Prescription Drug Pipeline Update

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International Foundation OF EMPLOYEE BENEFIT PLANS

Drug Pipeline Overview

Impact of Expanding GLP-1 Indications

- Emphasis on net cost and continued evaluation of overall health care costs
- Up-to-date clinical outcomes data and guidance used to track indications
- Management specific to indication with more utilization management options

- NASH (liver)
- Sleep apnea
- Alzheimer's disease
- Diabetes/ prediabetes
- Kidney disease
- Weight loss
- Cardiovascular disease/ heart failure

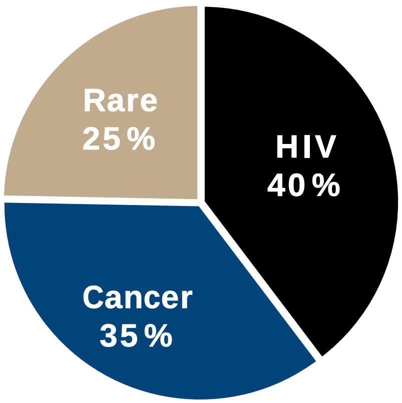
Obesity Pipeline: Second Wave of GLP-1s

Drug	Manufacturer	Mechanism	Route / Dosing	Approval
Rybelsus (semaglutide)	Novo Nordisk	GLP-1 Agonist	Oral (Daily)	2025
CagriSema (cagrilintide/semaglutide)	Novo Nordisk	GLP-1/Amylin Dual Agonist	SC (Weekly)	2026
orforglipron	Lilly	GLP-1 Agonist	Oral (Daily)	2026
pemvidutide	Altimmune	GLP-1/Glucagon Dual Agonist	SC (Weekly)	2027
retatrutide	Lilly	GLP-1/GIP/Glucagon Triple Agonist	SC (Weekly)	2027
survodutide	BI/Zealand	GLP-1/Glucagon Dual Agonist	SC	2027/2028
danuglipron, modified release	Pfizer	GLP-1 Agonist	Oral (Daily)	2028
MariTide (maridebart cafraglutide)	Amgen	GLP-1 Agonist/GIP Antagonist	SC (Monthly)	2028

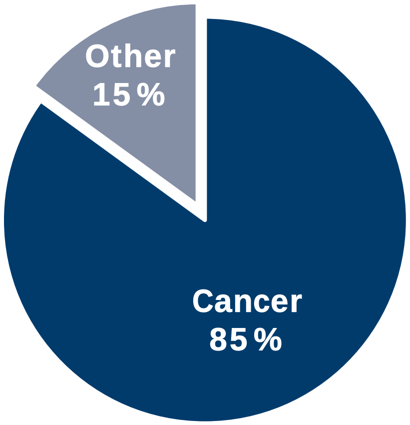
Shifting Use of FDA's Accelerated Approval Pathway

Oncology treatments approved via accelerated approval are brought to market ~5 years faster than traditionally approved products

Treatments Approved 1992-2010



Treatments Approved 2010-2020



Questioning Clinical Bar Set by Recent Accelerated Approvals

Sep. ‘22

Relyvrio (Amylyx)

Indicated for Amyotrophic Lateral Sclerosis

Jun. ‘23

Elevidys (Sarepta)

