Editor's Note

The year 2020 marks the 25th anniversary of the *Journal of Managed Care & Specialty Pharmacy*. To commemorate this milestone, we are publishing a series of articles that document the changes to the journal and profession over the past two and a half decades. Each month we are reprinting an original article from a previous year, dating back to 1995. The reprinted articles feature topics of significance in our industry. Each reprinted article is accompanied by a contemporary

reflection that considers the historical significance of the topic, as well as the current and future state. This month's pairing has a special familial connection. The first author of the contemporary reflection is a master of pharmacy business administration candidate at the University of Pittsburgh and also the son of the author of the original article from 2000.

Laura E. Happe, PharmD, MPH
Editor-in-Chief

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The Emergence of Specialty Pharmacy

by Gordon J. Vanscoy

For all that has been written about managed care, it's ironic that more has not been written about specialty pharmacy, particularly since specialized pharmaceutical care has significant potential for managing such catastrophic illnesses as human immunodeficiency virus (HIV) infection/acquired immunodeficiency syndrome (AIDS), and cancer. One reason specialty pharmaceutical care may not have been on the radar screen of the managed care industry is that the aggregate costs of managing each catastrophic illness population is small in comparison to more common afflictions such as asthma or diabetes. In addition, mainstream disease management models and actuarials do not exist for specialized disease states. Finally, the managed care industry has been slow to recognize the value of managing patients with rare yet catastrophic conditions. What role could pharmacy play?

Specialty pharmacy has been growing quietly since the 1980s. In the mid-1980s, when some of the country's first solid organ transplants took place in Pittsburgh, recipients began to rely on a local corner drugstore for their pharmaceutical care. Stadtlanders Pharmacy emerged with the specialty expertise and pharmaceuticals these patients required, including assistance with medication reimbursement, counseling, and education. Stadtlanders now provides nation-

wide care to more than 55,000 patients who are living with organ transplants, HIV/AIDS, serious mental illness, cancer, or hepatitis C. Several companies currently provide specialty pharmacy services, among them Stadtlanders, CVS Procare (HIV/AIDS), Chronimed (organ transplant recipients), and Priority Healthcare (oncology, HIV/AIDS, and hepatitis).

■ The Costs of Catastrophic Illness

There are many ways to define catastrophic illness. However, a simple way to identify them is to analyze patients managed by an insurer's catastrophic case managers, including organ transplant, HIV/AIDS, oncology, and hepatitis C patients.

Although catastrophic illnesses may be relatively rare, they are very costly. Care costs for catastrophic illnesses such as transplants, severe burns and injuries, or high-risk cardiovascular disease represent about 10% of commercial health care expenses; in 1998 they exceeded \$30 billion.¹ The National Cancer Institute estimates the direct medical costs of cancer to be \$37 billion.² The first-year cost of a liver transplant including immunosuppressants is \$244,600, for a heart transplant, \$303,400.³ The cost of an immunosuppressant regimen ranges from \$5,000–\$16,000 per year, depending on the drugs and doses prescribed.

Immunosuppressant medications make

prolonged graft survival possible, provided the medication is taken properly. For various and complicated reasons, however, 5%–45% of organ transplant recipients do not adhere to their medication regimens.⁴ Further, ignorance of complex drug interactions in this patient population can be devastating. Adding the cardiovascular agent diltiazem to a patient stabilized on cyclosporine can result in nephrotoxicity and graft loss. The cost of suboptimal management of an organ transplant recipient can be exorbitant.

An ounce of prevention with specialized management can abort a pound of unforeseen catastrophic events and costs. A skilled specialty pharmacy can help reduce the cost of managing organ transplant patients by improving individual medication adherence, preventing drug-related problems such as adverse drug interactions, and optimizing physician prescribing through targeted education.

Similarly, individuals living with HIV/AIDS represent a high, sometimes hidden, health care expense to managed care organizations. According to the World Health Organization, in 1999 the economic burden for prevention and treatment of HIV infection worldwide was approximately \$14 billion.⁵ Highly active antiretroviral drug "cocktail" regimens cost from \$11,000–\$17,000 per year. Frequent physician visits also contribute to the high cost of managing these patients. Many