White Paper

How PBMs' Vertically Affiliated Pharmacies Shape Access Pathways for Oncology and Autoimmune Patients

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Introduction

In the last several years, the pharmaceutical supply chain has seen continued growth and verticalization within top healthcare companies, such that it is now common practice for Pharmacy Benefit Managers (PBMs) to have retail and/or mail pharmacies as part of their business. While PBM-owned, vertically affiliated pharmacies are positioned as a means to reduce costs, they can also create barriers to access, resulting in delays as patients' claims are transferred through the system to pharmacies affiliated with their PBM.

This paper measures the differences in access between patients who initiate treatment through their PBMs' vertically integrated pharmacies, described here as affiliated pharmacies, compared to other non-affiliated pharmacies. We compare differences in access in both immunology and oral oncology markets, as patients affected by these conditions have previously been analyzed to show that despite the need for and efficacy of such medicines, utilization management tactics have delayed treatment.[1]

Key takeaways

- Patients who submitted prescriptions for immunology and oral oncology medicines at non-affiliated pharmacies were more likely to encounter rejections than patients who initially attempted to fill at their PBMs' affiliated pharmacies.
- For patients who overcame payer rejections, those who ultimately filled prescriptions at non-affiliated pharmacies experienced longer delays to treatment than those who filled at affiliated pharmacies. Average delays were 32 days versus 16 days for immunology, and 17 versus 10 days for oral oncology.
- Patients who switched from non-affiliated to affiliated pharmacies more often overcame payer rejections than those who did not switch, but they faced the longest delays prior to approval: an average of 42 days for immunology and 22 days for oral oncology.
- Regardless of pharmacy affiliation, most patients who were initially rejected but ultimately gained approval for their immunology and oral oncology medicines encountered multiple rejections before gaining approval.

1. https://www.iqvia.com/locations/united-states/library/white-papers/the-impact-of-formulary-controls-on-commercially-insured-patients-in-five-chronic-therapeutic-areas

