

Driving greater use of biosimilars to help lower drug costs

As part of its total drug management strategy, Prime will actively promote the evidence-based use of biosimilars (and other low-cost drug options). This position is endorsed by Prime’s Pharmacy and Therapeutics Committee.

Rising drug costs are a big part of today’s health care crisis. According to data from the IQVIA Institute, biologic drugs have accounted for nearly all (93%) of the net drug spending growth since 2014.¹

Biologic drugs are large molecule drugs with complex mechanisms of action. As living cells or complex proteins, they are often genetically modified in some way.² These are the drugs that treat specialty conditions, like multiple sclerosis, rheumatoid arthritis and cancer. Many of them are processed under the medical benefit.

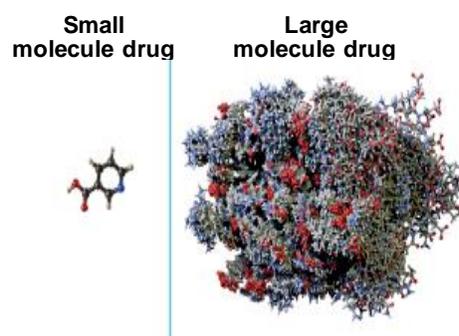
An FDA biosimilar approval means there are no clinically meaningful difference between a biosimilar and its biologic reference product. The biosimilar delivers the same:

- Quality
- Safety
- Purity
- Potency
- Effectiveness³

A biosimilar is highly similar to its biologic reference product. Because of the complexity of a biologic drug, a biosimilar cannot be an exact duplicate. Even batches of the same biologic reference drug are not exact and will have tiny differences between them.

In contrast, generics are all small molecule drugs. A generic has the same active ingredients as its brand-name counterpart. An FDA approval means the generic drug is equivalent to the brand-name drug in dosage, form, safety, strength, route of administration, quality and performance.⁴

A biosimilar product is manufactured to work like its reference biologic. And that makes biosimilars an important way to help improve access to these medications while reducing drug costs.



Initial prices for biosimilars can be 15-35% lower than reference products.⁵ With additional competition, payers are able to negotiate better pricing. This results in greater cost savings from biosimilars.

A successful market conversion model already exists in Europe

Europe has a lot of experience in the approval and adoption of biosimilars. They established a pathway long before the United States and have had the benefit of time to gain traction. Europe has had fewer patent issues and limited payer structures (often single payers). This has also helped drive the approval and adoption of biosimilars.



To date, they have more than 60 biosimilars approved and launched.⁶ Their adoption of biosimilars, for example adalimumab, has been associated with significant cost savings. **Denmark transitioned 90% of adalimumab use to biosimilars in just three weeks.**⁷

In the U.S., from 2010 through February 2021, 29 biosimilars have been approved.⁸ Only 20 of them have launched (from 10 reference products). Delays are mainly due to patent issues.

The role of Prime's Pharmacy and Therapeutics (P&T) Committee in endorsing biosimilars

The P&T Committee makes sure Prime's formularies list a broad range of drugs for multiple disease states. All available drugs are evaluated and given a clinical position. These clinical positions guide selection of the drugs included on a formulary. There is a meticulous system in place for researching and reviewing drugs.⁹

Prime's P&T Committee is made up of independent, practicing doctors and pharmacists covering 25 medical and pharmacy specialties. The committee also includes senior leadership from Prime's Blue Plans. They have deep knowledge of their benefit plans and the needs of their members. No pharmaceutical companies are involved.¹⁰

The P&T committee evaluates drugs based on safety, efficacy and uniqueness (not cost). In that order. Safety and efficacy come first, always.¹¹

The FDA biosimilar approval means there are no clinically meaningful differences between a biosimilar and its reference drug. That's why Prime's P&T committee takes the position that biosimilars can be used in place of reference drugs in most clinical circumstances. This includes using a biosimilar for the same conditions the reference product is approved or recommended to treat.

Prime's P&T committee supports use of evidence-based, lower-cost biosimilars, instead of higher-cost reference drugs.

How can the system embrace biosimilars?

A biosimilar costs less. It delivers the same health outcomes. One would expect health plans, payers and prescribers to convert quickly to biosimilars. Unfortunately, converting to biosimilars remains a challenge for numerous reasons. Loopholes that prevent competition, pricing that gives reference products an edge, and variable physician and patient awareness on safety and efficacy are just some of the hurdles. Prime will continue to advocate for changes to solve for these barriers and newly enacted legislation may also address some of these issues.

The Advancing Education on Biosimilars Act and the Ensuring Innovation Act aim to boost generic and biosimilar competition by:

- Restricting eligibility for drug exclusivity and
- Increasing confidence in biosimilars

The Ensuring Innovation Act (S. 415) narrows the definition of drugs that are considered new chemical entities. This closes loopholes that prevent generic competition. The Advancing Education on Biosimilars Act of 2021 (S. 164) aims to get doctors and patients more comfortable with biosimilars. It directs The U.S. Department of Health and Human Services to create a website with educational materials that explain the standards FDA uses to review biologics and biosimilars.^{12, 13}



The Blue+Prime relationship will work collaboratively to improve biosimilar adoption rates

Prime’s unique relationship with our Blue Plan owner clients gives us experience in total drug management solutions. This is something that’s a challenge for most PBMs in the industry, but not Prime.

