Cancer Drug Spending Outlook

Projected trend

Year	2009	2010	2011
Utilization increase	1% to 2%	2% to 3%	2% to 3%
Price and mix increase	11% to 12%	10% to 11%	9% to 10%
Annual total	12% to 14%	12% to 14%	11% to 13%

*Projected change in drug spending on a plan ingredient-cost basis

• The quest to find a cure for cancer continues, and scientists are starting to better understand how targeted drug therapies and improved biomarker and genetic testing can transform cancer treatment.

• Novel oral and injectable cancer drugs will continue to be important trend drivers over the next few years because of the large number of recently approved drugs, the large number of oral drugs in the pipeline, and the likelihood of expanded indications and off-label usage for these products.

• According to the Pharmaceutical Research and Manufacturers of America, almost 750 new cancer drugs and new indications for existing cancer drugs are in clinical development. Thus, plan costs for oncology drugs, especially the more targeted and long-term oral drugs will continue to grow briskly in utilization and cost over the next 3 years.

• The number of new oncology drug approvals may decline in 2009, but this lull will be short-lived as there are many agents in late stage clinical development and several of these agents could receive approval in 2010 or 2011.

Trend predictions

Key developments that are likely to shape drug trend in the oncology category over the next 3 years:

• An increase in the number of patients receiving long-term treatment with more targeted oral oncology drugs
• Continued growth in the use of combination treatments for various types of cancers
• New oral oncology drugs and expanding indications for existing drugs for the treatment of various cancers
• Injectable monoclonal antibodies to treat various cancers

Trend driver: Oral kinase inhibitors such as *Gleevec®, Sutent®, Nexavar®, Tykerb®, Tarceva®, and Tasigna®*
Trend moderators: Several first-time generic oncology agents, including *Femara®* (letrozole) , *Arimidex®* (anastrozole), *Casodex®* (bicalutamide), and *Temodar®* (temozolomide)

Source: Medco data/2009 Drug Trend Report