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## Express Scripts Inc. Issues Annual Drug Trend Report

According to their 2015 Annual Trend Report, the giant PBM Express Scripts Inc. (“ESI”) has reported that US spending on prescription drugs rose 5.2% in 2015. This increase includes the effect of rebates returned to employers and plan sponsors and was largely driven by an 18% increase in specialty drug costs. In their latest report issues last week, ESI said use of specialty medicines, which includes the new more costly treatments for Hepatitis-C, as well as older drugs for rheumatoid arthritis and multiple sclerosis, rose 7% and was coupled with an 11% rise in unit cost. ESI included the value of rebates in this year’s annual drug spending report for the first time. According to their report, rebates shaved an estimated 3% off spending growth. Last year’s drug spending report showed an increase of 13% and did not include the impact of rebates.

Per the report, brand-name drug average prices rose 16.2% in 2015, and one-third of brand-name drugs had price increases greater than 20%. Specialty medicines accounted for 37% of drug spending in 2015 and is climbing. Looking ahead, Express Scripts said that it expects drug spending in the group healthcare space to increase 6.8% in 2016, 7.3% in 2017 and 8.4% in 2018. Express Scripts also said spending on prescription drugs for members with the individual health plans under the Affordable Care Act (“ACA”) rose at a clip of nearly 15%. This is a concerning statistic since these plans are tracking at a far higher rate than others.

The sharp spike in pharmacy costs has the attention of employers and plan sponsors who must continue to implement contemporary and broad based solutions to manage specialty medication costs. Some studies predict specialty medications will account for 50% of all drug spending in the next few years. At an annual increase of 18% for these type medications, such a trajectory is unsustainable unless more tightly managed. Conner Strong & Buckelew continues to promote cutting edge pharmacy solutions for clients. If you have questions with pharmacy strategies, please contact your Conner Strong & Buckelew account representative.

The full ESI Report can be found [here](#):

Please contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220 with any questions.



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