THE 2019 UNITED STATES PAYOR LANDSCAPE: TRENDS AND RESULTS FROM SURVEYS ON FORMULARY MANAGEMENT

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The TPG-National Payor Roundtable (TPG-NPRT) focuses on market access programs within the United States, is a subsidiary of The Pharmacy Group, and maintains a database of Chief Medical Officers and Chief Pharmacy Officers in the United States.

Better Health Worldwide provides evidence-based research and support to the healthcare industry. We partner with pharmaceutical and device manufacturers to develop and conduct domestic and international clinical-based advisory board programs, conduct retrospective research and communicate findings with an emphasis on outcomes, absenteeism and the impact of conditions on caregivers.

BACKGROUND

- Based on recent programs with US payors, Medical Directors, and sponsors (pharmaceutical, medical device, and health technology companies), the authors and their organizations decided to conduct a survey of medical and pharmacy directors involved with Pharmacy & Therapeutics (P&T) Committees on their policies regarding:
  - The administration of formularies in the decision making process for pharmaceuticals
  - Use of formulary management tools to control the growth of healthcare costs and ensure appropriate utilization of products
  - The decision making process for formulary inclusions and exclusions
- Based on the 12 months ending June 2018, Specialty Pharmaceutical[1]:
  - Expenditures continue to grow and reached 44.5% of the non-discounted spending during this period (up from 31.5% in 2013)
    - The top specialty products (rank, sales in billions) include: Humira (#1, $17.5), Remicade (#2, $8), Enbrel (#3, $5.4)
  - Products are often biologic agents and seven of the top 20 specialty products have biosimilar products in the market or in development
- In the US Market at the time this poster was developed:
  - 18 biosimilar products have been approved since 2015[2,3], only 7 products are currently marketed, representing biosimilars of: Neupogen® (Filgrastim), Remicade® (Infliximab), Epogen® (Epoetin), and Neulasta® (Pegfilgrastim)
- Products that treat rare conditions and disorders affecting fewer than 200,000 patients are classified as orphan drugs:
  - The mean cost per patient per year still managed to hit $147,308 in 2017 (>4 times the mean cost for non-orphan drugs at $30,708)
  - Orphan drugs are set to climb by 11% a year all the way through 2024, eventually reaching $262 billion

OBJECTIVES

- To determine the types of approaches preferred by Medical and Pharmacy Directors (MDs+PDs) of US health plans, insurers, and Pharmacy Benefit Managers (PBM) to enhance the P&T decision-making process and understand formulary reviews/coverage and changes from prior surveys
- Compare current results with prior surveys

