

# blue paper



## FDA-APPROVED BIOSIMILARS TO HELP LOWER DRUG COSTS

As a company leading the way in total drug management solutions, Prime promotes the use of FDA-approved biosimilar drugs and other low-cost drugs. Biosimilars work like their reference biologic and can help reduce costs.

Rising drug costs are a big part of today's health care crisis. The biologic drugs that treat specialty conditions, like multiple sclerosis, rheumatoid arthritis and cancer, account for nearly all (93%) of the net drug spending growth since 2014.<sup>1</sup> **Biosimilar** drugs cost less and show no clinically meaningful difference from **biologic** drugs.

**How biologic and biosimilar drugs are the same:**

	BIOLOGICS	BIOSIMILARS
QUALITY	✓	✓
SAFETY	✓	✓
PURITY	✓	✓
POTENCY	✓	✓
EFFECTIVENESS <sup>2</sup>	✓	✓

**THE COST SAVINGS OF BIOSIMILAR DRUGS**  
**15%–35%**  
**INITIAL COST SAVINGS<sup>3</sup> AND FURTHER SAVINGS FROM NEGOTIATED PRICING**



**Biologics, biosimilars, generics: What's the difference?**

Biologic drugs are large molecule drugs made from living cells and developed from blood, proteins, viruses and living organisms. They are often genetically modified in some way.<sup>4</sup> A biosimilar is much like its biologic reference product. It must meet FDA standards of pharmaceutical quality, safety and efficacy before it can be used in place of its reference drug. Because of the complexity of a biologic drug, a biosimilar drug cannot be an exact duplicate. However, a biosimilar drug delivers the same health outcomes.

**AT A GLANCE**

**BIOLOGICS**

- LARGE MOLECULE
- LIVING CELLS
- EXPENSIVE



**BIOSIMILARS**

- LARGE MOLECULE
- LIVING CELLS
- LOWER COST



**GENERICS**

- SMALL MOLECULE
- CHEMICALLY DERIVED
- LOWER COST



Generic drugs are small (not large) molecule drugs. They are chemically derived (not from living organisms). A generic drug has the same active ingredients as its brand-name counterpart. An FDA approval means the generic drug is equivalent to (and can be a substitute for) the brand-name drug in dosage, form, safety, strength, route of administration, quality and performance.<sup>5</sup>

	BRAND	GENERICS
DOSAGE	✓	✓
SAFETY	✓	✓
STRENGTH	✓	✓
ROUTE OF ADMINISTRATION	✓	✓
QUALITY	✓	✓
PERFORMANCE <sup>5</sup>	✓	✓



**PRIME'S P&T COMMITTEE SUPPORTS THE USE OF EVIDENCE-BASED BIOSIMILAR DRUGS INSTEAD OF HIGHER COST BIOLOGIC DRUGS IN MOST CLINICAL CIRCUMSTANCES.**

**How are biosimilars evaluated?**

The FDA approves a biosimilar when it determines there are no clinically meaningful differences between the biosimilar and the biologic reference drug.

Prime's Pharmacy and Therapeutics (P&T) Committee makes sure Prime's formularies list a broad range of drugs for multiple disease states. All available drugs are evaluated. The P&T committee evaluates drugs based on safety, efficacy and uniqueness. Safety and efficacy come first.

Prime's P&T Committee endorses the use of FDA-approved biosimilar drugs. The committee recommends using biosimilars in place of reference drugs in most clinical circumstances.

