

# Employer Forum on Pharmacy Benefits, Specialty Drugs & Biopharma

## How PBMs Control Prices & What Employers Can Do About It

---

June 21, 2023



# Employer Steps to Supporting Oncology Benefits & Identifying Best Practices



Sandra Morris, Moderator

Principal

**About Quality  
Benefits Design, LLC**



Cheryl Larson

President & CEO

**MBGH**



Karen van Caulil

President & CEO

**Florida Alliance for  
Healthcare Value**

# Why do many employers steer clear of cancer care?



# What about our fiduciary responsibilities?

“On the basis of a noninferiority trial, the only reasonable explanation for prescribing denosumab—**an agent that costs approximately \$24,000 more per patient per year** than zoledronic acid (the standard of care) but is **neither more convenient nor less toxic**—is its potential to preserve renal function compared with zoledronic acid.”

“Further research should **examine the role of rebates and reimbursements as incentives for the widespread adoption of more costly drugs that have not demonstrated superiority.**”



# Are we carrying out our duties prudently and paying only reasonable plan expenses?

## Location, Location, Location: Cost Differences for Oncology

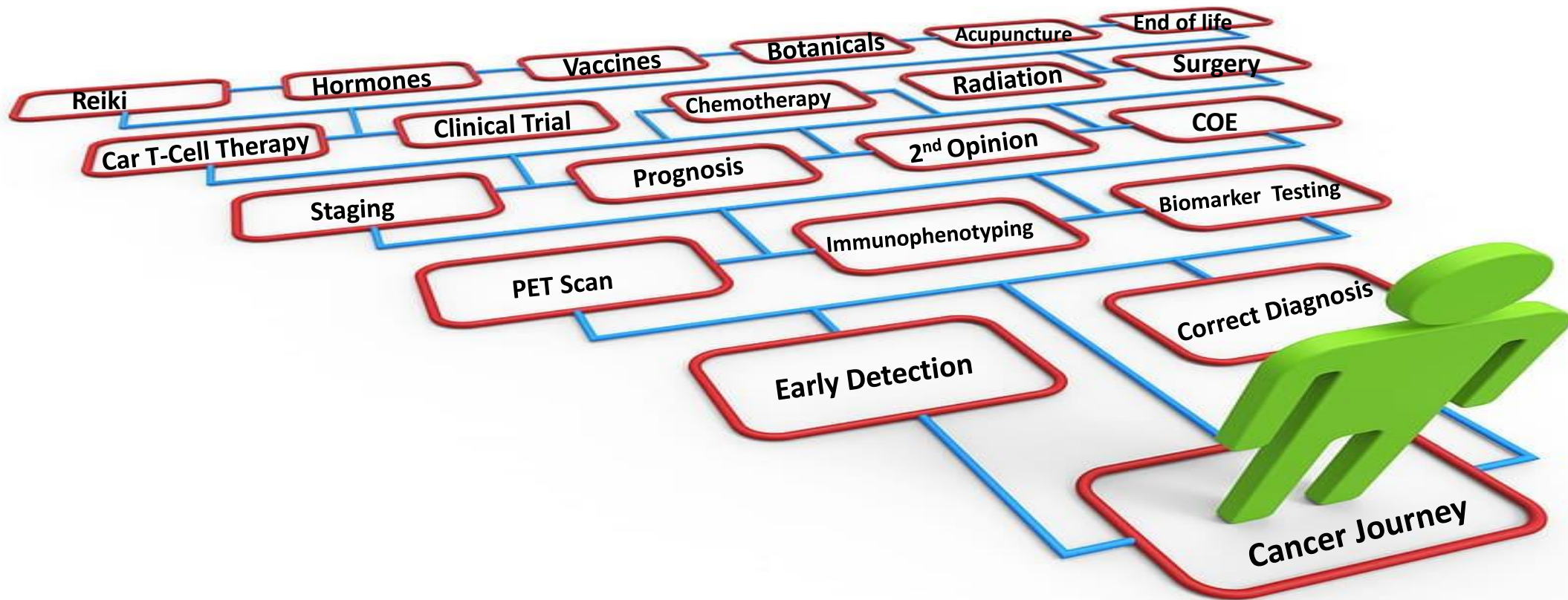
Medicines Based on Site of Treatment – EBRI 2020 study

