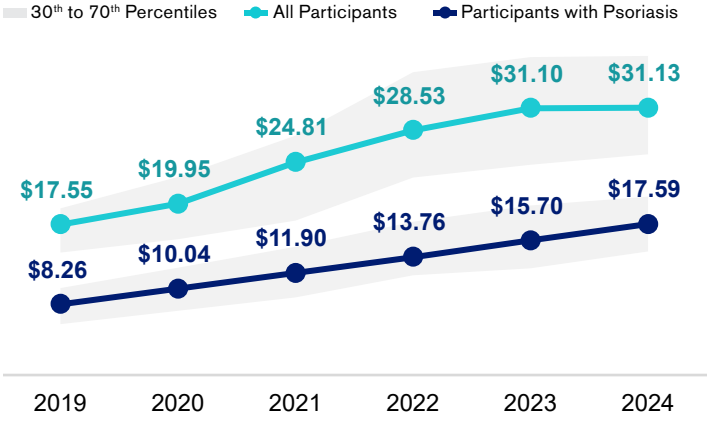
Trends

Statistics and Strategies for Health Plan Sponsors

Third Quarter 2025

Key statistics

The Cost of Anti-Psoriatic Drugs* More Than Doubled in the Last Five Years for Those Who Have a Psoriasis Diagnosis, and Increased 75 Percent for People with Any Diagnosis



* Anti-psoriatic drugs include all drugs indicated for psoriasis, not only drugs within the "anti-psoriatic class" (e.g., includes Humira® and topical steroids that may have other indications).

Source: Segal's SHAPE data warehouse, 2025

Strategies for managing the rising cost of specialty dermatological drugs

Prescription drug costs trend is forecast to remain in the double digits. Specialty drugs continue to be a major factor. Among the top cost drivers is substantial growth in the specialty dermatological drug category to treat conditions such as atopic dermatitis (AD) and psoriasis.

According to Segal's SHAPE data warehouse, psoriasis and autoimmune disease were the second and fifth largest contributors. respectively, to pharmacy trend in 2024, accounting for 15.8 percent and 5.6 percent of growth (e.g., median per member per month Per Member Per Month (PMPM) drug indication increases).

This growth is primarily driven by:

- Drug manufacturer advertisements
- High patient demand
- Robust pipeline of new drugs
- Expanded indications
- Improved safety profiles

Systemic biologic therapies for the treatment of inflammatory conditions, such as plaque psoriasis represent one of the highest total drug cost areas for most plans. Since 2019, Segal's clients have seen PMPM cost increases for anti-psoriatic drugs more than double for those who have a psoriasis diagnosis, as illustrated in the graph. The outlook for biosimilars along with life-cycle management strategies by manufacturers should be closely monitored by plan sponsors.

Emerging therapies for psoriasis

Conventional therapies to treat psoriasis, which include topical creams, phototherapy and traditional systemic medications, often have limited efficacy and can present serious side effects. Recently, a new class of biologic drugs known as Interleukin (IL) blockers has transformed the treatment of autoimmune conditions like moderate-to-severe psoriasis. These therapies target specific cytokines, which are small proteins that play a key role in immune system signaling. In psoriasis, an overactive immune response leads to the overproduction of pro-inflammatory cytokines, triggering rapid skin cell growth and chronic inflammation. The FDA has approved four classes of biologics for managing moderate-to-severe psoriasis: TNF-alpha inhibitors (e.g., Humira), IL-12/23 inhibitors (e.g., Stelara®) IL-17 inhibitors (e.g., Cosentyx®) and IL-23 inhibitors (Skyrizi®).

Each class of biologic agents offers distinct mechanisms, efficacy and safety profiles, enabling personalized care. Systemic biologic medications can be very effective, but they may also carry serious, adverse effects. The choice of systemic therapy depends on the type of psoriasis, other health conditions and patient preferences.

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Biosimilar market

Tumor necrosis factor (TNF) inhibitors that block the action of TNF, a pro-inflammatory cytokin, were the initial biologics authorized for treating psoriasis. Humira, a TNF-blocker began facing biosimilar competition in July 2023 and now many biosimilar products from several manufacturers are on the market. Data shows that formularies that exclude Humira and in favor of its biosimilars have proven highly effective in generating significant savings for plans.

IL blockers for psoriasis have substantial price/rebate and formulary placement competition. Beginning in January 2025, Stelara is anticipated to be the first IL-blocker to face biosimilar competition.

Stelara and some IL-23 blockers have received FDA approval for indications to treat certain gastrointestinal (GI) conditions, such as Crohn's disease and/or ulcerative colitis, which is unique compared to the IL-17 blockers used to treat psoriasis. However, the costs are typically higher for biologics that treat GI indications compared to other indications.

The longer-dosing interval of IL-23 products (e.g., Skyrizi and Ilumya®) have increased competition in the biologic psoriasis market because they can help improve convenience and adherence for patients. These biologics not only compete with each other for market share, but also with the non-biologic oral products for treatment of moderate to severe plaque psoriasis.

Overall, the anti-IL products give dermatologists the opportunity to achieve near or complete resolution of psoriasis. TNF-blockers have good efficacy, but the anti-IL biologics get more patients to complete or near-complete skin clearance; the new goal in the treatment of psoriasis is 100 percent clearance (i.e., Psoriasis Area and Severity Index of 100).

Plan sponsor strategies

Plan sponsors may want to examine their preferred branded product contract portfolios and determine if biosimilars will reduce costs. Strategies to consider include:

- **Clinical management.** Prior to systemic biologic therapy, patients should be required to have prior therapy, contraindication or intolerance to one or more first-line pharmacotherapy option. For example, due to the high cost and aggressive advertising for Dupixent® to treat AD, prior authorization (PA) guidelines are important. Many PA guidelines require that a minimum body surface area (i.e., 10 percent) is affected. AD prerequisites often include low-cost topical lotions/emollient creams or topical steroids. Consider shorter-duration approval time frames and reauthorization criteria to ensure the product is working.
- **Formulary optimization.** Consider revising formularies to focus on drugs with better clinical and economic value. PBMs may be conflicted about whether to place drugs on formularies based on financial incentives rather than a plan sponsor's cost-management efforts. Plan sponsors should choose drug formularies that provide effective, affordable medications, especially to avoid overprescribing expensive treatments for minor conditions where clinical options are available. Some PBMs offer more restrictive formularies which focus more on generic opportunities than rebates.
- **Monitor emerging biosimilar options.** Formularies help drive biosimilar utilization. TNF and IL inhibitor drugs, which include Humira, Cimzia® and Stelara, each have biosimilar competition. (Although Cimzia's patent expired in February 2024. a biosimilar has not yet launched.)
- **Contractual and clinical oversight.** Increasingly, plan sponsors are demanding transparency in PBM contracts to avoid hidden fees and misaligned incentives. PBMs have been removing some products from their specialty product lists in response to changing manufacturer pricing models (i.e., a large PBM recently recategorized Dupixent from specialty to non-specialty). Some plan sponsors are shifting from high-rebate models to lowest-net-cost strategies, focused on total cost reduction rather than maximizing rebates.

Compliance reminder: New requirements for breast and cervical cancer screening

Group health plans and insurers are required to cover additional breast imaging and pathology services and patient navigation services as preventive services with no cost sharing on an in-network basis for plan years beginning on or after January 1, 2026. Learn more about the new guidance on these preventive services in our June 11, 2025 insight.

To discuss the implications for your plan of anything covered here, contact your Segal consultant or get in touch via our website, segalco.com.

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