MANAGED Care

Editor's Desk
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PBMs Pumping Brakes on Autoimmune Drug Expenditures

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A few years ago, the costs associated with treating autoimmune diseases were a fringe concern—small potatoes next to cancer or diabetes drugs.

Now some evidence suggests that the prevalence of diseases caused by errant immune systems *may* be inching up. The *may* must be emphasized because solid prevalence statistics for autoimmune diseases are hard to come by.

But no hedge is needed when it comes to this: The number (at least 15 and counting), utilization, and cost of the medications used to treat the autoimmune diseases is climbing—and climbing fast.

Autoimmune drugs have moved front and center for anyone dealing with health care spending.

In a **poster (link is external)** presented at an **Academy of Managed Care Pharmacy (link is external)** meeting last month, Kevin Bowen and Patrick Gleason of **Prime**

Therapeutics (link is external) showed just how big the jump in utilization has been at Prime. Among a group of 4.4 million continuously enrolled Prime members, the number using a drug for autoimmune disease drug increased from roughly 16,200 in 2012 to 22,500 in 2015. That works out to an increase of almost 40% in just four years' time.

It's expenditures that have really gone haywire.

Spending on the autoimmune drugs more than doubled from 2012 to 2015, Bowen and Gleason reported, increasing from $360 million (or $6.74 per member per month [PMPM], if you prefer your spending numbers served that way) in 2012 to $729 million ($13.66 PMPM) in 2015.

Bowen and Gleason calculated that expenditures on autoimmune drugs accounted for almost 10% of the drug expense for this commercially insured population in 2015.

Express Scripts painted a similar picture in early September when it announced a new program to control drug costs for inflammatory conditions. (Express Scripts used the term inflammatory conditions, not autoimmune disorders, but like Prime, it's talking about rheumatoid arthritis, psoriasis, Crohn's disease, and the like).

The press release about what Express Script is billing as its "Inflammatory Conditions Care Value Program" said the biologic medications used to treat inflammatory conditions became the most expensive therapy class in 2015, accounting for almost 10% (9.8% to be exact) of all U.S. drug expenditures.

So that's foot on the accelerator for the autoimmune drugs.

But there's also pressure on the brake pedal.Biosimilars will help some but may have less of an effect than the generics did on small molecule drug spending. It's looking like biosimilars will be priced between 15% and 20% lower than their brand-name counterparts.

In the meantime, the PBMs are tightening up their formularies.

Express Scripts says it is moving to an indication-based formulary for inflammatory diseases (aka autoimmune disorders) and Gleason, at Prime, says his company is investigating doing the same for all autoimmune drugs, including those processed through the medical benefit.

Traditionally, autoimmune diseases have been lumped together as far as formularies are concerned. That meant that so long as the person had an autoimmune disease, the choice of the drugs was the same. Indication-based formularies will separate the formularies so

each autoimmune disease will have its own formulary: the formulary for, say, rheumatoid arthritis may differ from the formulary for Crohn's disease.

Indication-based formularies will almost certainly infuriate some doctors and other providers. Their argument: Autoimmune disorders are difficult to treat, and a great deal of clinical judgment is involved in prescribing the right drug, so patients are best served if physicians are allowed to prescribe what they believe will be the most effective drug in the class and not be restricted to a narrow band of drugs selected by a PBM.

It will be interesting to see how much pushback Express Scripts and Prime Therapeutics get.

The Express Scripts value program has already been **criticized (link is external)** for possibly locking patients into using the company's mail-order specialty pharmacy, Accredo.

Part of the Express Scripts program is a promise to pay health plans refunds of up to $6,000 if patients discontinue taking an anti-inflammatory medication within the first three months of prescription. Jessica Cherian wrote a blog post about the refund program for the PharmD Corner part of our website last month. You can read her post **here**.

If the refund program works as described, it may provide some incentive for Express Scripts to keep effective drugs on its formularies. Otherwise, the company will be paying out refunds left and right.

Another problem, highlighted by Bowen and Gleason in their poster, is the large percentage of autoimmune drugs paid for through the medical benefit. Their figures show that more than a quarter of the spending on autoimmune drugs is billed through the medical benefit.

Prime shared a breakdown of the autoimmune drugs billed through the pharmaceutical and medical benefit (some are billed through both because they are available in self-injectable devices). Of the 15 drugs on Prime's list, four were billed entirely through the medical benefit: canakinumab (Ilaris), infliximab (Remicade), rituximab (Rituxan), and vedolizumab (Entyvio).

In an interview, Gleason said it was impossible to comprehensively manage the autoimmune disorder drugs because of the pharmaceutical–medical benefit split.

Gleason said, though, that it may not be a good idea to simply move drugs over to the pharmaceutical benefit because of "class of trade" pricing that means some drugs are priced lower if physicians buy then.

Prime is actively investigating how some of the evaluation and policies used on the pharmacy benefit side might be applied to drugs billed through the medical benefit, according to Gleason. As long as the drugs are managed, Prime is “agnostic” about whether drugs are processed through the pharmacy or medical benefit because Prime is owned by the Blues plans it serves, he said.

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