

Fifth Armada Specialty Rx Summit draws 1,000

LAS VEGAS — The specialty pharmacy market is a lot less fragmented than it was just a few years ago, a fact that is reflected clearly in the rapid growth of the Armada Specialty Pharmacy Summit. Held here last month at the Wynn resort and casino, the Summit drew more than 1,000 attendees from the retail, manufacturer and wholesaler communities. Four years ago, at the group's inaugural meeting, a little more than 20 people attended.

"That's a 30-fold increase since our first meeting," host Lawrence Irene, Armada Health Care CEO, announced to the massive group — more than 40% of which represented providers of all sizes, from independents and small regionals to such titans of pharmacy as Walgreens and CVS.

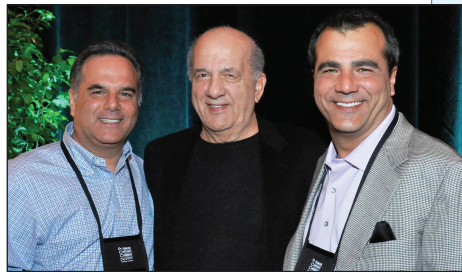
Behind the interest: A growing market emerging from infancy with myriad opportunities to improve care and health outcomes — and vastly expand the role pharmacy plays in the delivery of health care in America. The challenge: To successfully navigate a sea of operational challenges beyond the inherent complexity of the therapies being delivered. From claims adjudication, to managing formularies, and compliance and adherence, benefit design, every aspect of specialty pharmacy seems "hard," explained keynote speaker Stan Blaylock, Walgreens SVP and president of the company's managed care division, Walgreens Health Initiatives.

At a time when even the health-care services market is not immune to the violent changes in the economy, and overall pharmaceutical growth has slowed to a crawl, specialty pharmacy continues to explode. Standing at about \$70 billion to \$80 billion today, it is a market expected to top \$500 billion in the next 15 to 20 years, Blaylock noted.

Judging from the growth in the pipeline over the past 15 to 20 years, and the high cost of most of these drugs, that estimate could prove too conservative. In 1990, the specialty market included just 10 drugs, with 100 more in development. Ten years later, the number of specialty drugs on the market was almost 100, with 369 more in devel-

opment. By 2007, the number had reached 300 on the market, and more than 1,500 in development.

The top 10 specialty items — including such drugs as Enbrel, Remicade, Humira and others — generated worldwide sales of nearly \$50 billion last year.



Lawrence, Sandy and Robert Irene founded Armada Health Care, the largest national marketing organization focused on the specialty pharmacy channel.

In addition to an exploding new product pipeline, Blaylock also pointed to several other key trends that are shaping the specialty market, including:

- Higher patient copays, deductibles and co-insurance
- Heightened payer focus around intensity of management and overall cost of care
- More products requiring professional administration
- Pricing pressure on all industry stakeholders
- Continued consolidation — both among providers and manufacturers
- Convergence of specialty pharmacy and home infusion
- Biosimilars

The summit also included a special Managed Care Leadership Panel, offering some perspectives from such big payers as Blue Cross Blue Shield of Minnesota, HealthNet of California and others, on the question of cost versus value in specialty pharmacy therapy management.

In addition to the general sessions, the Summit also featured more than 20 individual breakout sessions, including one on the specialty pharmacy pipeline by CVS Caremark clinical adviser Deborah Cooper. Another by former Rite Aid pharmacy executive Greg Drew — currently, president and CEO of Pharmacy Expertise — discussed how specialty pharmacy is evolving among the big pharmacy chains.

Q&A Specialty Rx & Armada Armada Health Care

Founded in 2004 by Lawrence and Robert Irene and their father, Sandy — the respective CEO, president and chairman — Armada Health Care has become a major company for comprehensive access to the specialty pharmacy market. Drug Store News spoke with the Short Hills, N.J.-based company that helps bring together and facilitate business between all players in specialty pharmacy, including providers, manufacturers, wholesalers, payers and patients.

Drug Store News: Who is Armada; where did you come from; and what are your roots?

Armada Health Care: Lawrence, Robert and Sandy Irene are all registered pharmacists and graduates of St. John's University College of Pharmacy. They have been thought leaders and advocates for improvements in the healthcare industry for 30-plus years. Sandy Irene originally owned and operated several retail pharmacies. In 1978, he purchased a long-term care pharmacy, which eventually became the largest LTC pharmacy in the United States. Subsequently, Lawrence and Robert established, operated and eventually divested the largest LTC buying group in the country. Collectively, these past experiences gave the Irene's the impetus to establish a focused and dedicated organization for the specialty pharmacy channel. The result was the establishment of Armada Health Care in 2004.

DrSN: How is your company unique?

Armada: Armada Health Care is the largest national marketing organization focused on the specialty pharmacy channel. Armada has established itself as a market leader in specialty pharmacy channel management by developing programs that benefit specialty pharmacy providers, pharma/biotech manufacturers, payers and, most importantly, patients.

DrSN: What have been the latest developments at the company?

Armada: Armada's latest developments include the expansion of the Armada Specialty Pharmacy Network, the establishment of the Armada Specialty Pharmacy Advisory Board and the continued development of unique programs for specialty pharmaceuticals.

Armada Health Care developed the Armada Specialty Pharmacy Network in 2007 to create value-added services and programs for Armada member pharmacies and their patients. This membership, now the largest in the nation, includes thousands of independent, chain and specialty pharmacies. The ASPN network offers unparalleled access to virtually every specialty pharmacy product currently available.

ASPN is comprised of Armada Health Care member pharmacies in a seamless network. The membership is highly diverse and includes those specialty pharmacies considered clinical leaders in each chronic disease state for which injectable, infusible and select oral medications are dispensed. In addition, industry stakeholders utilize the ASPN network to support tailored, channel-management programs nationally, with all coordination provided through Armada Health Care.

DrSN: How has your company grown?

Armada: Armada has experienced tremendous growth since its inception in 2004. Membership now exceeds 500 corporate members that represent thousands of dispensing locations covering all 50 states. In 2008, Armada members dispensed more than \$15 billion of specialty prescriptions. Armada's growth can be attributed to its ability to recognize critical needs within this market, while taking the leadership role in developing comprehensive solutions and programs.

DrSN: What is your biggest challenge and your biggest opportunity?

Armada: The key challenge Armada faces is to further differentiate and define specialty pharmacy as a distinct segment of the pharmaceutical industry. Further recognition of this unique segment will result in innovative programs tailored to enhance outcomes for specialty pharmacy patients. Since its inception in 2004, Armada has made significant strides towards this objective; however, this continues to be a critical focus for Armada.

Armada's biggest opportunity is to continue to create cutting-edge marketing programs that benefit specialty pharmacy channel stakeholders and enhance overall patient care.