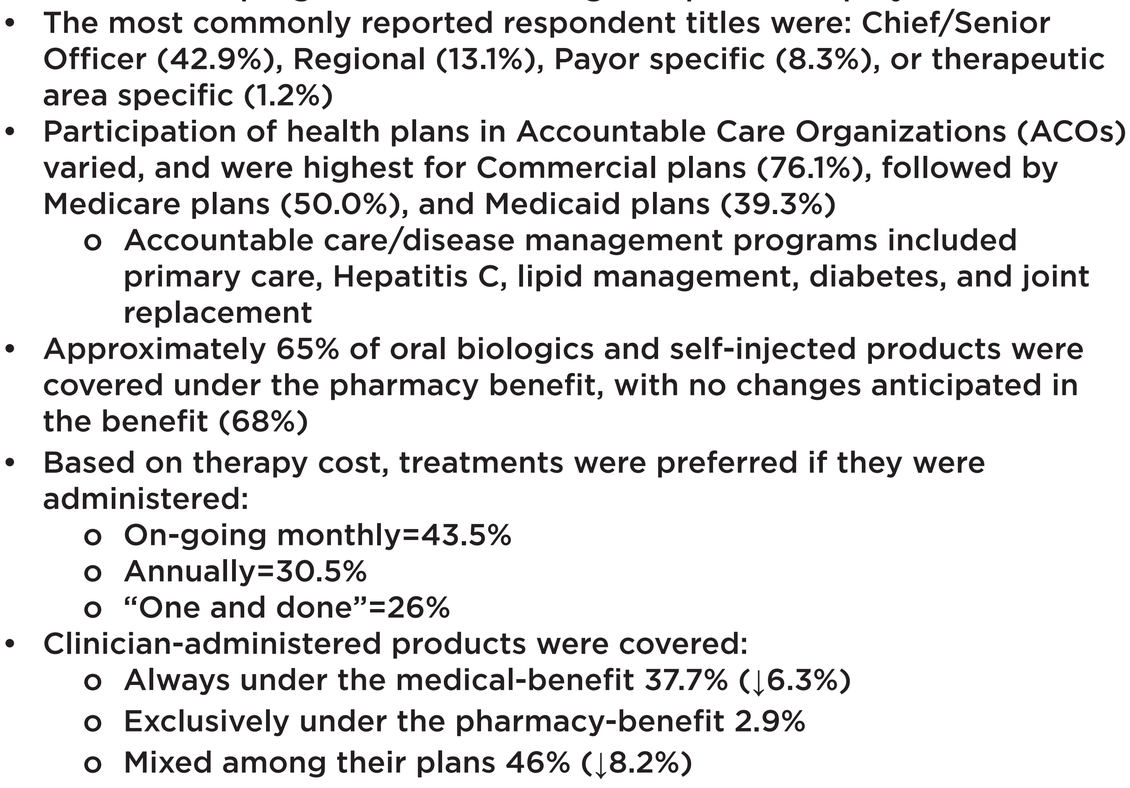
METHODS

- An online, interactive survey was developed with 79 questions
- Invitations to participate were sent to Medical and Pharmacy Directors working with US health plans, PBMs, and insurers from the TPG-NPRT database in November 2018
  - Material or financial incentives were not offered for completion of the survey

RESULTS

- A total of 85 respondents (12.8% response rate) completed the survey, some questions were not answered by all respondents
- 36.9% worked for health plans, 13.1% PBMs, 9.5% IDNs, 2.4% for PPOs/IPAs, 1.2% for the Government, the remainder consultants
- 29.9% of plans were national, 24.7% were regional and 22.1% were local
- 44.1% of plans are using mandatory co-pay accumulator programs for specialty drug utilization, with 7.4% of the plans limiting co-pay accumulator programs to brand drugs or specific employers
- The most commonly reported respondent titles were: Chief/Senior Officer (42.9%), Regional (13.1%), Payor specific (8.3%), or therapeutic area specific (1.2%)
- Participation of health plans in Accountable Care Organizations (ACOs) varied, and were highest for Commercial plans (76.1%), followed by Medicare plans (50.0%), and Medicaid plans (39.3%)
  - Accountable care/disease management programs included primary care, Hepatitis C, lipid management, diabetes, and joint replacement
- Approximately 65% of oral biologics and self-injected products were covered under the pharmacy benefit, with no changes anticipated in the benefit (68%)
- Based on therapy cost, treatments were preferred if they were administered:
  - On-going monthly=43.5%
  - Annually=30.5%
  - "One and done"=26%
- Clinician-administered products were covered:
  - Always under the medical-benefit 37.7% (↓6.3%)
  - Exclusively under the pharmacy-benefit 2.9%
  - Mixed among their plans 46% (↓8.2%)
  - According to plan-design mandates 5.8% (↓4.4%)
- Changes to the coverage of clinician-administered products were not anticipated by 57% (↓15.9%) of respondents
- Coverage of rare disease (orphan) therapies are shown in Figure 1

