



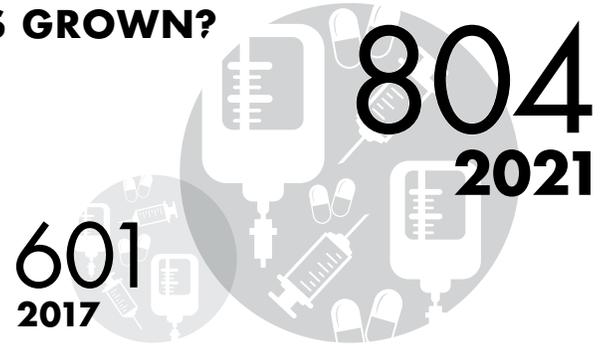
THE RISE OF HEALTH SYSTEM-OWNED SPECIALTY PHARMACIES

HOW MUCH HAVE SPECIALTY THERAPIES GROWN?

The management of specialty drugs is receiving increased attention from patients, providers, payers, and policy makers due to the high prices of new specialty drugs and their aggregate impact on health care costs.¹

The number of specialty therapies have dramatically increased in recent years and continued growth is expected.²

Specialty therapies are expected to grow to more than 59% of total drug spending over the next 5 years.³



PROJECTED NUMBER OF SPECIALTY DRUGS IN MARKET

WHAT TYPES OF SPECIALTY PHARMACIES EXIST?

Several different organizations own and operate pharmacies that have made management of specialty therapies a priority.

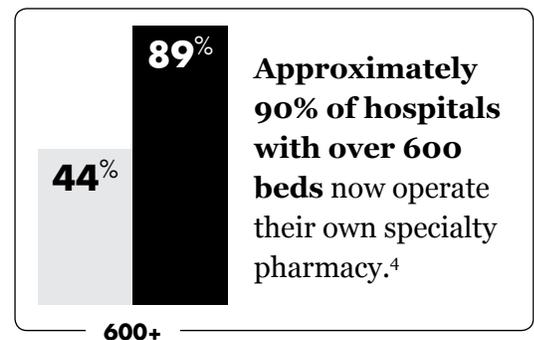
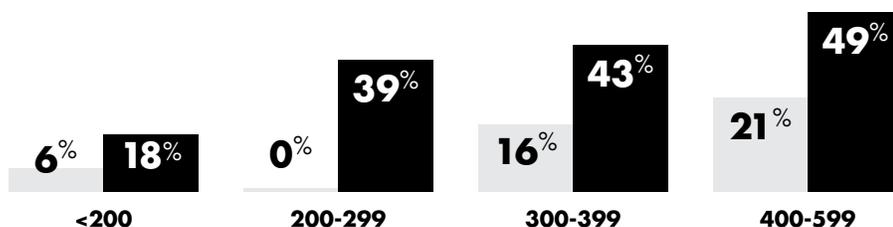


WHICH TYPE OF SPECIALTY PHARMACY HAS EXPERIENCED RECENT RAPID GROWTH?

Large hospitals and health systems are increasingly owning and operating their own specialty pharmacies (SPs).

HOSPITALS WITH A SPECIALTY PHARMACY BY NUMBER OF STAFFED BEDS

2015 2019





WHY ARE HEALTH SYSTEMS OWNING AND OPERATING THEIR OWN SPECIALTY PHARMACIES?

Several reasons exist for why large health systems and hospitals are owning and operating their own specialty pharmacies.



Increased revenue from 340B drug pricing program



Improved communication and care continuity



Heightened control over total cost of care



Improved patient and clinician satisfaction



Expanded patient access to therapies

Our specialty pharmacy is about trying to create an opportunity to be able to get patients access to medications they will benefit from and that our providers think they need, to make it as hassle-free to the patient as possible and take some of that work off the provider's plate

Greg Meyer, Chief Clinical Officer for Partners Healthcare

WHAT CAN PHARMACEUTICAL MANUFACTURERS DO?

Evolving dynamics of specialty pharmacy ownership among large hospitals and health systems offers new opportunities but requires a new approach from pharmaceutical manufacturers.



Support technologies that help SPs connect with broader health system



Identify emerging and influential SP stakeholders (eg, clinical pharmacist liaison)



Broadcast availability of patient support programs



Consider directly contracting with system-owned SPs