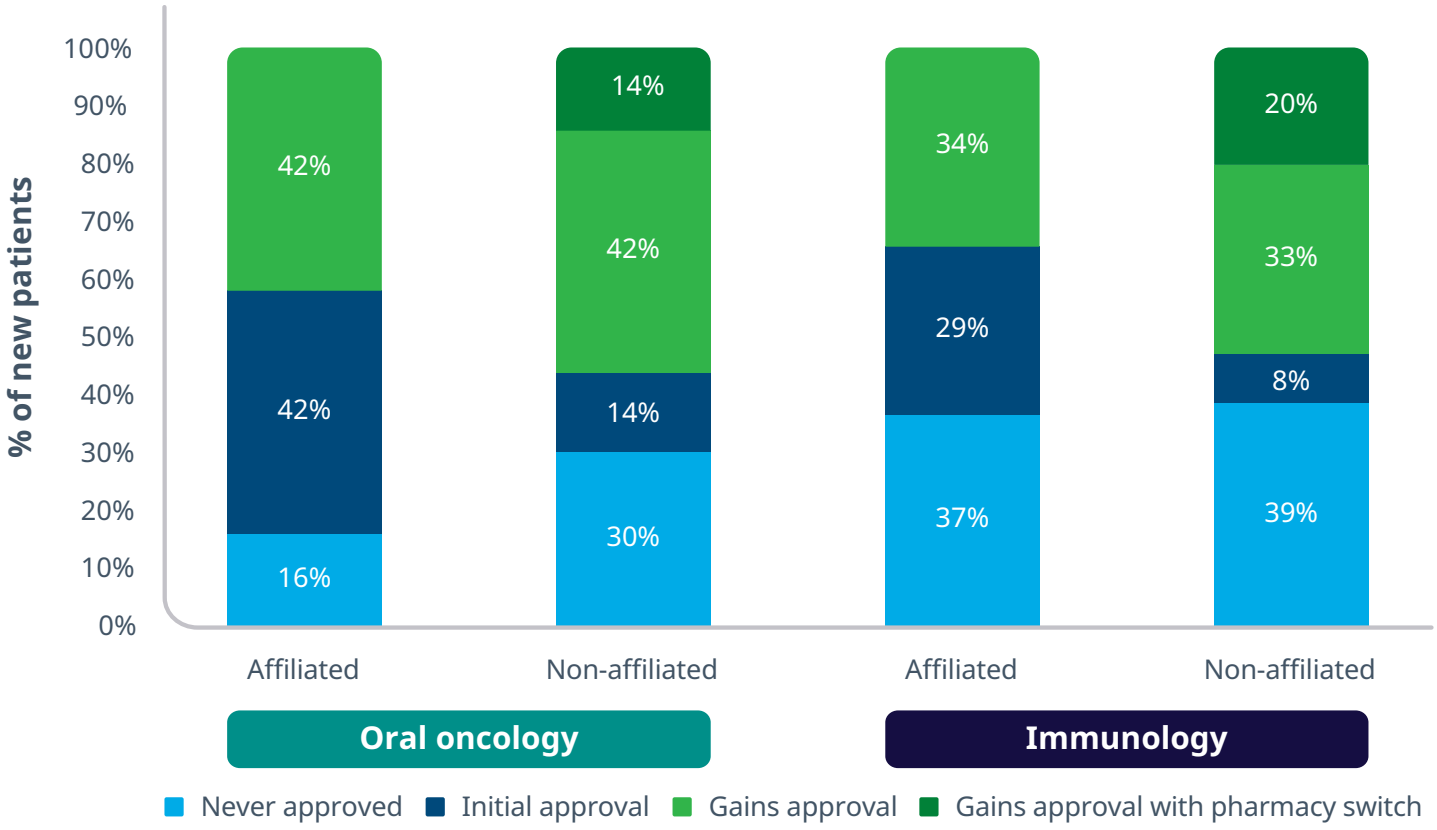
Formulary controls

Oral oncology and immunology drugs tend to be highly controlled on payer formularies. Patients who submit their prescriptions to non-affiliated pharmacies face initial rejections — rejections associated with a first attempt — at an even higher rate. 86% of oral oncology and 92% of immunology patients attempting to fill a new branded medicine at non-affiliated pharmacies were initially rejected, whereas patients attempting to fill at affiliated pharmacies were initially rejected less often (58% in oncology, 71% immunology).

Over time, some patients were able to work through their rejections, potentially by submitting required documentation, doing more tests, or switching from non-affiliated to affiliated pharmacies. Among those filling at non-affiliated pharmacies, 42% of oral oncology patients and 33% of immunology patients were approved at their original pharmacy after an initial rejection, and another 14% and 20% gained approval with a switch to an affiliated pharmacy.

Though switching to affiliated pharmacies can facilitate payer coverage for oncology and immunology, not all patients managed to overcome their payer rejections. 37% of immunology patients filling at affiliated pharmacies and 39% filling at non-affiliated pharmacies were never able to get approved for their treatment within a year. The disparity in cohorts was more pronounced in oral oncology, where 30% of patients attempting to initiate treatment at non affiliated pharmacies were never approved, almost twice the final rejection rate of 16% at affiliated pharmacies.

Figure 1: One-year rejection rates for newly prescribed medicine in commercial market, by pharmacy affiliation status and therapeutic area



Note: Products limited to top brands (as defined by market share) within each therapeutic area; January 2021-June 2024
Source: IQVIA LAAD Pharmacy Claims data; U.S. Market Access Strategy Consulting analysis.