**Hospital prices for the top 37 infused cancer drugs averaged 86.2% more per unit than in physician offices**

For every drug examined, **hospital outpatient departments (HOPDs) charged more** on average with statistically significant relative differences **ranging from 128.3% (nivolumab) to 428% (fluorouracil)**

The **mean annual reimbursement to providers per user of infused cancer drugs** was **\$13,128 in physician offices and \$21,881 in HOPDs**

# Is anyone really helping our members navigate?



# Are our benefits designed to accomplish the 5 Rights?

**Right Care**...for the

**Right Person**... at the

**Right Place**...at the

**Right Time**...for the

**Right Price**...for both the employer and member



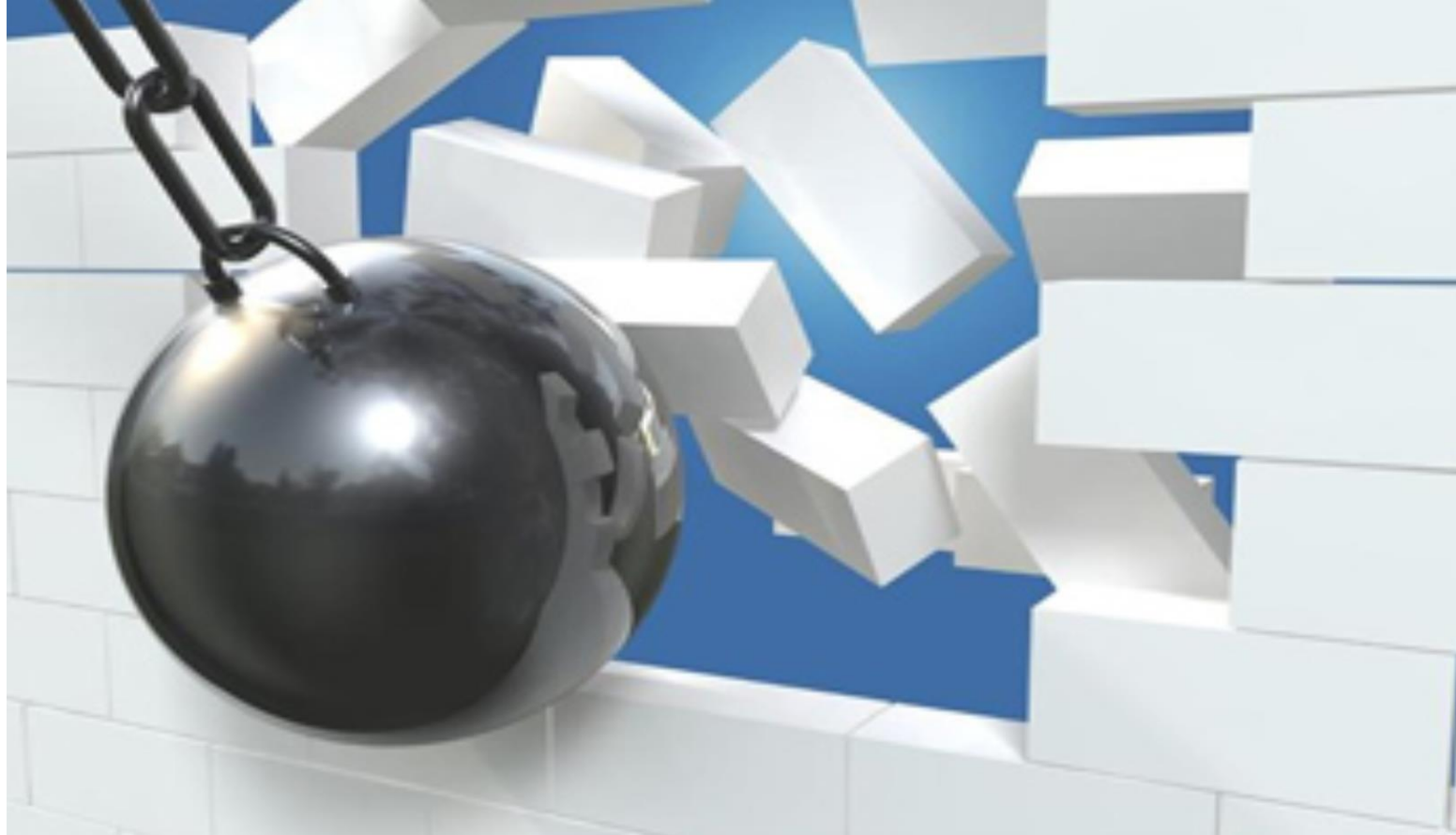


# Are our medical and pharmacy benefits designs creating barriers to prompt and effective cancer care?





# Let's develop a tool to help eliminate the barriers



MBGH and the Florida Alliance developing updated and actionable recommendations for Oncology Management using learnings from:

- National Alliance of Healthcare Purchaser Coalitions – Employer Learning Modules in Oncology
- National Cancer Treatment Alliance Biomarker Testing Toolkit
- National Comprehensive Cancer Network Employer Toolkit
- Our employer members

- Summer 2023 – Oncology Learning Collaborative (virtual series) for MBGH and FL Alliance employer members and funders
- Identification of best practices to produce employer case studies/action briefs
- Measure engagement and uptake by our employer members of recommendations/action steps
- Early December 2023 – National webinar on the “Best of the Best” in Oncology Management to feature our learnings as well as employer case studies and the action briefs



- Testing and Diagnosis – Early and Correct Diagnosis
- Early Access to Navigation – Needed Support and Guidance
- Correct Treatment at the Right Place – including Palliative Care, Hospice/End of Life Care
- Pharmacy/Specialty Pharmacy Management – Right Drug at the Right Price and the Right Place
