



Specialty Pharmaceuticals

Medicare Advantage Plans: Specialty Medication Management, Contracting, and Manufacturer Engagement

Trends and policies such as IRA implementation and the rise of biosimilars are reshaping Medicare Advantage (MA) economics, driving more aggressive specialty drug management. HIRC's report, *Medicare Advantage Plans: Specialty Medication Management, Contracting, and Best-in-Class Manufacturer Engagement*, examines plan responses to the IRA, the UM tactics impacting seniors taking specialty drugs, as well as trends in contracting and best-in-class manufacturer support for specialty portfolios. The report addresses the following:

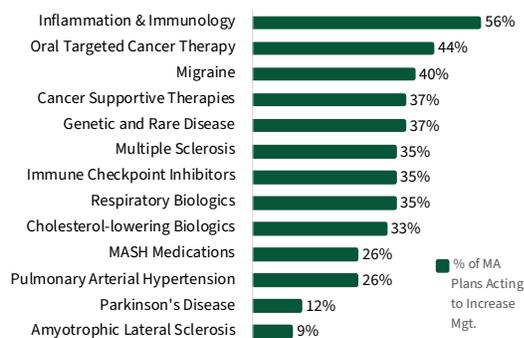
- How are MA plans responding to the Inflation Reduction Act's (IRA) Part D benefit design changes in the context of specialty drug management?
- What impact could negotiated Maximum Fair Prices (MFPs) have on the specialty medication contracting landscape?
- What are MA plans' top activities to better manage the cost and utilization of specialty medications in 2025/2026?
- What is the current status of key formulary & utilization management tactics across 16 top specialty therapeutic areas? What is the status of biosimilars adoption in 2025?
- What is the nature of the contracting environment for specialty medications in Medicare Advantage across 18 high profile drug classes?
- Which manufacturers stand out as best in Medicare Advantage plan engagement to support their specialty portfolios?

Key Finding: Medicare Advantage plans are tightening utilization management in crowded specialty categories—intensifying prior authorization requirements, expanding step therapy and exclusions, and accelerating the shift to biosimilars.

Medicare Advantage Plans Report Tightening Management Most in I&I in Response to IRA Changes

In response to the shift of plan liability during the catastrophic phase in Medicare Part D, Medicare Advantage plans report tightening management of inflammation & immunology medications (56% of plans) most, followed by oral targeted cancer therapies (44%). In

SPECIALTY AREAS TARGETED FOR INCREASED MANAGEMENT DUE TO CHANGE IN PART D BENEFIT DESIGN

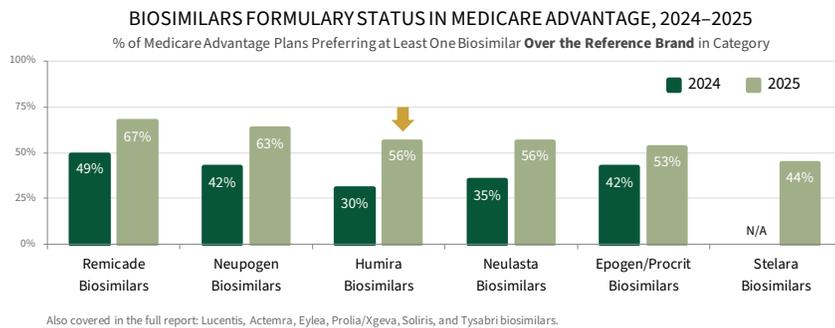


inflammation & immunology, plans report increasing prior authorization rigor, expanding use of step therapy and exclusions, and shifting to biosimilars. While oncology remains a protected class, negotiated maximum fair prices are driving plans to consider step therapy.

The full report examines the specific UM tactics plans intend to apply to each therapeutic area.

2025 Marks a Shift to Biosimilars in Medicare Advantage

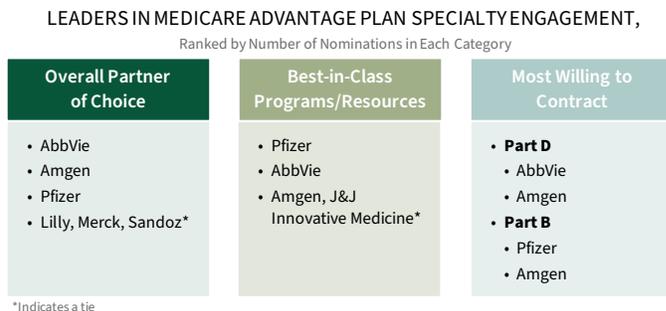
2024 and 2025 were landmark years for biosimilars. Data suggest that plans are transitioning from seeing biosimilars as an optional tool for savings to a default cost containment lever, especially as PBM private-label and multi-biosimilar environments push down net costs. Over half of MA plans (56%) report preferring one or more HUMIRA biosimilars over the reference brand in 2025, up from 30% in 2024; and, 44% of MA plans already report preferring one or more STELARA biosimilars.



The full report reviews how plans promote use of their preferred biosimilars and provides additional qualitative insights into plans' biosimilars strategies overall.

Best-in-Class Engagement in Medicare Advantage

Medicare Advantage plans were asked to consider and provide a best-in-class manufacturer nomination across three key engagement parameters, 1) Overall Partner of Choice in Specialty, 2) Best-in-Class Programs/Resource Offerings, and 3) Most Willing to Contract. **AbbVie, Pfizer, and Amgen** are consistently among the manufacturers nominated as best engaging MA plans in 2025.



The full report provides additional, detailed qualitative insights into leading manufacturers' support as well as factors that drive best-in-class nominations across categories.

Research Methodology and Report Availability

In August/September HIRC surveyed 43 pharmacy and medical directors from national, regional, and BCBS Medicare Advantage plans representing 23 million lives. Online surveys and follow-up telephone interviews were used to gather information. The *Medicare Advantage Plans: Specialty Medication Management, Contracting, and Best-in-Class Manufacturer Engagement* report is part of the Specialty Pharmaceuticals Service, and is now available to subscribers at www.hirc.com.

The Specialty Pharmaceuticals Service monitors managed care trends related to specialty medication management, such as payers' formulary & utilization management approaches and trends in contracting. Issues in specialty pharmacy distribution and engagement are also reviewed. The service examines specialty brands and benchmarks manufacturers across several high profile therapeutic classes. For subscription information please contact:



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