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PERSPECTIVE ON HIGH DRUG COSTS

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Indianapolis, IN
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What is the best-selling drug in the world?

**Humira**

- launched in US in 2003; $19,000 in 2012 and $38,000 in 2018 (after rebates)
- TNF blocker for inflammatory conditions, called a biologic
- US has 4 FDA approved biosimilars:
  a. Hadlima by Abbvie in 2019, co-market with Merck
  b. Hyrimoz by Sandoz in 2018
  c. Cyltezo by Boeringer Ingelheim in 2017
  d. Amjevita by Amgen in 2016
- Not available in US because of a 20-year US patent protection for Humira which expires in 2023
- BUT BIOSIMILARS AVAILABLE IN EUROPE AS OF 2018
- NHS agency of England negotiated price decrease by 75% & now cost is $4500 annually for high dose

How much money did Abbvie make on Humira in 2018?

$20 billion
3. What is the most expensive drug in the world?

Zolgensma for $2 million
- Used to treat spinal muscular atrophy (SMA effects 1 in 10,000 live births)
- One-time gene therapy treatment

4. What is the recent DRAMA about this drug?
- FDA approved in May 2019 - BUT in March 2019 Novartis learned that chief scientists submitted FAKE data to FDA and Novartis didn’t tell the FDA
- They eventually fired their chief scientists in August 2019
- FDA decided to keep this medication on the market for now
Results of Forum Employer Survey Regarding Prescription Medication
Conducted by the Employers’ Forum of Indiana in Partnership With the National Alliance of Healthcare Purchasers’ Coalition

sent August 2019
SELECT YOUR COMPANY’S INDUSTRY

N=13

- Educational Services: 46%
- Finance and Insurance: 8%
- Manufacturing: 31%
- Professional, Scientific, and Technical Services: 8%
- Transportation, Warehousing and Utilities: 8%
INDICATE THE SIZE OF YOUR ACTIVE EMPLOYEE POPULATION

N=12

- Between 1,001 - 5,000: 42%
- Between 5,001 - 10,000: 17%
- Between 10,001 - 20,000: 8%
- Over 20,000: 33%
WHAT IS YOUR AVERAGE DRUG SPEND PER COVERED LIFE (PMPY)?

N=12

- Less than $100: 8%
- $101-$500: 17%
- $501-$1,000: 33%
- $1,001-$2,000: 25%
- $2,001-$3,000: 17%
WHAT IS YOUR PERSPECTIVE REGARDING YOUR DRUG SPEND?

N=13

- 54% Too high and not sustainable
- 46% Too high and sustainable
- 0% Reasonable
- 10% Too low
BESIDES COST, WHAT ARE YOUR KEY CHALLENGES WITH MANAGING YOUR DRUG TREND?

N=13

- PBMs offering a drug formulary based on value of the drug
- Deciding which drug to exclude from formulary
- Issue with PBM contracts
- Knowing what drug costs go through medical
- Cost of specialty drugs
- Over utilization or mis-utilization of prescription
- Understanding cost
- Opportunities based on site-of-care (e.g. specialty pharmacy vs. retail pharmacy, facility vs. home)
- Inappropriate therapies
WHICH ELEMENTS OF THE PHARMACY BENEFIT ARE CAUSING THE MOST DISSATISFACTION AMONG EMPLOYEES?

N=13
HOW SATISFIED ARE YOU WITH.....

N=13

Your independent consultant
- Highly Satisfied: 46%
- Satisfied: 38%
- Somewhat Satisfied: 15%
- Not Satisfied: 0%

Your PBM
- Highly Satisfied: 54%
- Satisfied: 23%
- Somewhat Satisfied: 8%
- Not Satisfied: 0%

Your health plan
- Highly Satisfied: 77%
- Satisfied: 23%
- Somewhat Satisfied: 0%
- Not Satisfied: 0%
WHAT ARE KEY AREAS YOU INCLUDE WHEN DEVELOPING YOUR CONTRACTS? (MARK ALL THAT APPLY)

- Outcomes-based metrics: 62%
- Custom formularies: 62%
- Carve-out options: 31%
- Price transparency: 62%
- P&M fees transparency/rebates: 100%
- Promoting patient adherence: 46%

N=13
INDICATE WHICH OF THE FOLLOWING STRATEGIES YOU ARE USING TO ADDRESS HIGH COST DRUGS

N=13

![Bar chart showing the percentage of respondents using various strategies to address high cost drugs. The strategies include:
- Fully transparent PBM
- Custom exclusion for drug formulary
- Reference-based pricing
- Direct to pharmacy contracting
- Hiring a pharmacist consultant that works for organization
- Direct contracting with the manufacturer
- Outcomes-based contracts
- Group purchasing

The chart indicates the percentage of respondents who are currently in place, will be in place next 12-24 months, considering for future, not considering, or don’t know for each strategy.]

Current: Fully transparent PBM 80% 0%
Consider for future: Custom exclusion for drug formulary 20% 0%
Consider for future: Reference-based pricing 60% 0%
Consider for future: Direct to pharmacy contracting 80% 0%
Consider for future: Hiring a pharmacist consultant that works for organization 60% 0%
Consider for future: Direct contracting with the manufacturer 80% 0%
Consider for future: Outcomes-based contracts 60% 0%
Consider for future: Group purchasing 60% 0%
OPEN DISCUSSION