- Coverage of Precision Medicine/Biomarker Testing
- Survivorship/Return to Work



In order to execute a site of care strategy, employers and their vendors/TPAs need to have a way to identify who needs cancer treatment and to be able to do that as early in the cancer patient's journey as possible.



Patients can be identified through:

- Pharmacy claims
- Stop/loss carrier monitoring of cases
- Pre-Certification/Prior Authorization
- Engagement program where patient can self-identify – in this case the employer needs to have someone respond to the “hand-wavers” and advise them on next steps

Make available to plan members the resources available to them to explain the most appropriate treatment guidelines for their cancer diagnosis such as the NCCN Guidelines for Patients

[www.nccn.org/guidelines/patients](http://www.nccn.org/guidelines/patients)



In 2022, MBGH conducted an employer work group and interviews to understand their perspectives on biomarker testing, including:

- Recognizing the important role biomarker testing plays in an employer health benefits strategy
- Identifying how biomarker testing is currently being used to diagnose and treat disease
- Determining what action steps are needed to help employers optimize the use of them in their plan design





- Test helps diagnose cancer and supports early detection AND identifies how a patient is likely to respond to drug treatment based on substances found in blood, bodily fluid or tissue
- Patient gets the right therapy in the most timely and cost-efficient manner
- Protects patients from unnecessary treatments and potentially harmful side effects, along with costs related to ineffective treatments
- Helps employers control costs by eliminating trial-and-error prescribing
- Cancer treatment drugs cost on average around \$50,000 per patient\*

\*By contrast, costs for comprehensive biomarker tests average between \$2,000-\$4,000 – or less

**EMPLOYER ACTION BRIEF**

**MBGH**  
Midwest Business Group on Health

## Biomarker Testing

What It Is & Why Should Employers Invest In It?

