Prime Therapeutics Study Finds a Diabetes Drugs Value Based Insurance Design Improves Adherence, Doesn’t Lower Total Cost of Care

Insulin use and overall diabetes drug therapy increased

ST. PAUL, MINN. – Oct. 13, 2017 – Prime Therapeutics LLC (Prime), a pharmacy benefit manager (PBM) serving more than 20 million members nationally, found that implementing value based insurance designs (VBID) does not lead to lower total cost of care for members. VBID are benefits designed to maximize quality and decrease costs of health care by using financial incentives to drive to cost efficient services and increased member choice. Prime researchers will present the findings from this Gold ribbon study at the Academy of Managed Care Pharmacy’s (AMCP) Nexus 2017 conference Oct. 16 to 19.

Twenty-nine million Americans have diabetes, and according to the Centers for Disease Control and Prevention (CDC), 20 percent of the nation’s health care spending is to treat people with diabetes.¹ In the first half of 2017, for Prime’s commercial book of business, diabetes was the number one non-specialty drug category in terms of spend, accounting for more than 13 percent of the pharmacy benefit expense. This cost was driven by a more than 4 percent trend increase in spend from 2016 to 2017.²

As one approach to help mitigate the growing diabetes medical costs, one of Prime’s large, fully-insured health plans initiated a VBID for diabetes drugs within their commercial book of business. This VBID lowered the insulin individual copay amount from its preferred formulary cost of $30 per 30-day supply to $15 and allowed for 100-day supply. Also, for all diabetes drugs on formulary, a 100-day supply could be obtained for a single $15 copay for generics or $30 for preferred formulary diabetes drugs. When analyzing integrated pharmacy (Prime) and medical (health plan) data, researchers found no difference in total cost of care between members with a VBID and those in a matched population of other health plans with standard benefits, after adjusting for background cost differences.

“These types of value-based arrangements are one spoke in the wheel of controlling costs,” said Patrick Gleason, PharmD, senior director of health outcomes at Prime. “Despite the rhetoric in the marketplace about these types of contracts being a silver bullet, our study indicates they have a long way to go.”

Although total cost of care was not lower in the VBID group, the findings suggest the quality of diabetes drug therapy improved:

- 1.2 percentage point higher rate of individuals with diabetes receiving diabetes drug therapy,
- 12 percent relative higher use of insulin among individuals with diabetes, and
• 1.5 percentage point increase in diabetes drug adherence among those with VBID compared to the group with standard benefits.

Of note, the higher use of diabetes drugs did result in a 27 percent higher diabetes drug spend which impacted the potential medical cost savings these drugs could provide.

“While this VBID for diabetes drugs appeared to improve the quality of diabetes drug use, we didn’t see lower total cost of care, potentially due to the many years it takes to see medical event avoidance with improved diabetes drug use and the escalating diabetes drug costs,” added Gleason. “In a drug category such as diabetes, where drug costs are growing at an unsustainable rate, Prime continues to work with health plans to assess both medical and pharmacy data and develop solutions to help curb the trend. It is our hope that better adherence to medicine leads to better outcomes and lower total cost of care.”


About Prime Therapeutics
Prime Therapeutics LLC (Prime) helps people get the medicine they need to feel better and live well. Prime manages pharmacy benefits for health plans, employers, and government programs including Medicare and Medicaid. The company processes claims and offers clinical services for people with complex medical conditions. Prime serves more than 20 million people. It is collectively owned by 18 Blue Cross and Blue Shield Plans, subsidiaries or affiliates of those plans. For more information, visit www.primetherapeutics.com or follow @Prime_PBM on Twitter. For more information, visit www.primetherapeutics.com or follow @Prime_PBM on Twitter.

###