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Prime Therapeutics launches PreserveRxSM gene therapy financial protection

New offering helps protect health plans, employers from sudden, one-time claims costs while preserving member access to million-dollar curative gene therapies

EAGAN, Minn. – April 6, 2020 – [Prime Therapeutics LLC](#) (Prime), together with BCS Insurance Company, today released its latest product, PreserveRxSM, the most robust gene therapy reinsurance solution in the market to date. PreserveRx seeks to protect both health plans and employers from sudden, one-time costs due to covering ultra-expensive gene therapies, while preserving access to these potentially life-changing or curative gene therapies for members. This clinical and financial solution is specifically designed to reinsure high-cost gene therapies for payers that cover these gene therapies and help preserve member access and coverage for these life-altering therapies.

The initial PreserveRx offering will provide financial protection to Blue Cross and/or Blue Shield Plans for five high-cost gene therapies: Luxturna[®] and Zolgensma[®], plus three additional gene therapies that may be approved by the Food and Drug Administration (FDA) this year: valrox, LentiGlobin[®], and GT-AADC. PreserveRx is the industry's only available reinsurance product to include additional coverage for new drugs in the anticipated 2020 pipeline.

Gene therapies are among the newest pharmaceutical innovations to treat and potentially cure disease. It is estimated that by 2025, 10 to 20 new gene therapies will be approved each year.^{1,2} Today, the drug cost to treat a patient with these gene therapies ranges from \$850,000 to \$2.1 million, and future therapies (e.g., gene therapy for hemophilia) are estimated to cost \$2-3 million.^{3,4}

PreserveRx's comprehensive offering is two-fold. First, its financial component seeks to provide payer relief associated with one of the covered gene therapies. Second, its clinical services component leverages integrated medical and pharmacy claims data, clinical research and expert analysis to forecast financial impact and potential use for these rare conditions, allowing for a competitively priced product. PreserveRx's medical policy criteria helps ensure that the right member receives the right treatment. And PreserveRx provides access to savings created through outcomes-based contracts that track and report member outcomes over many years to help ensure the therapy works as claimed.

Prime's [research](#) to identify the number of drug super spenders – members with pharmacy and medical drug therapy claims totaling \$250,000 or more annually – provided the foundational insights to inform PreserveRx development.

“We know there's a small, but growing number of people who have entered the drug ‘super spenders’ category, as they are incurring over \$250,000 in pharmacy and medical drug claims due to an illness,” said Patrick Gleason, assistant vice president, health outcomes for Prime. “By 2024, drug super spenders will account for 15% of all drug spend and gene therapies will be an important component. Because of this growing pipeline of expensive drugs and gene therapies, odds are

employers will have a drug super spender at some point covered by their benefits. Companies can't afford to roll the dice any longer or it could take them under – it's just a matter of when.”

PreserveRx is offered by Prime and reinsured by BCS Insurance Company for Blue Plan payers looking for added protection from the extreme high cost gene therapies. Both Prime and BCS have a longstanding history with Blue Plan insurers.

Health plans will pay a per member per month (PMPM) fee for the coverage of members to be shielded from the ultra-high costs of these one-time gene therapies. Prime anticipates this offering will help provide a seamless experience for providers, pharmacies and members when one of these therapies is needed.

PreserveRx will be expanded in 2021 to include additional FDA approved gene therapies.

1. Estimating the Clinical Pipeline of Cell and Gene Therapies and Their Potential Economic Impact on the US Healthcare System. Value in Health Volume 22, Issue 6, June 2019, Pages 621-626.
2. Statement from FDA Commissioner Scott Gottlieb, M.D. and Peter Marks, M.D., Ph.D., Director of the Center for Biologics Evaluation and Research on new policies to advance development of safe and effective cell and gene therapies. Food and Drug Administration Jan 15, 2019. <https://www.fda.gov/news-events/press-announcements/statement-fda-commissioner-scott-gottlieb-md-and-peter-marks-md-phd-director-center-biologics> .
3. Feuerstein, A. At \$2.1 million, newly approved Novartis gene therapy will be world's most expensive drug. STAT. May 24, 2019. <https://www.statnews.com/2019/05/24/hold-novartis-zolgensma-approval/>.
4. Hopkins, J. BioMarin Explores Pricing Experimental Gene Therapy at \$2 Million to \$3 Million. The Wall Street Journal. Jan. 16, 2020. <https://www.wsj.com/articles/biomarin-explores-pricing-experimental-gene-therapy-at-2-million-to-3-million-11579190318>.

About Prime Therapeutics

Prime Therapeutics LLC (Prime) makes health care work better by helping people get the medicine they need to feel better and live well. Prime provides total drug management solutions 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 30 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.

About BCS Insurance Company

BCS Insurance Company, a wholly owned subsidiary of BCS Financial Corporation, has more than 70 years of experience delivering a wide-range of insurance and reinsurance solutions for Blue Cross and Blue Shield organizations nationwide. BCS Insurance Company is licensed in all 50 states and is rated A- (Excellent) by A.M. Best. BCS Financial is headquartered in Oakbrook Terrace, Ill. Learn more at bcsf.com.

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