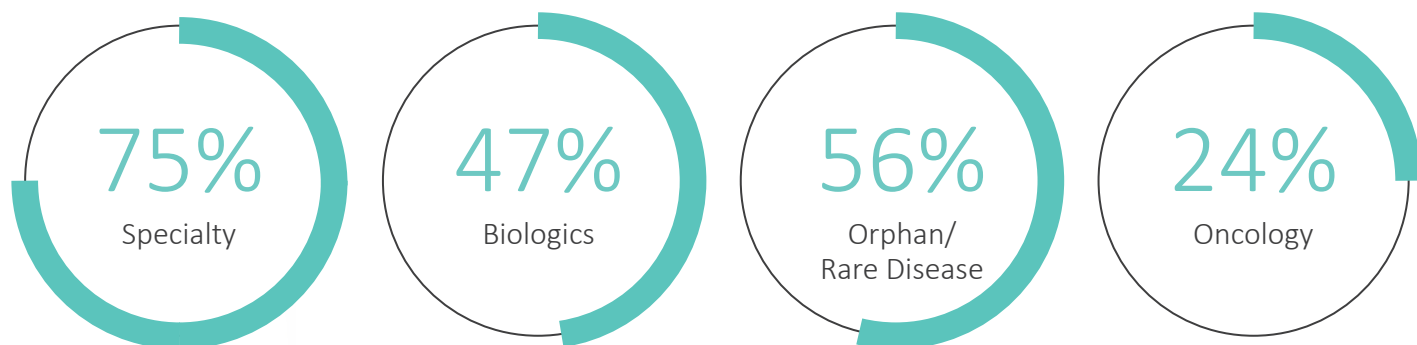
SPECIALTY GENERICS ON THE RISE

Eight new-to-market specialty generics recently launched or possible approval in 2024.

HIGH IMPACT SPECIALTY PIPELINE

SPECIALTY GENERIC	EMFLAZA® (deflazacort) Duchenne muscular dystrophy TASIGNA® (nilotinib) Chronic myelogenous leukemia	SPRYCEL® (dasatinib) Chronic myelogenous leukemia PROMACTA® (eltrombopag) Thrombocytopenia
BIOSIMILAR	TYSABRI® (natalizumab-sztn) Multiple sclerosis	
CELL & GENE THERAPY	KRESLADI™	Severe leukocyte adhesion deficiency Incidence 1 case per 1 million Estimated ~\$3-3.5 million WAC per treatment

2023 DRUG DEVELOPMENT AND APPROVALS



4 of the top 10 highest priced drugs were approved in 2023 (based on WAC)¹⁹

CASGEVY™

ELEVIDYS®

LYFGENIA™

ROCTAVIAN™

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