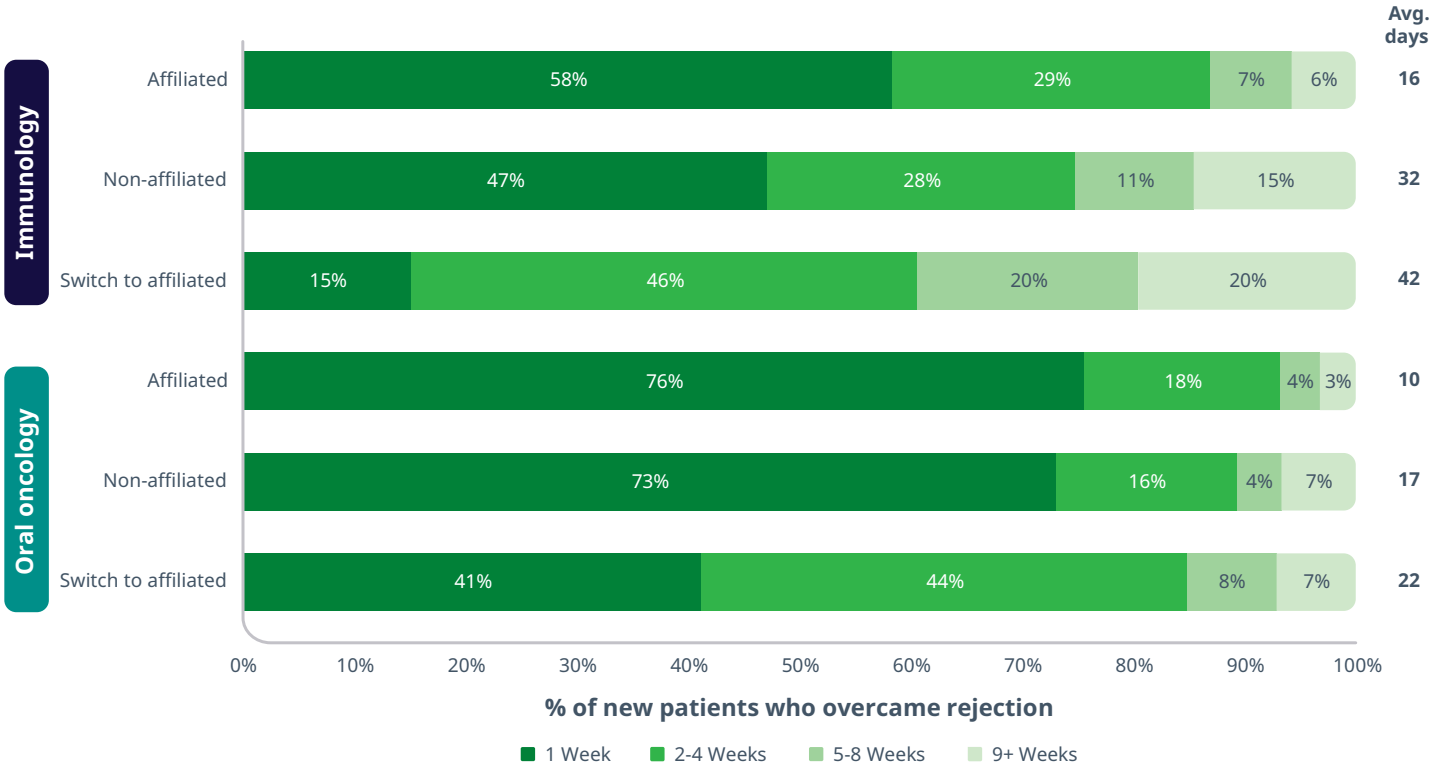
Time and effort to overcome formulary controls

After a rejection, patients filling prescriptions at affiliated pharmacies in both immunology and oral oncology gained approval more quickly than those filling at non-affiliated pharmacies. On average, immunology patients at affiliated pharmacies gained approval after 16 days, while oral oncology patients gained approval after 10 days, compared to 32 and 17 days at non-affiliated pharmacies, respectively. Patients who switched to affiliated pharmacies after they were initially rejected at non-affiliated pharmacies faced the longest delays. Oral oncology patients who switched pharmacies to gain approval waited an average of 22 days, while immunology patients waited 42 days. These delays were 12 days longer than patients at affiliated pharmacies in oral oncology and 26 days longer in immunology.

Transferring claims from non-affiliated to affiliated pharmacies requires coordination and even resubmission, often exposing patients to repeated rejections and other challenges. Notably, switch patients who had an initial rejection, but ultimately went on to gain approval at an alternative pharmacy, may have attempted at multiple pharmacies before being successful. 5% of oral oncology and 14% immunology switch patients were rejected at their initial pharmacy, rejected again at an alternative pharmacy, and only secured approval at a third or later site (IQVIA analysis, data not shown). This suggests that switching pharmacies can create uncertainty about which pharmacies are preferred and, at minimum, introduce additional hurdles for patients.