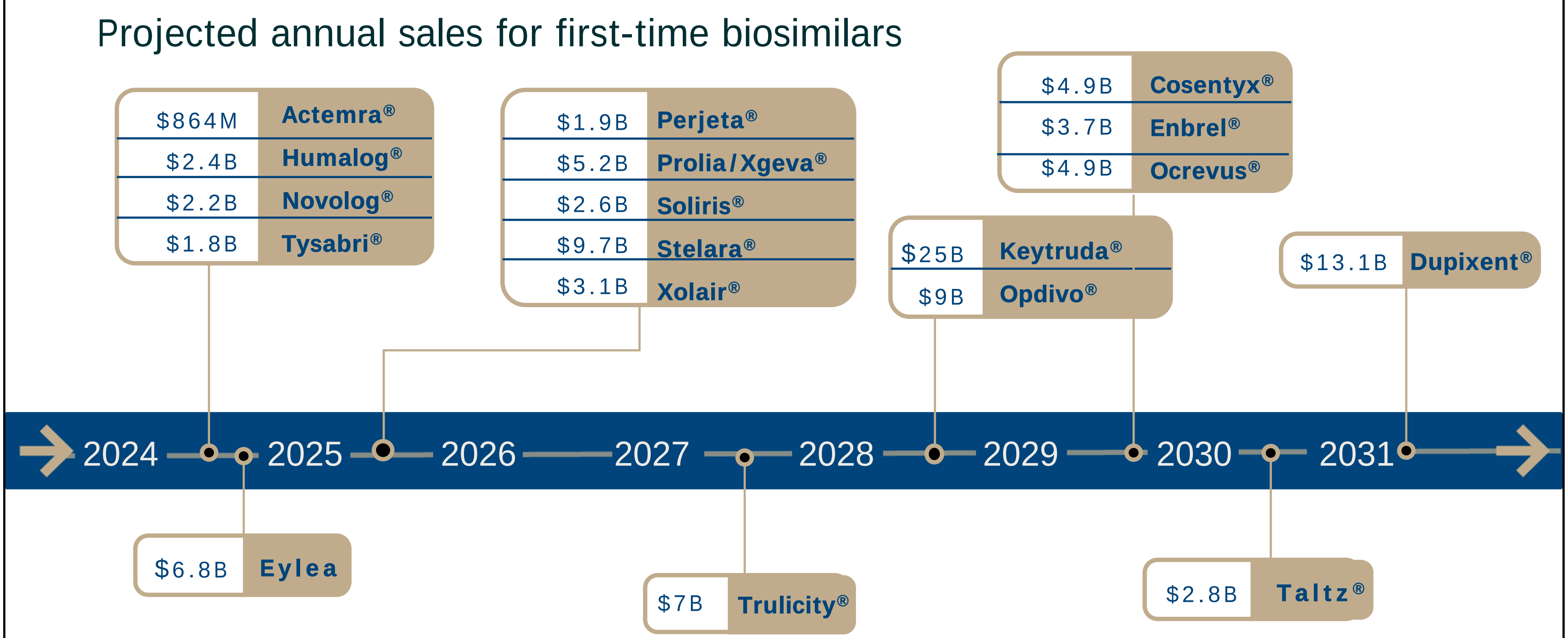
Indicated for Duchene Muscular Dystrophy

Jul. ‘24

Kisunla (Lilly)

Indicated for early symptomatic Alzheimer’s disease

Biosimilars on the Horizon



IPD Analytics. "Market & Financial Insights." Page last accessed April 22, 2024. https://www.ipdanalytics.com/forecasting-market-impact; Evernorth internal research.

Stelara Biosimilars

Timing

- Amgen first to launch in Jan 2025
- FDA approved and interchangeable (exclusive until April 2025)
- Other pharma able to launch in Feb 2025 and after
- Teva/Alvotech, Sandoz/Samsung, Frenenius Kabi, Biocon
- Not all will have IV at initial launch

Pricing

- Expect most to take a low WAC pricing approach (80% off of WAC)
- Possible split pricing

