

## Weekly Bulletin – July 14, 2023



# WHAT'S NEW THIS WEEK?

#### Site of Care for Biologics and Biosimilar Medications – EBRI Research Findings

The Employee Benefits Research Institute (EBRI) published an issue brief on June 29, 2023 entitled "Location, Location: Spending Differences for Biologic and Biosimilar Medications by Site of Treatment." Paul Fronstin, Ph.D. and Christopher Roebuck, Ph.D. found that for all seven innovator biologics they examined, allowed charges were higher in hospital outpatient departments (HOPD) than in physician offices (PO). HOPD markups on innovator biologics are roughly doubling costs for employers and minimizing savings that could be achieved through biosimilar competition. In 2020, allowed charges were more than twice as high in HOPDs than in POs.

Click HERE to read the issue brief.

If you have any questions, please contact Ashley Tait-Dinger at ashley@flhealthvalue.org



ation, Location, Location: Spending Differences Biologic and Biosimilar Medications by Site of Treatment

By Paul Fronstin, Ph.D., Employee Benefit Research Institute, and M. Christopher Roebuck, Ph.D., RxEconomics, LLC

AT A GLANCE

Biologics are often used to treat a range of life-threatening and debilitating conditions such as cancers, autoimmune diseases, and kidney diseases. They are made from living cells, structurally complex, and most often handled and administered to patients via IV infusion or injection by a health care professional in a hospital outpatient department (HOPD) or physician office (PO).

he original biologic, known as the innovator biologic, sometimes has substitutes, which are known as biosimil losimilars are exactly as their name implies: highly similar versions of the medicine with no clinically meaning fiference in effectiveness or safety from the innovator biologic. In recent years, a robust biosimal marketple merged, driving substantial savings for patients, employers, and insurers. As of February 2020/13 where are 29 biosimilars on the market competing against 11 innovator biologics.

Competition in the evolving market suggests innovator biologics and biosimilars both are competing on price to retain or gain market share. However, as HOPDs continue to mark up the price of biologics — and at rates that are higher and faster than those for biosimilars — and consolidation drives care away from Do into HOPDs, employers will continue to see costs go up, and the savings potential from biosimilars may not be fully realized.

In this *Issue Brief*, we focus on waste caused by pricing failure related to the cost of biosimilars. We condu analysis of site-of-treatment price differentials for innovator biologics and biosimilars. Specifically, we exam imilars is impacted by whether patients seek care from POs or higher cost HOPDs, the potential cost savings from biosimilars is impacted by whether as the trend towards HOPDs might be impacting potential savings

- Use of biosimilars among individuals with employment-based health benefits in the United States is growing as more biosimilars enter the market. Among the nine innovator biologics with available biosimilars as of October 2022, most of the biosimilars were launched in the United States in 2019 and 2020.
- With the exception of biosimilars for Neupogen, the market share for the innovator biologics was between 65 percent and 87 percent in 2020.
- HOPDs were sometimes more likely and sometimes less likely than POs to use innovator biologics over biosimilars. HOPDs were more likely than POs to use Neupopen, Herceptin, and Rituxan over their biosimilars. HOPDs were more likely than POS to use Remicade and Avastin. HOPDs and POs were about equally likely to use Neulasta and Epogen/Procrit.
- For all seven innovator biologics examined, allowed charges were higher in HOPDs than in POs. HOPD markups on innovator biologics are roughly doubling costs for employers and minimizing savings that could be achieved

A research report from the EBRI Education and Research Fund © 2023 Employee Benefit Research Institute

#### Applications Being Accepted for 2023 John M. Eisenberg Patient Safety and Quality Awards

The National Quality Forum and The Joint Commission have announced that applications are now being accepted for the 2023 John M. Eisenberg Patient Safety and Quality Awards. The deadline for applying is



August 7. Awards are bestowed in one of three categories: 1) Individual Achievement, 2) National Level Innovation in Patient Safety QUALITY FORUM and Quality, and 3) Local Level Innovation in Patient Safety and Quality. To read more and apply, click HERE.



The Florida Alliance is planning for three educational webinars in the coming months on (1) biomarker testing, (2) cell and gene therapies, and (3) anti-obesity medications. These webinars will be panel sessions with a clinician/medical outcomes specialist, a moderator, and an employer. We are looking for an employer member from the Florida Alliance to participate on the panel for each topic. We will have a prep call ahead of time. If you are covering any of these three areas in your benefit design and would



like to share your thought process and experience in doing so with our members, please reach out to Karen van Caulil at <a href="mailto:karen@flhealthvalue.org">karen@flhealthvalue.org</a> Many thanks!



### Employer Member Educational Programs, Reports, Resources, And Employer Learning Collaboratives (ELC)

# Summer Book Club - A Review of a *Playbook for Employers: Addressing Pharmacy Benefit Management Misalignment*

Welcome to summer! The National Alliance of Healthcare Purchasers Coalitions recently published "A



Playbook for Employers: Addressing Pharmacy Benefit Management Misalignment." The playbook is full of great information but is a bit long. Since it is summer, we are going to treat the review of this playbook like a book club and review small sections of the playbook over each of the next few weeks.