**CASE STUDY**

**Converting a drug class to biosimilars**

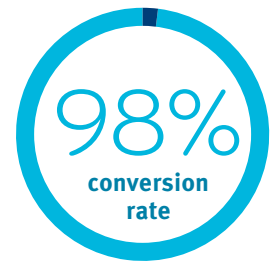
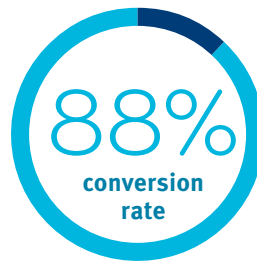
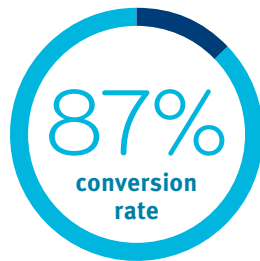
In September 2018, Prime recommended a medical policy change to its Blue Plan clients, a move to biosimilars in the drug class that treats neutropenia (low white blood cell counts, a frequent side effect from cancer).

Three Blue Plans went all in. These plans implemented a change to prefer the biosimilar drugs over the reference drug to treat neutropenia. Other Blue Plan clients gave the selection of a biosimilar or reference product equal (not preferred) status.

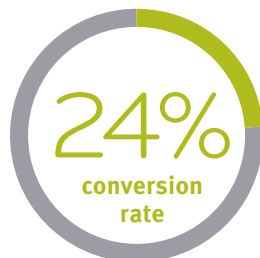
The results were striking.

**RESULTS:** The three plans that preferred the biosimilars saw high conversion rates of 87%, 88% and 98%. The plans that gave biosimilars equal status saw much lower biosimilar conversion rates — an average of 24%.

**3 BLUE PLANS PREFERRING BIOSIMILARS**

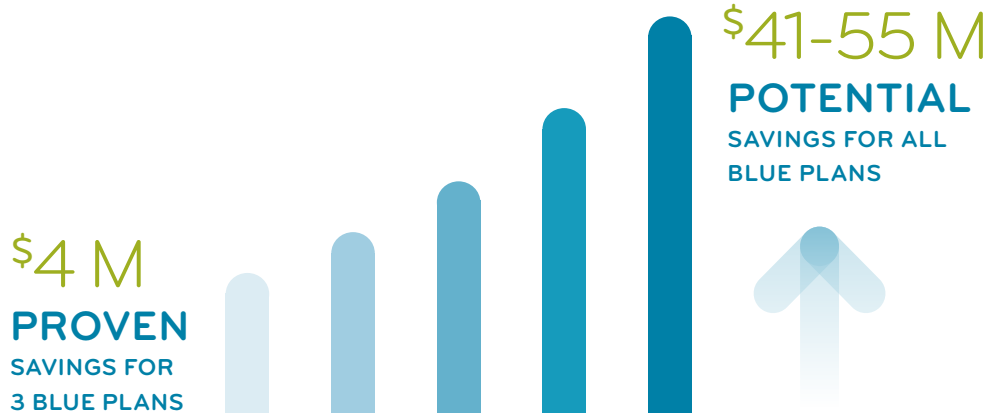


**OTHER PLANS GIVING EQUAL STATUS TO BIOSIMILARS**





Adding biosimilars to the formulary and preferring them, for just three plans, collectively delivered savings of \$4 million in 2019. If all Prime’s Blue Plan clients would prefer biosimilars in that particular space and adoption rates follow, we project savings of \$41–\$55 million per year.



POTENTIAL SAVINGS FROM BIOSIMILARS

\$100  
BILLION  
IN 5 YEARS

Shifting biosimilars into high gear

The potential savings from biosimilars in the U.S. are estimated to exceed \$100 billion between 2020 to 2024. Those savings are critical to managing the rising costs of biologics.<sup>6</sup>

Prime's unique relationship with our clients helps give us the edge in reducing the total cost of care. Together, we can move forward on biosimilar adoption strategies that fit local market needs and communities. These strategies can go beyond just making biosimilars available. Driving biosimilar adoption can maintain therapy effectiveness, improve access to these medications and help lower drug costs.

FOR MORE INFORMATION

VISIT [WWW.PRIMETHERAPEUTICS.COM](http://WWW.PRIMETHERAPEUTICS.COM)



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