

Magellan Rx Management's Fifth Annual Medical Pharmacy Trend Report Details Trends and Challenges Facing Payors

The only comprehensive source for current medical benefit drug management approaches and data benchmarking

SCOTTSDALE, Ariz.--(BUSINESS WIRE)-- Magellan Rx Management, a division of [Magellan Health, Inc.](#) (NASDAQ: MGLN), today released its fifth annual [Medical Pharmacy Trend Report](#), the only industry benchmark of its kind to analyze high cost injectable drugs paid under the medical benefit. The fifth edition of the report examines data gathered over the past four years, including this year's survey responses from 48 individual health plans that collectively manage 125 million lives.

"As pioneers in the management of medical pharmacy spend, we are very focused on providing a level of analysis that is unprecedented in the industry," said Mostafa Kamal, senior vice president and general manager of Magellan Rx Management's specialty drug division. "This year's report includes several enhancements that provide a more extensive view of the medical benefit drug landscape, resulting in our most comprehensive report to date."

Among the key findings in the 2014 Medical Pharmacy Trend Report:

- Since 2010, medical pharmacy allowed amounts have experienced 9 to 13 percent year-over-year increases in the commercial population.
- Eighty one percent of payors reported that they did not vary member cost share requirements by site of service in 2014.
- Oncology and oncology support medications represented 52 percent of medical pharmacy spend for commercial members and nearly 60 percent for Medicare members.
- Nearly 60 percent of payors representing 90 percent of covered lives reported that oncology practices in their service areas were being purchased by hospital systems.
- Forty nine percent of commercial expenditures were billed from hospital outpatient settings where drugs were typically reimbursed at two to three times the average sales price. This is an increase from 42 percent in 2010.

"We continue to see rising year-over-year trends in the medical pharmacy segment underscoring the critical importance of proven strategies and programs to help clients identify and manage this growing spend," said Kamal.

The fifth annual Medical Pharmacy Trend Report is available online at [www.MagellanRxInsights.com](#). This report includes a combination of primary and secondary research methodologies to deliver a comprehensive view of payor perceptions and health plan actions related to medical benefit drugs which are commonly used to treat cancer, autoimmune disorders, immunodeficiencies and other complex diseases.

Kamal will be joined by Cassandra Stockman and Kristen Reimers, who serve as vice presidents within Magellan Rx Management's Medical Pharmacy Strategy Unit, to discuss the report's key findings during a complimentary webinar on Thursday, March 19, 2015 from 1:00 p.m. to 2:30 p.m. Eastern. Visit [www.MagellanRxInsights.com](#) to register.

Magellan Rx Management provides a complete suite of industry-leading pharmacy offerings, consisting of pharmacy benefit management, Medicaid pharmacy benefit administration, specialty dispensing as well as specialty and medical pharmacy management.

About Magellan Health: Headquartered in Scottsdale, Ariz., [Magellan Health, Inc.](#) is a healthcare management company that focuses on fast-growing, complex and high-cost areas of healthcare, with an emphasis on special population management. Magellan delivers innovative solutions to improve quality outcomes and optimize the cost of care for those we serve. Magellan's customers include health plans, managed care organizations, insurance companies, employers, labor unions, various military and government agencies, third party administrators, consultants and brokers. For more information, visit [MagellanHealth.com](#).

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