Case study: Neutropenia

One strategy, implemented two ways, provides an important lesson. In September 2018, Prime recommended a medical policy change for drugs in the granulocyte-colony stimulating factor (G-CSF) drug class.

Several available biosimilars treat neutropenia (low white blood cell counts). Neutropenia is often a side effect from cancer.

The biosimilars are G-CSF drugs; they emulate the body’s own G-CSF to help patients with cancer replace white blood cells depleted by chemotherapy protecting them from infections.

After the policy recommendation was presented, three of Prime’s Blue Plan clients implemented a change to **prefer the G-CSF biosimilars** over the reference drug.

Prime’s other Blue Plan clients made the G-CSF biosimilars an option **but gave the selection of a biosimilar or reference product equal status**.

The result? **Preferring biosimilars yields higher cost savings**. The three Blue Plans that preferred the biosimilars saw high conversion rates of 87%, 88% and 98% (chart 1). The Blue Plans with G-CSFs having equal status saw much lower biosimilar conversions rates – an average of 24% (chart 2).

Adding biosimilars to the formulary and preferring them, for even just three plans, collectively delivered savings of \$4 million in 2019.

If all Prime’s Blue Plan clients prefer biosimilars in the G-CSF space and adoption rates follow, we project savings of \$41 to 55 million a year.

CHART 1

Implementation of G-CSF Preferred Biosimilar Strategy for three Blue Plan clients in 2019

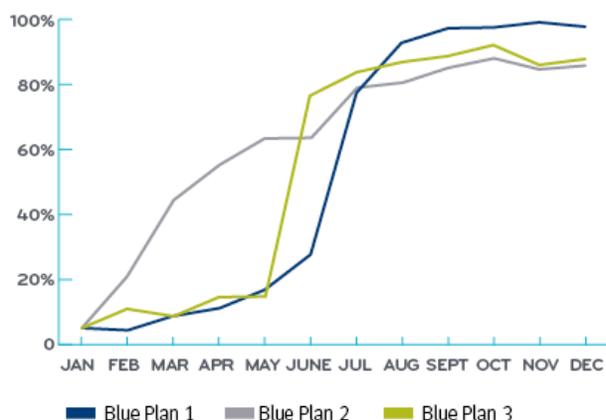
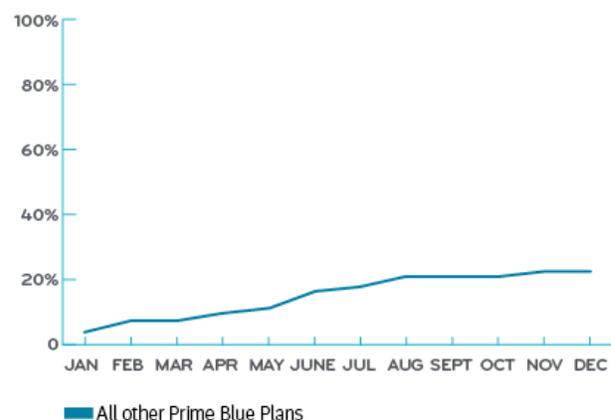


CHART 2

Compare to share growth for G-CSF biosimilars across Prime’s Book of Business



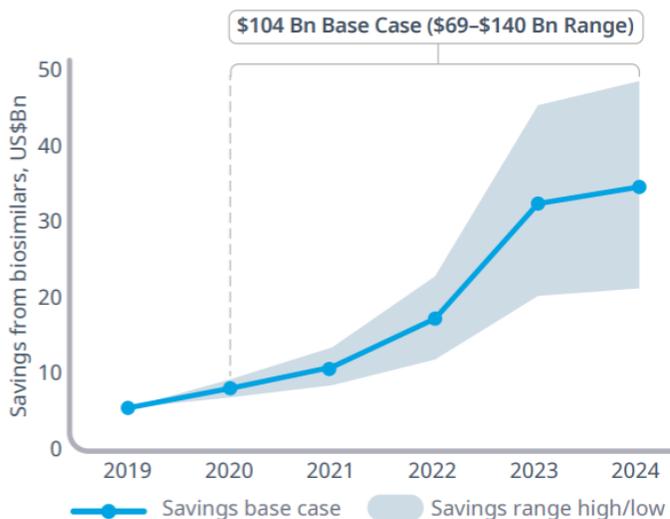
Prime is moving our biosimilar strategy into high gear

The potential savings from biosimilars in the U.S. are estimated to exceed \$100 billion between 2020 to 2024. Those savings are critical to our ability to manage the rising costs of biologics.¹⁴

Prime is actively working with our Blue Plan clients on biosimilar adoption strategies that fit with their local market needs and communities.

Soon, these strategies will go beyond just making the biosimilar available. These strategies will secure more cost savings while maintaining therapy effectiveness. Prime strongly encourages biosimilar adoption to benefit our clients and members.

Estimated Savings from Biosimilars: 5-Year Savings Scenario



Source: IQVIA National Sales Perspectives, Jun 2020; IQVIA Institute, Sep 2020

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