



Tufts Center for the Study of Drug Development

TUFTS UNIVERSITY

Impact REPORT

ANALYSIS AND INSIGHT INTO CRITICAL DRUG DEVELOPMENT ISSUES

Rapid growth in PBM exclusion lists poses challenge to drug developers

Rising drug prices help drive PBM and payer exclusion list growth

- The number of drugs on the exclusion lists (i.e., containing non-covered drugs) of the two largest pharmacy benefit managers (PBMs) in the U.S. has grown by around 65% from 2014 to 2016.
- Drug manufacturer rebates to PBMs appear to play a key role in exclusion decisions, as do coupon or co-pay offset provisions offered by drug manufacturers to patients.
- For 10 of 16 drugs excluded by both PBMs, no comparative clinical or cost-effectiveness studies had been conducted, which increases PBM or payer uncertainty regarding a drug's value, making it more likely that a drug will be excluded.
- Cost-effectiveness does not appear to correlate with exclusion status.
- More cost-effective brand name (single source) drugs are not always recommended over other less cost-effective brand name drugs in the same therapeutic class.