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Prime Therapeutics 2009 Drug Trend Insights Shows Drug Spending Slows to Lowest Rate on Record

Greater generics use and lower utilization drive negative trend in 2008

ST. PAUL, Minn. – Though total health care spending in the U.S. is growing at about 6.9 percent – nearly twice the rate of inflation – pharmacy spending has increased at the lowest rate on record for health plans served by Prime Therapeutics (Prime), a thought leader in pharmacy benefit management. According to a report released by Prime, spend on traditional drugs decreased for the first time for Prime clients.

According to the *2009 Drug Trend Insights* report, Prime's members and clients spent 0.5 percent less on traditional drugs in 2008 while overall spend, which includes Specialty drugs, increased by just 0.9 percent. Prime's trend compares favorably to its large national competitors, who reported 2008 drug spend increases ranging from 3.0 percent to 3.9 percent.

"In these tough economic times, managing health care costs is more important than ever," said Kim Mageau, interim president and CEO of Prime. "Pharmacy accounts for 10 to 20 percent of health care spending, and it plays a vital role in prevention and health maintenance. In 2008, greater use of generics, increased adherence to prescribed medications and a focus on providing the right treatments for those at high risk helped our patients and plan sponsors achieve greater health benefit for their pharmacy dollar."

In the report, Prime indicates a 4.7 point rise in generic use throughout 2008, increasing the generic fill rate – the percentage of generic drugs dispensed compared to brand name drugs – to 63.7 percent by December. In addition, Prime clients saw their members use slightly fewer drugs – about 0.1 percent less – than in the previous year.

"For the first time in more than a decade overall drug utilization declined slightly. In this challenging economy some patients may not be filling prescriptions because of cost," said Mageau. "In the short term, this reduces costs, but we know that in the long term, greater adherence will help prevent hospitalizations and reduce total health care costs."

Prime's clients experienced utilization improvements in several important categories that have been proven to yield positive medical and cost outcomes. Increases of 1.7 percent were experienced for diabetes drugs, 1.2 percent for cholesterol medications, 1.0 percent for blood pressure medications and 0.1 percent for drugs that treat depression.

Specialty drugs comprised less than 1.1 percent of Prime's prescriptions in 2008, although they accounted for 15.4 percent of overall spend. Eight of the top 10 fastest-growing spend categories were Specialty drugs. These higher-priced products - referred to in many cases as biotechnology drugs - often require special handling. Examples include blood thinners, multiple sclerosis treatments and arthritis medications. The overall Specialty trend increased 9.1 percent.

"Health care costs are rising at astonishing rates, but we have the opportunity to reduce costs and improve health through wise pharmacy choices," said Mageau. "In addition to maximizing savings through generics, we can help patients and plan sponsors make the best use of their health care dollars by focusing on the total health picture. We work with our Blue partners to encourage adherence and synchronize our data to better ensure patients are taking the medications they need to improve and maintain their health."

Drug Trend Insights is Prime's annual report on the factors that influence prescription drug spending, along with a review of its efforts to control cost increases while improving health care quality. A full copy of the 2009 *Drug Trend Insights* report is available at www.primetherapeutics.com.

Prime Therapeutics LLC is a pharmacy benefit management company dedicated to providing innovative, clinically based, cost-effective pharmacy solutions for clients and members. Providing pharmacy benefit services nationwide to approximately 14.7 million covered lives, its client base includes Blue Cross and Blue Shield Plans, employer and union groups, and third-party administrators. Headquartered in St. Paul, Minn., Prime Therapeutics is collectively owned by 11 Blue Cross and Blue Shield Plans, subsidiaries or affiliates of those Plans. Learn more at www.primetherapeutics.com.