

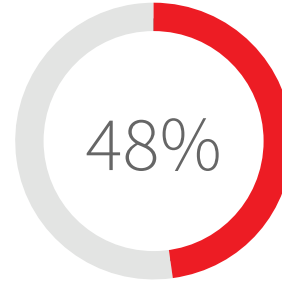
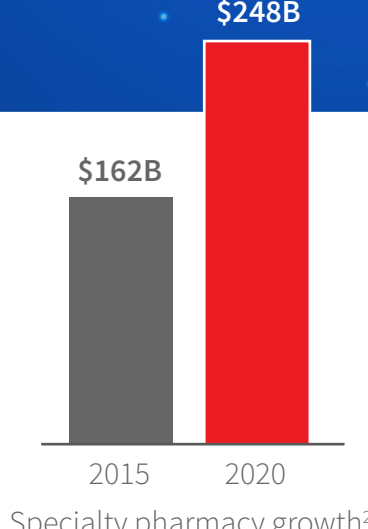
2020 SPECIALTY PHARMACY SNAPSHOT

Drive growth by eliminating operational weaknesses



Specialty pharmacy has been steadily growing over the last decade — the trend that will continue in the foreseeable future.

According to the 2020 *State of Specialty Pharmacy Survey*, conducted by LexisNexis® Risk Solutions and presented in this industry snapshot infographic, growing pains are felt by all industry players, which means that only the most adept, practical, strategic, and forward-thinking organizations will be poised for success. Keeping up with change and forecasting future trends are key challenges that the industry stakeholders are facing.



Specialty drugs now represent 48% of the total drug spend

Factors affecting specialty pharmacy¹

The global pandemic, changes to affordability, payer networks, margins, 340B legislation, accreditation, and access to limited distribution drugs continue to be top-of-the-list factors affecting specialty pharmacy. Key business challenges include:



New market entrants and increasing levels of competition



Need for efficiency and improved payer relations



Low brand awareness coupled with sales and marketing outreach challenges



Maintaining profitability is the **BIGGEST** business concern for specialty pharmacy driven by:

#1

Shrinking margins

#2

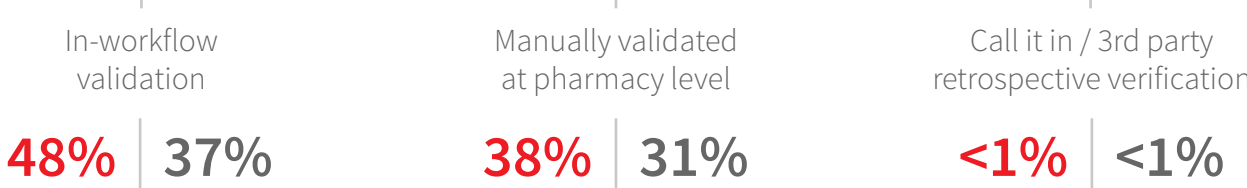
DIR fees and reimbursement rates

Driving compliance within prescriber verification

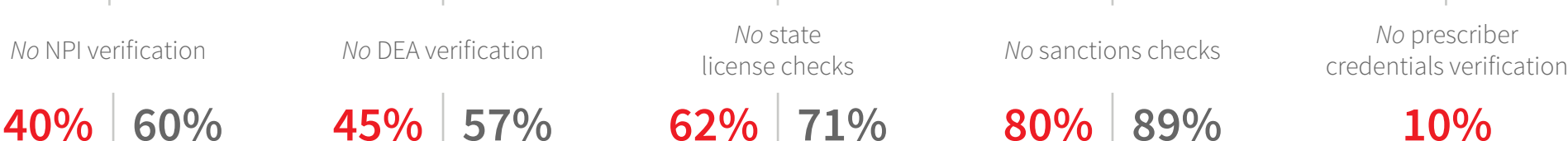
This should be the biggest business objective for specialty pharmacies — as a lack of robust, up-to-date compliance solutions could expose pharmacies to risk and hefty fines.

