

Report: Specialty drugs drive prescription spending jump

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In this June 14, 2011, file photo, bottles of prescription drugs: Lipitor, TriCor, Plavix, Singulair, Lexapro and Avapro are displayed at Medco Health Solutions Inc., in Willingboro, N.J. Express Scripts Holding Co. said Tuesday, March 10, 2015, that prescription drugs spending rose 13 percent last year, the largest annual increase since 2003. (AP Photo/Matt Rourke, File)

Prescription drugs spending jumped 13 percent last year, the biggest annual increase since 2003, according to the nation's largest pharmacy benefits manager.

Express Scripts Holding Co. said Tuesday that the jump was fueled in part by pricey specialty drugs that accounted for more than 31 cents of every dollar spent on prescriptions even though they represented only 1 percent of all U.S. prescriptions filled.

Specialty drugs are advanced medications that treat complex or chronic conditions like multiple sclerosis or certain forms of cancer. Many are seen as treatment breakthroughs, especially newer hepatitis C treatments like Sovaldi from Gilead Sciences Inc. But Sovaldi also can cost \$84,000 for a course of treatment, and those prices have

drawn criticism from patient groups, insurers and Express Scripts, which runs prescription coverage for insurers and employers across the country.

Drugmakers have said the higher cost of their drugs can be recouped over time because the treatments will reduce future health care costs. In Sovaldi's case, Gilead has said that means fewer patients suffering from liver failure or transplant complications.

Express Scripts said in its annual report that spending on specialty drugs rose 31 percent last year, and compound drug costs also affected overall spending growth. In contrast, spending on more traditional prescription drugs rose 6.4 percent.

The St. Louis company also said the trend on specialty drugs will slow to more sustainable levels in the next three years.

Express Scripts and other prescription bill payers have been negotiating preferred treatment agreements with some specialty drugmakers in an attempt to gain leverage over the cost of the drugs. Some also have started using management tools like limiting use of drugs like Sovaldi to the most serious forms of hepatitis C.

Express Scripts manages drug benefits for 85 million people and analyzed more than 750 million pharmacy claims from its customers for its report.

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