

ICORE Healthcare Releases First Edition of Annual Medical Injectable & Oncology Trend Report

New report is the first to analyze trends, identify benchmarks in rapidly evolving medical benefit injectables management

AVON, Conn.--(BUSINESS WIRE)-- Eleven of the top 16 drugs in the United States will be injectable or infusible by 2012, and by 2014 specialty pharmaceuticals will comprise the majority of drug spend in the US, according to a new report from ICORE Healthcare, a Magellan Health Services, Inc. (NASDAQ:MGLN) company that helps payors manage specialty drug benefits. The report is the first of its kind to effectively analyze both medical and pharmacy data to explain the trends driving specialty drugs such as those for oncology, rheumatoid arthritis and multiple sclerosis.

"With such an explosion of growth expected in the specialty pharmaceuticals industry over the next several years, health care managers and payors will have to move quickly to plan for the future of managing the quality and cost of care for medical benefit injectables," said Alan Lotvin, MD, president of ICORE. "For this report we talked to the experts who are facing these challenges and evaluated health plan medical benefit injectable claims that had not been readily accessible before, in order to set the benchmarks and identify the trends shaping the future."

The data in the report comes from a survey of 60 medical, pharmacy and clinical directors representing 146 million lives, as well as an analysis of paid medical and pharmacy claims from a combination of national and regional health plans. A full methodology is presented in the report.

"Our research for this report further reinforces that clinical management of many complex disease states requires the ability to integrate and influence both medical and pharmacy systems," said Karen Rohan, president of Magellan.

Key findings of the report include:

- Medical injectables used to treat cancer account for over 50 percent of the medical benefit injectable costs. A quarter of those costs are for injectables being used to treat autoimmune disorders, such as rheumatoid arthritis and Crohn's disease.
- Oral chemotherapy drugs, which are generally covered as a pharmacy benefit, account for only 10 percent of the total outpatient drug costs in cancer care.
- Site of service is a critical factor of cost. Treatments administered at a medical facility are about twice as expensive as those given in a physician's office.
- Plans representing over half the payors receive rebates for at least one injectable drug paid under the medical benefit, most often for rheumatoid arthritis drugs. Larger health plans are about 50 percent more likely to have a rebate program in place. Half to two-thirds of payors require genetic testing prior to selecting a chemotherapy drug in certain cancer types, generally for the treatment of breast and colorectal cancers.

"We hope our customers, colleagues and partners will find this report enlightening when assessing medical injectable use, costs, trends and some of the complex challenges that we will face as the specialized health care industry becomes a central element of modern health care," adds Kjel Johnson, PharmD, senior vice president of ICORE.

For more information about the 2010 Medical Injectable & Oncology Report and to download a copy, please visit www.ICOREHealthcare.com.

About Magellan Health Services, Inc.

Headquartered in Avon, Conn., Magellan Health Services, Inc. is a leading specialty health care management organization with expertise in managing behavioral health, radiology and specialty pharmaceuticals, as well as public sector pharmacy benefits programs. Magellan delivers innovative solutions to improve quality outcomes and optimize the cost of care for those we serve. Magellan's customers include health plans, employers and government agencies, serving approximately 58 million people nationwide in our behavioral and radiology benefits lines, more than 40 payors in our specialty pharmaceutical benefits segment, and 25 states and the District of Columbia in our Medicaid Administration segment. For more information, visit www.MagellanHealth.com.

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