Progressive employers recognize that biomarker testing is part of precision medicine – the precise and accurate treatment of individual patients based on their unique genetic make-up. Precision medicine is an approach to medical care in which disease prevention and diagnosis and treatment are tailored to genes, proteins and other substances in a person's body. It is the act of testing and treating a patient based on their unique biomarker results.

The Federal Drug Administration (FDA) summarizes biomarkers and their role in disease management and drug development as "characteristics of the body that can be measured." Biomarker testing provides a measurable way to tell how a patient is likely to respond to treatment for certain diseases based on substances found in blood, bodily fluid or tissue. By targeting the medications and therapies most likely to work, it serves as an effective tool to protect patients from exposure to potentially harmful side effects and the costs related to ineffective treatments. **Biomarker tests help employers control costs by eliminating trial-and-error prescribing**

**and subsequent exposure of patients to unnecessary treatments that will not be effective and may cause harm.**

Employers have a fiduciary duty to prudently utilize plan assets for the benefit of their members. One way of doing so is to **make sure that appropriate biomarker testing is a covered benefit and used before, during and after treatments.** It is not enough to simply confirm coverage by the plan. Employers must work with plan administrators (medical carriers, PBMs, etc.) to understand how and when biomarker testing is being used via prior authorizations for treatment, case management reviews and patient education.


Employers should prioritize coverage of the biomarker testing to ensure unnecessary costs are avoided by eliminating wasteful use of time, money and resources, while assisting patients to get the right care, the first time. There is ample medical evidence of the effectiveness of biomarker testing as a tool to correctly diagnose and treat a growing list of diseases.

**LOOK FOR THIS ICON**



This action brief is designed to help employers understand what biomarkers are and provides high level action steps around biomarker testing. As you review the action brief look for this icon which represents employer perspectives from health benefits professionals. Key elements include:

- Understanding the important role that biomarker testing can play in your health benefits strategy.
- Identifying how biomarker testing is currently being used to diagnose and treat disease.
- Determining what action steps are needed to help you optimize the use of biomarker testing in your plan design.



Biomarker tests are an important part of today's treatment to ensure patients get the medication and treatment therapy most likely to work for them, versus those they are unlikely to benefit from.

© Copyright MBGH 2023

# Biomarker Testing: What It Is & Why Should Employers Invest In It?



**MBGH Employer Work Group**

In 2022, MBGH conducted an employer work group and a series of interviews with health benefits professionals from mid, large and jumbo public and private employers to assess their understanding and coverage of biomarker testing. This section includes important action steps, questions to ask your medical carriers and recommendations on health care benefits design and coverage.

**Employee Action Steps**

- Confirm with your carriers that processes are in place to promptly, efficiently and proactively evaluate appropriate use of biomarker testing for diagnosis, treatment and ongoing monitoring of an individual's condition.
- Ensure that carrier call center representatives are being provided with frequently asked questions and do not require tests that do and do not require prior authorization reviews for coverage. To avoid delays in care make sure they understand the plan language or procedure benefits.
- Recognize that some insurance plans will not cover the costs of biomarker tests and will deem them to be "experimental and investigational." It is important to confirm that:
  - Your plan has a strategy in place to ensure easy, streamlined directions for appeal filing;
  - Biomarker coverage appeals are processed and decisions communicated, in a timely manner; and
  - Appropriate clinical experts are involved in appeal reviews.
- Determine whether there is a need for a network of biomarker testing facilities that have the skills and resources to properly manage patient cases and control the scope and costs of these tests.
- Consider implementing a member and provider communication campaign to raise awareness of the value of biomarker testing and include plan coverage of these tests. Use approved tests, providers care make sure they understand the plan language or procedure benefits.