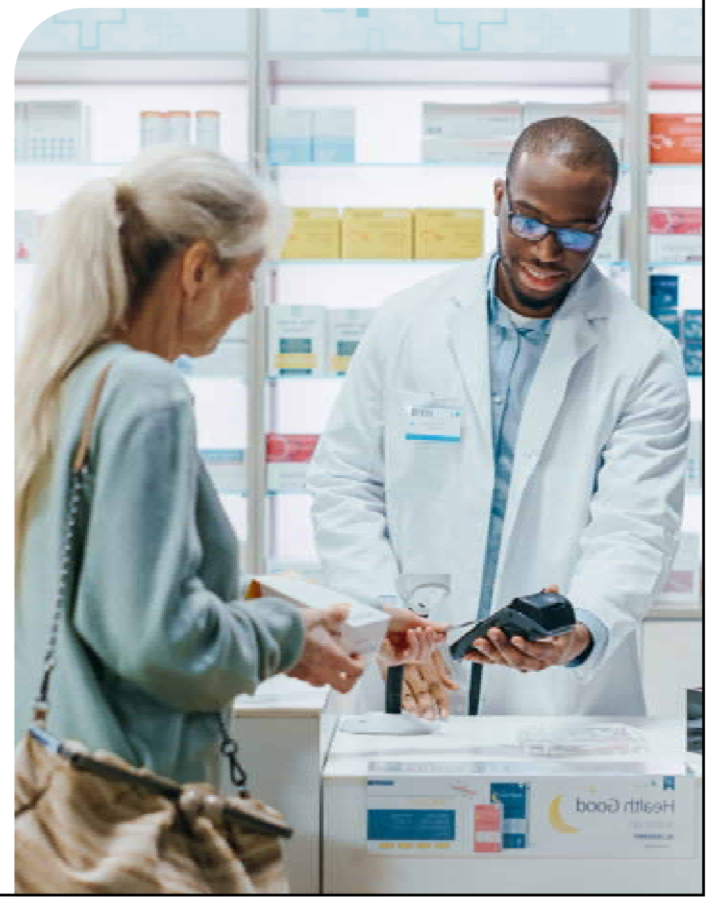
Regulatory Landscape

Regulation: AMP Cap

- What
  - American Rescue Plan Act of 2021, removes the statutory cap on rebates paid to Medicaid which can result in Pharma paying rebates >100% to Medicaid
- Why
  - Pharma establishes its pricing and contracting strategy; if a product is patent protected long enough, takes price increases, and aggressive discounts, calculation of best price should not be capped
- Impact
  - Several impacted pharma lowered their list prices and corresponding contracting (ex. Insulins, Inhalers) for 2024
    - Flovent exited the market
    - Some took no change in 2024 (ex. DPP-4, SGLT2)
- Other information
  - AMP Cap changes will continue to pressure certain drug classes so we anticipate some pharma will evaluate for a price change in 2025 or after

Regulation: Delinking

- What
  - Would ban compensation as a percent of medication list price (ex. Manufacturer Administrative Fee)
- Why
  - Reduce gross to net and incentivize manufacturers to incorporate more savings into the list price of a medication
- Potential impact
  - Loss of all savings from negotiated admin fees with pharma without any requirement to reduce list price or provide the savings as rebate
- Other information
  - Unclear if it would extend to other areas of the supply chain such as distributors, wholesalers, pharmacies, etc.



IRA: Products Under CMS Price Negotiation for 2026

Medication	MFP	List Price	List Price (2024)	Medication	MFP	List Price	List Price (2024)
Eliquis	$231	$521	$594.40	Xarelto	$197	$517	$569.58
Jardiance	$197	$573	$611.10	Farxiga	$178.50	$556	$582.25
Novolog/Fiasp	$119	$495	$123.75	Januvia	$113	$527	$573
Entresto	$295	$628	$688	Imbruvica	$9,319	$14,934	$16,392
Enbrel	$2,355	$7,106	$7,402	Stelara	$4,695	$13,836	$13,921

Competitors Following the Leader... Sometimes

$15,883	$14,920	$14,487	$21,000
Imbruvica	Calquence	Brukinsa	Jaypirca
CLL/MANTLE CELL* THERAPY	CLL/MANTLE CELL THERAPY	CLL/MANTLE CELL THERAPY	MANTLE CELL THERAPY
Can be initial therapy based on guidelines	Can be initial therapy based on guidelines	Can be initial therapy based on guidelines	Used after another BTK inhibitor

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Session Evaluation