We are starting with a review of pages 2 to 4. As with most conversations we have had on this topic since early 2022, the Consolidated Appropriations Act (CAA) is the starting point. Unlike the data transparency requirement on medical benefits, the pharmacy data transparency requirement was delayed until the end of 2022; the concepts and definitions were not. There are two basic concepts: a) fiduciary obligation to disperse plan assets in a **prudent manner**, and b) "the prudent standard for fiduciaries is a **prudent** 

**expert standard**." A good faith effort is not considered to be enough.

We tend to group medical and pharmacy plan and vendor mechanics together, but we should not. There is no federal regulatory oversight of PBMs at this time. PBM vendors do not view themselves in the same way as traditional medical vendors; therefore, PBM vendors do not think the CAA applies to them. (As a side note, Florida has enacted the most comprehensive PBM legislation in the country in May. As the details of how the law will be enforced become available, Florida Alliance staff will review them and share the information with you.)

Bottom line, PBMs wield a lot of power that results in more revenue streams for them. Examples are referral fees to consulting firms, and incentives for favorable formulary placement. These schemes have led to a united front by the PBMs to obscure their business practices.

As employer/healthcare purchasers of pharmacy benefits, you should be looking at 7 different drivers: drug price, drug mix, utilization, appropriateness, site of care, affordability, and value.

If you would like more detailed information on the points above, please review pages 2 – 4 from the playbook and email Ashley Tait-Dinger at ashley@flhealthvalue.org if you have any questions.

Click HERE to go to the playbook.

# Employer Member Complimentary Webinar - ERISA Law and Health Care Quality: Top Labor Attorneys Alert to Key Issues Ahead for Plan Sponsors – July 19, 1:00PM – 2:00PM ET

Join the country's top labor attorneys and ERISA experts, Leapfrog's CEO, and a fiduciary expert for an early access webinar on Leapfrog's new white paper "The CAA and Health Care Quality: The New Transparency Imperative." The experts will dissect new requirements and provide guidance on how ERISA employers can comply to drive quality health care.

#### **Speakers**



Click HERE to register.



# MEMBERSHIP UPDATE

#### Thank You to Our Renewing Members!

Employer Members - Miami-Dade County Public Schools, City of Orlando, and Orange County Government







Healthcare Advisory Council Member - Orlando Health



Affiliate Members – Sanofi and Grooms Benefits





#### Welcome to our new Affiliate Members – MedWorks Consulting and Visana Health

Founded in 2002 by seasoned leaders in health care, <u>MedWorks Consulting</u> has broad experience in all significant areas of healthcare services. Their comprehensive understanding of the healthcare



marketplace with the ongoing forces for change, along with their strategic sales and marketing support, allow them to look ahead of the curve and prepare for the changes in the health industry. Whether their efforts focus on differentiated business planning, evolutionary benefit plan designs, qualitative marketplace assessments, or administrative cost reductions, they help their clients develop and implement effective marketplace strategies and solutions that significantly improve their bottom line by growing revenues or lowering costs with thoughtful, customized solutions.

For more information, contact Arthur T. Taft, Managing Director, ataft@medworksusa.com

Visana Health is a virtual women's health clinic that provides personalized, whole-person clinical care for the widest range of women's health conditions. They go beyond the narrow focus on maternity to offer the most comprehensive care for all phases of a women's life. Visana's full-service virtual women's health clinic partners with employees from diagnosis to symptom relief by connecting women to high-value, in-network providers for seamless end-to-end care and holistic support for women.

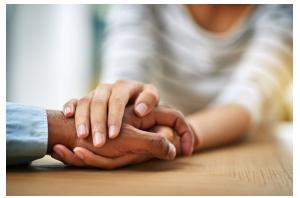
To learn more contact Matt Hodes, Vice President of Sales, matt@visanahealth.com



#### Lack of Access to Health Care Has Contributed to Increase of Cancer Among Hispanics

Axios recently summarized an article published in the Journal of the American Medical Association

(JAMA) discussing deaths from certain cancers among the Hispanic population. Although overall cancerrelated deaths among Hispanics dropped between 1999 and 2020, the article identified several that had seen an increase, among them liver cancer for both men and woman, colorectal and testicular cancer for men, and pancreatic and uterine cancer for women. The article summary stresses the importance of improving access to health care to help address these concerning outcomes. To read the summary, click HERE.



#### U.S. Maternal Deaths Keep Rising. Here's Who is Most at Risk

NPR recently reported on a *Journal of the American Medical Association* (JAMA) study regarding mortality rates among pregnant women. The study, focusing on mortality rates on a state-by-state basis between 2009 and 2016, saw a rise among all racial and ethnic groups. Outcomes were particularly bad



for Native American, Alaska Native, and Black women. For Black women, it has continued to worsen, as mortality rates have more than doubled during that time span. The study found differences across all racial and ethnic groups depending on the state or region, seeing some improvements, but overall seeing deaths continue to rise while other wealthy nations continue to see decreases. The summary points to the belief that the majority of these deaths are preventable. One way to address this crisis is to

continue to promote all pregnancy-related care, including screening for physical and behavioral health issues and regular checkups. To read the NPR article, click <u>HERE</u>.

### 11 Million Affected by HCA Healthcare Data Breach

The *Tampa Bay Times* reported that data from 11 million HCA patients, including an unspecified number in Florida, had been posted in an online forum. **HCA published a** <u>statement</u> saying the compromised data included patient names, cities, states, ZIP codes, dates of birth, telephone numbers and email addresses. HCA stated no other personal or sensitive data was posted. The article provides recommendations to individuals to safeguard



themselves as well as a phone number to contact (844-608-1803). The *Tampa Bay Times* article can be accessed <u>HERE</u>.