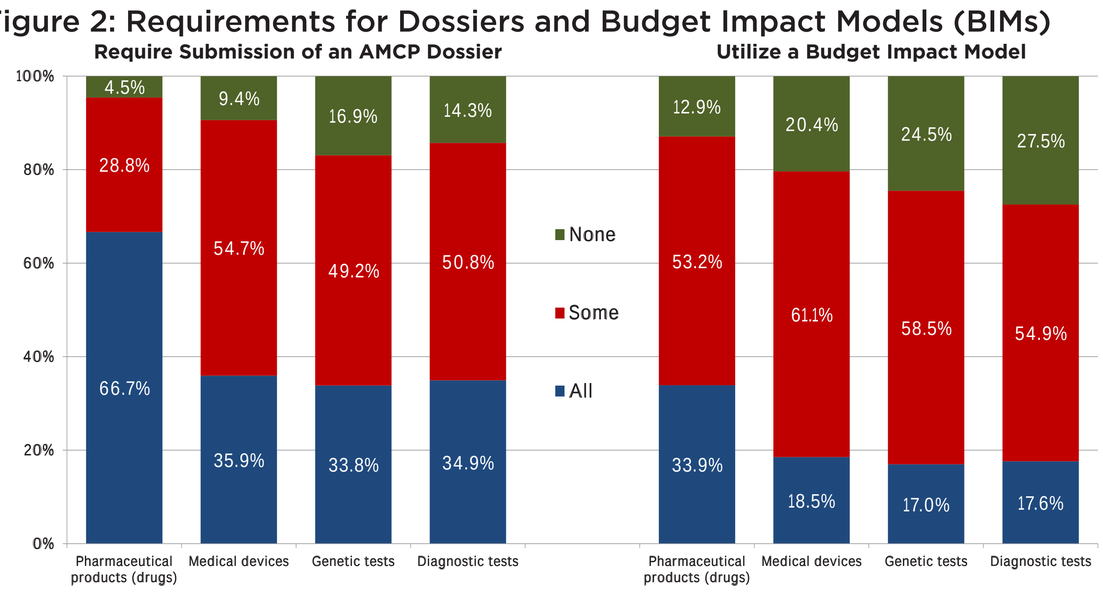
Figure 1: Coverage of Rare Disease (Orphan) Therapies



RESULTS CONTINUED

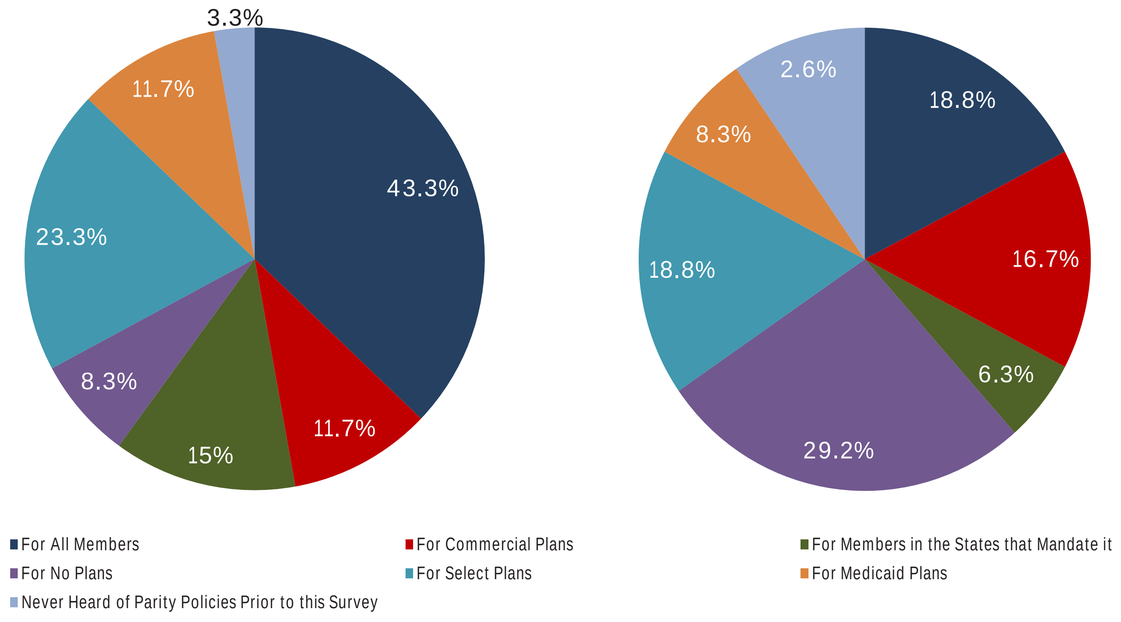
- Respondents' involvement in decisions for prescription drugs, medical devices, and testing are shown in Figure 2 along with the use of budget impact models use:
  - Decreased by 11% for pharmaceutical products
  - Increased 18% for medical devices