**Employee & Plan Member Communication on Biomarker Testing**

Use all or parts of [these action steps](#) to communicate with your employees and plan members on what biomarkers are, how and why biomarker testing is used and their role in treating certain diseases, including cancer.

**Health Care Benefits Design & Coverage**

It is important for employers to determine whether their current benefit designs are impeding or supporting patient access to appropriate biomarker testing. As recommended by the National Cancer Treatment Action, employers should ask their carriers these questions:

1. Does my plan cover all tests that are FDA-approved as a companion diagnostic to match patients to all FDA-approved targeted therapies and immunotherapies?
2. Does my plan cover tests recommended by guidelines, which include all guideline-recommended genes in any given tumor type?
3. Does my plan cover tests inclusive of all genes which could indicate potential resistance to an FDA-approved therapy?
4. What is my plan doing to reduce delays for biomarker testing needed to quickly get patients started on treatment?
5. Does my plan cover clinical trials?

**Health Plan and Employer Priorities are Often But Not Always Aligned; Greater Employer Involvement Is Critical**

**Effective Application of Precision Medicine Starts with Critical**

**Health Plan Priorities**

- Cost and value offerings
- Use of data and analytics
- Member engagement
- Improving outcomes
- A network of approved/beneficiary

**Employer Priorities**

- Cost to employer and employee
- Employee population health, including quality of life

**Plan Design Language**

(help answer patient/provider questions) to check for prior authorization requirements for coverage of testing. Broad-based language should include:

- For plan coverage information: "Genetic/Biomarker Testing for diagnosis, treatment, and/or post treatment monitoring, with approval by the Plan."
- For plan exclusion information: "Genetic/Biomarker testing, unless approved by the Plan."

It is important to ensure that plan language sections covering prior authorization include specifics about any testing for diagnosis, treatment, and/or post treatment monitoring.

**Pharmacogenomic Biomarkers in Drug Labeling**

Ask your carrier if they are using the following to develop their prior authorization protocols:

- **Drug/FDA** - Offers therapeutic products with pharmacogenomic information found in the drug labeling
- **Clinical Pharmacogenomics Implementation Considerations (CICD)** guidelines - Helps clinicians understand how available genetic test results should be used to optimize drug therapy, rather than whether the tests should be ordered.

View the action brief at [mbgh.org](https://mbgh.org)





# What percentage of your plan members see their primary care provider/medical home annually?

- 0-25%
- 26-50%
- 51-75%
- 76-100%
- Not sure



Is biomarker testing covered as a cancer care diagnostic benefit under your plan?

- Yes
- No
- Not sure





Does your plan waive financial penalties for members when biomarker testing points to the use of non-preferred oncology drugs as having the best potential clinical outcomes?

- Yes
- No
- Not sure





Is biomarker testing required for prior authorization approvals for any types of cancer treatment covered under your plan?

- Yes
- No
- Not sure



If your plan offers a cancer care navigation program, what is the percentage of utilization by covered members with cancer?

- <10%
- 11-20%
- 21-30%
- 31-50%
- Not sure
- Don't offer



Does your plan have a mechanism to promote timely referrals to economically appropriate sites of care for oncology infusion therapies?

- Yes
- No
- Not sure



# Thank You – [www.mbgh.org](http://www.mbgh.org)

---

Cheryl Larson, President & CEO  
Midwest Business Group on Health  
[clarson@mbgh.org](mailto:clarson@mbgh.org) – [mbgh.org](http://mbgh.org)

Karen van Caulil, President & CEO  
Florida Alliance for Healthcare Value  
[karen@flhealthvalue.org](mailto:karen@flhealthvalue.org) – [flhealthvalue.org](http://flhealthvalue.org)

Sandra Morris, Principal  
About Quality Benefits Design LLC  
[sgmorris2016@gmail.com](mailto:sgmorris2016@gmail.com)