

## OMB Request for Additional Information - Agenda Item requesting a Third Amendment to the Agreement with Express Scripts

The County's pharmacy drug spend over the last 4 years has experienced a substantial increase. Our original contract effective date with Express Scripts began January 1, 2022. At that time, a total of \$68,000,000 was budgeted in the contract purchasing agreement for a 5-year contract term. As of September 25, 2025, the total amount released is \$60,542,357.80 with \$7.4M remaining. Therefore, we are formally requesting \$22M from our 2026 Healthcare budget to apply for the remainder of the contract term 12/31/26.

Express Scripts - Pharmacy Contract (Expense History 2022-2025 + Projected 2026)							
		Agreement Total		68,000,000.00	5 years		
				13,600,000.00	yearly average		
Agreement Year	Calendar Year	Total Actual					
	Jan-Dec						
1	1/1/2022	2022	\$12,708,103.30	calendar 2022	12 months	\$ increase	% increase
2		2023	\$15,667,788.41	calendar 2023	12 months	\$2,959,685.11	23.3%
3		2024	\$18,028,911.27	calendar 2024	12 months	\$2,361,122.86	15.1%
4		2025	\$19,722,612.42	calendar 2025	12 months	\$1,693,701.15	9.4%
5	12/31/2026	2026	\$22,681,004.28	calendar 2026	12 months	\$2,958,391.86	15.0%
			\$88,808,419.68	projected 5 yrs			
			68,000,000.00	current contract			
			(\$20,808,419.68)	Needed Increase			

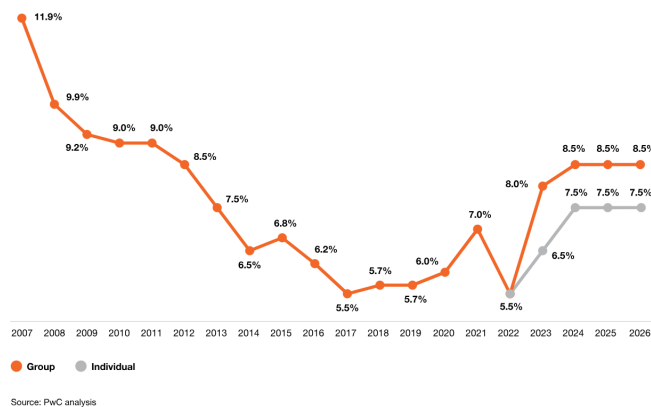
There are 3 key cost drivers impacting the request for \$22M for the final 15 months of the agreement:

1. Overall industry pharmacy trend increase for 2026 is +8%
2. Increase in specialty drugs (associated with catastrophic illnesses)
3. Increase of GLP1 drugs (associated with diabetes and obesity)

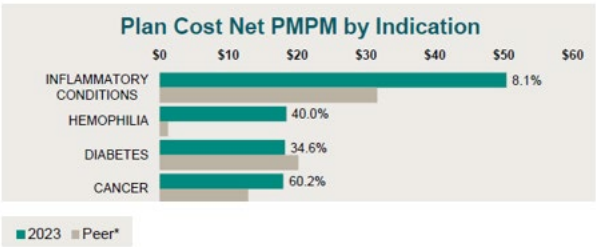
On a national level, **pharmacy trend** over the last 5 years averaged 6% - 8.5%. The rise in costs can be attributed to newly introduced biosimilars (drugs taken intravenously) driven by growth in oncology, immunology, cardiovascular and CGT's (cellular gene therapies) in addition to GLP-1 drug classes. GLP-1 drug therapy alone is projected to account for 0.5% - 1% of the estimated trend cost for 2026.

### PwC medical cost trends, 2007-2026

PwC projects medical cost trend to be 8.5% for Group and 7.5% for Individual in 2026, in line with 8.5% and 7.5% in 2025



**Specialty drug cost** has significantly increased for members with chronic conditions. The County’s top 4 disease categories experienced a +25% increase in year-over-year expenses from 2023 – 2024. 21 specialty drugs account for 80% of the County’s top 25 drug spend.



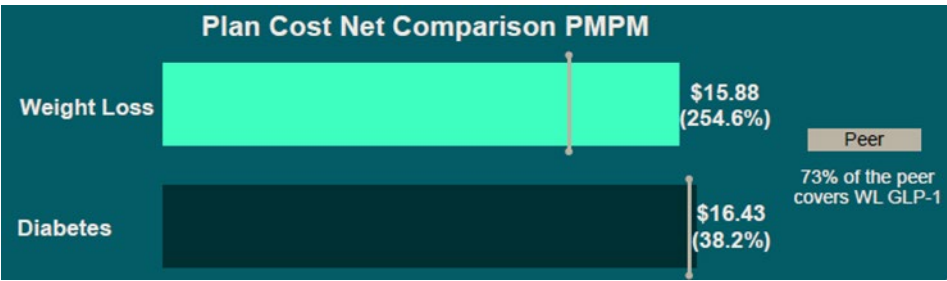
Prescription Drug Specialty History

	2022	2023	2024	1/25 - 9/25
Specialty Claims Paid	\$8,494,941	\$9,965,186	\$12,383,834	\$10,534,898

**The county’s second highest cost contributor includes GLP-1 medications.** While these drugs provide lifesaving impacts to our diabetic population, the largest portion are taking GLP-1’s for weight loss. Weight loss cost/s increased 251.2% from 2023-24.

Prescription Drug GLP-1 Claim History

	2022	2023	2024	1/25 - 9/25
GLP-1 Claims	\$1,024,331	\$1,584,293	\$2,696,582	\$4,326,839



## GLP-1 Trend 2022-2024:

### Trend Over The Years

#### DIABETES

272 Members on diabetes GLP1 drug: ←

- Subscriber- 202
- Dependent- 70

Year	Overall Rank	Adjusted Rxs	Patients	Plan Cost Net
2024	3	10,096	556	\$1,588,155
2023	3	9,908	542	\$1,267,559
2022	2	9,824	517	\$954,916

#### WEIGHT LOSS

238 Members on weight loss GLP1 drug: ←

- Subscriber- 180
- Dependent- 58

Year	Overall Rank	Adjusted Rxs	Patients	Plan Cost Net
2024	5	1,607	258	\$1,108,427
2023	12	444	98	\$316,734
2022	26	144	39	\$69,415

### We are evaluating several strategic tactics to help address our pharmacy spend in 2026:

1. **Express Scripts' SaveOn copay manufacturer assistance program** will provide our population currently taking specialty medications affordable coupon options direct with the manufacturer. The County will also see an estimated plan savings of \$800k-\$1M annually.
2. Evaluate innovative solutions to reduce our GLP-1 spend.
3. **Perform a marketing (via RFP) for an alternative pharmacy benefit manager administrator who can provide deeper AWP discounts/competitive pricing, higher rebate share/s and stronger contractual terms for January 1, 2027.**

It should be noted that for our renewal term with Express Scripts for the January 1, 2025 – December 31, 2026O we did successfully negotiate deeper AWP discounts and increased rebate share.