Figure 2: Requirements for Dossiers and Budget Impact Models (BIMs)



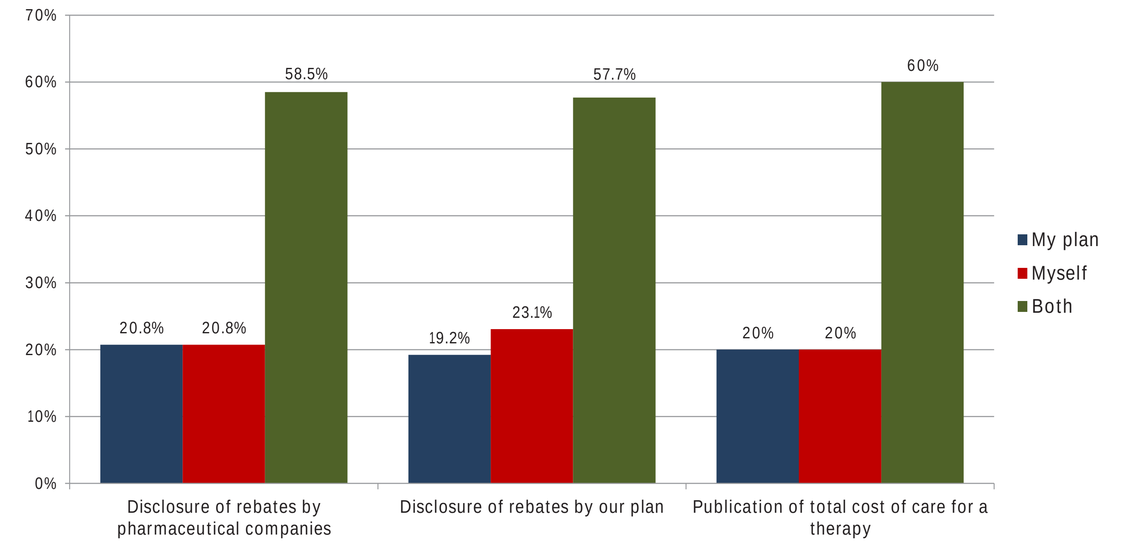
- Mental health (MH) products were carved-out by 30.6% (↑3.3%) of plans
- Conditions with multiple MH therapies:
  - Required generics first (55.6%, ↓8.2%),
  - Mandate step therapy (72.2%, ↑4.1%)
  - Required psychiatrist/specialist care (29.6%)
- Parity policies for mental health care and self-/clinician-administered agents are shown in Figures 3A and 3B, respectively

Figure 3: Parity Policies



- Most respondents supported price transparency of rebates as shown in Figure 4

Figure 4: Disclosure of Price Transparency



CONCLUSIONS

- The managed care P&T Committee decision making process is undergoing a series of changes
- Medical and Pharmacy Directors, who commonly serve as P&T Committee members, have distinct opinions as to how to alter the process to adapt to these influences
- Oncology continues to be a constantly growing concern for health plans
- Biosimilars offer potential for budgetary relief, however the timing is uncertain

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