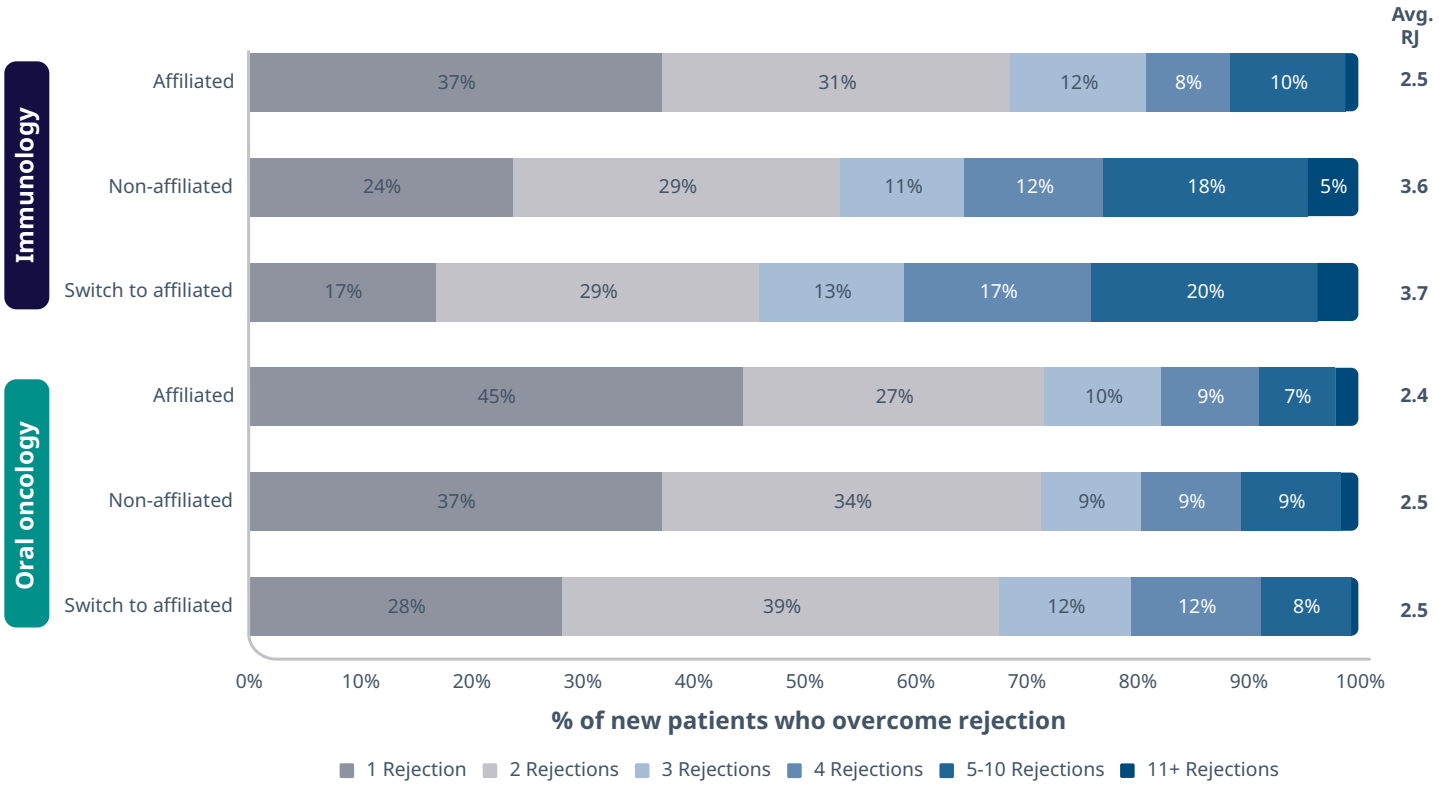
Oral oncology patients encountered between 2 and 3 rejections before getting approval, regardless of whether they filled at affiliated or non-affiliated pharmacies. The difference was more pronounced among immunology patients, where those who switched from non-affiliated to affiliated pharmacies encountered an average of 1.2 more rejections before approval compared to patients who initiated therapy through an affiliated pharmacy. Nearly three quarters of the immunology patients who switched to affiliated pharmacies (72%) faced two or more rejections before approval, whereas only 55% of patients in affiliated pharmacies from the beginning faced that many rejections. This trend was similar in oral oncology, where 83% of patients who switched to affiliated pharmacies faced at least two rejections, compared to 63% of patients who initially filled at affiliated pharmacies. Overall, patients in both therapeutic areas faced a high number of rejections. Overcoming repeated rejections accounts for some of the delays in approval measured below.