■ Retail Specialty ■ Health System Specialty*

How prescribers are verified today:



Current prescriber verification challenges:



For retail specialty pharmacies with a prescriber database ...

50%

do not update their data in real time

20%

do not have means to update their databases at all

Pharmacies often rely on outdated or inaccurate systems to verify new providers.

41% | **46%**

use FREE online resources (e.g. NPI sites, Google search), call the doctor or call corporate office for verification

Out-of-date data compromises compliance and exposes pharmacies to unnecessary risk

Provider data and licensing changes significantly weekly:²



50% of all retail specialty pharmacies have had complications with reimbursements or government fines.

As a result, retail specialty pharmacies could benefit from solutions that help them with provider data integrity.

Duplicate records issues are present in ...

80%

Retail



75%

Health system

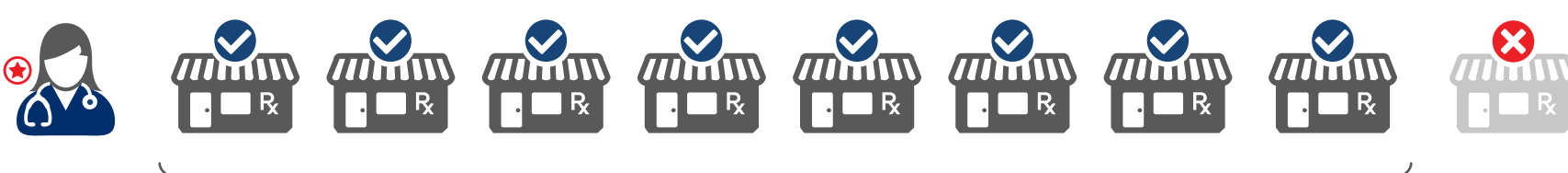


Only **50%** of retail specialty pharmacy and **40%** of health system specialty pharmacies have an in-workflow patient numbering system.

Identifying high value providers could help retail specialty pharmacies with enhancing their sales and marketing outreach

While 90% of health system specialty pharmacy patient referrals come from the providers within its own system,¹ retail specialty pharmacies have to get creative in their provider outreach and patient marketing efforts.

One in nine retail specialty pharmacies can't identify the highest value physicians within their markets:



Out of those who *do* have means to assign provider value for their market development and marketing/sales outreach:



64% do not run analysis on disease state using diagnose code or other identifier



55% do not conduct drug therapeutic category analysis



89% do not look at prescriber facility type

These limited analysis capabilities result in missed market opportunities and ineffective targeting tactics.

Most specialty pharmacies are looking for ways to improve



Half of all

specialty pharmacies polled expressed interest in utilizing better tools for prescription volume analysis.



1 in 3

retail specialty pharmacies is interested in better patient record matching and/or provider verification solutions.



More than half

of specialty pharmacies recognize rising drug costs trigger increasing patient debt.³

Eliminate barriers to growth, revenue-stifling compliance risks, and empower your team with the right market outreach tools with the help from experts at LexisNexis® Risk Solutions.



Drive compliance and lower risk exposure



Implement patient record management solutions



Identify high-value prescribers, affiliations and referral patterns to drive marketing and sales outreach

About LexisNexis® Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL; NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com.

About the survey

2020 Specialty Pharmacy Survey was conducted through *Specialty Pharmacy Times* with the respondents representing retail specialty pharmacy, health system specialty pharmacy, and independent pharmacies. The survey findings are statistically significant based on the sample size and the overall specialty niche population. The survey data shown bears 90% confidence level and 15% margin of error. Majority of the survey respondents were pharmacists with 10% of the respondents representing C-level leadership positions within pharmacy.

Sources:
1. CSI Group.net 2019 State of Specialty Pharmacy Report
2. LexisNexis® Provider Data MasterFile™, 2020
3. www.managedcaremag.com/archives/2019/9/specialty-drug-spend-soars-can-formulary-management-bring-it-down-earth

* Per CSI report, health system specialty pharmacies receive over 90% of their patient referrals from within the system thus suggesting that the pharmacy may rely on the Health Systems prescriber verification.

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