Figure 2: Time to approval for patients who overcame initial rejections by pharmacy affiliation status, commercial market



Note: For patients who eventually gained approval, time to approval and number of rejections prior to approval impact of access to treatment. The time to approval measures the time from first attempt to approval. The number of rejections measures the amount of rejection patients face prior to approval; January 2021-June 2024
Source: IQVIA LAAD Pharmacy Claims data; U.S. Market Access Strategy Consulting analysis.

Figure 3: Number of rejections for patients who overcame initial rejections by pharmacy affiliation status, commercial market



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Source: IQVIA LAAD Pharmacy Claims data; U.S. Market Access Strategy Consulting analysis.

Discussion

Patients filling prescriptions through non-affiliated pharmacies faced more initial rejections and gained approval less quickly than those filling at affiliated pharmacies. This creates a clear access gap. Vertically integrated specialty pharmacies may offer patient support and outreach, and PBMs may allow them to dispense a larger days' supply at once, which can improve patient adherence. However, the administrative burden and potential confusion created by requiring patients to fill prescriptions at an affiliated pharmacy can have the unintended consequence of delaying patient treatment or preventing treatment altogether.

Rising healthcare costs mean more rigid formulary requirements, with patients attempting to initiate treatment at non-affiliated pharmacies bearing a disproportionate share of these burdens. This trend places additional administrative and financial pressure on patients who are already navigating complex treatment pathways. States have enacted legislation to address these disparities by prohibiting PBMs from limiting or restricting access to non-affiliated pharmacies. These legislative attempts underscore growing awareness of the access challenges inherent in the current system.

Importantly, this research highlights that coverage does not always equate to access — a distinction that becomes increasingly critical as the population ages and grows, and the prevalence of chronic illness rises. Ensuring true access to therapy, rather than just coverage, remains a central challenge for policymakers as they adapt to evolving demographic and healthcare needs.

Disclaimer

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Acknowledgements

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Key terminology

1. Affiliated Pharmacy: A vertically integrated pharmacy affiliated with the patient's PBM.
2. Non-Affiliated Pharmacy: A pharmacy not affiliated with the patient's PBM.
3. Switch to Affiliated: Patients initially rejected at a non-affiliated pharmacy but approved at an affiliated pharmacy.
4. Not Covered Rejection: Patient does not receive approval as payer rejects the claim due to a formulary exclusion.
5. Prior Authorization/Step Rejection: Patient does not receive approval due to a prior authorization form or needing to step through an alternate product.
6. Other Rejection: Primarily consists of administrative rejections. These may include quantity limits, attempting to fill at a non-preferred pharmacy, or missing information.
7. Initially Approved: Patients approved for their product of choice at the first attempt.
8. Initially Rejected: Patients rejected for their product of choice at the first attempt.
9. Gains Approval: Patients initially rejected who overcome the rejection and gain approval within 365 days.
10. Never Approved: Continues to face rejection after 365 days.
11. Number of Attempts: Attempts needed to overcome initial rejection.
12. Average Days to Treatment: Average time to first fill.

About the data

IQVIA Longitudinal Access and Adjudication Data (LAAD) is made up of nearly 4 billion U.S. prescription claims per year. With history from January 2006 and coverage over 90% for the retail channel, 60% to 85% for mail service, and 75% to 80% for long-term care. Longitudinal data derives from electronic data received from pharmacies, payers and software providers, and transactional clearinghouses.

The information represents activities that take place during the prescription transaction. It has information about the product, provider, payer, and geography. Rx data is longitudinally linked back to an anonymous patient token and is linkable to events within the data set itself and across other patient data assets.

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Rahel Ehrenberg has been with the IQVIA U.S. Market Access Strategy Consulting team since 2010. During her tenure, Rahel has developed expertise in leveraging patient longitudinal data to provide actionable insights around market access, copay card design, and targeting. In addition to her experience in the diabetes and autoimmune markets, she has contributed to building practice-wide expertise around deductible accumulators and copay maximizers. Rahel holds a B.S. from the Massachusetts Institute of Technology.

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Kristen Copley is a consultant with IQVIA's U.S. Market Access and Strategy Consulting group. Kristen has expertise in analyzing pharmacy and medical claims data across a range of therapeutic areas including immunology, oncology, and the anti-obesity market. She also has experience in assessing patient behavior, patient assistance program optimization, and payer control landscape. Kristen holds a B.S. from the Rochester Institute of Technology.

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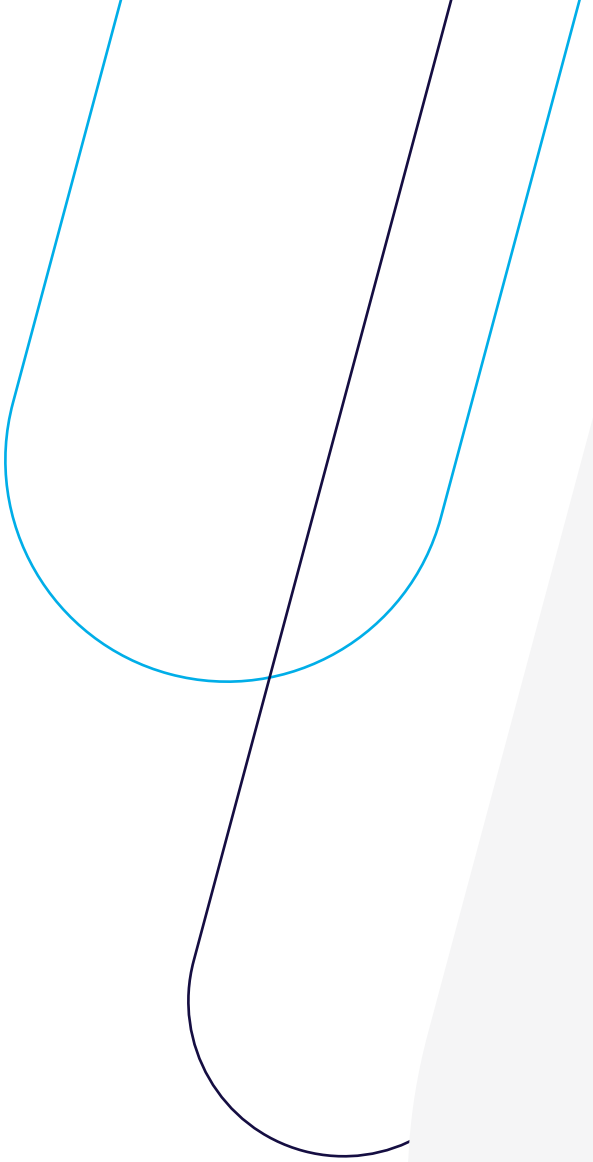
Pippa Johnson is an Associate Consultant with IQVIA's U.S. Market Access and Strategy Consulting group, where she supports life sciences customers in navigating complex pharmaceutical and payer landscapes. Drawing on a foundation in consulting and health system strategy, Pippa delivers data-driven analyses that translate complex healthcare dynamics into actionable strategic insights. Her experience includes market access strategy development, patient behavior and access analyses, formulary negotiation support, and launch strategy planning across a range of therapeutic areas. She holds a B.S. in Business Administration, with a concentration in Finance, and a minor in Health Science, from Northeastern University.



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