



Knowledge Gaps and Value-Based Biologics Coverage: Findings from the 2011 National Employer Survey



FR Vogenberg*, C Larson**, M Rehayem**, and L Boress**.

*Institute for Integrated Healthcare, PO Box 433, Sharon, MA 02067 **Midwest Business Group on Health, 35 E. Wacker Drive, Suite #1500, Chicago, IL 60601

Background

Healthcare costs are a continued concern among employers and other purchasers and extend especially to biologics that are being increasingly scrutinized to demonstrate value over time. The Midwest Business Group on Health's (MBGH) work in examining the value-based purchasing activities of employers has identified the biologics/specialty area as a major challenge and focus for employers. Along with the higher cost of these medications that are increasingly being produced for a rising number of conditions, comes increasing waste from prescribing/use by physicians, non-compliance by patients, and potentially serious side effects.

Biologics now include not only medical, but also pharmacy plan expenditures. There is significant and growing interest among employers and other stakeholders (e.g. health plans, PBMs, specialty pharmacies) in understanding the extent, scope and management of biologics/specialty drug use in covered populations due to its high total cost impact. Few presentations, discussions and articles on this topic area use an employer perspective for specialty pharmacy programs, including immunology and oncology.

A significant cost challenge to employers, these drugs create logistical issues for patients, physicians, pharmacies, and manufacturers owing to their unique approval requirements, dosing, side effects, and distribution methods. What has been missing is objective learning from a real-world perspective and establishing a baseline of understanding this benefits area for commercial plan sponsors that could ultimately result in actuarial based change in benefit design focusing on optimal patient outcomes.

Objective

To assess the level of knowledge and benefit design gaps of employer plan sponsors across the U.S. in the area of specialty pharmacy and biologic products for conditions such as cancer and immune disorders, and to identify perceived value and opportunities for innovation in future benefit coverage.

Key objectives focused on establishing a baseline about employer knowledge of specialty pharmacy, benefit plan design gaps, benefits coverage, use of incentives, cost impacts, patient management and adherence, and employee benefit communications.

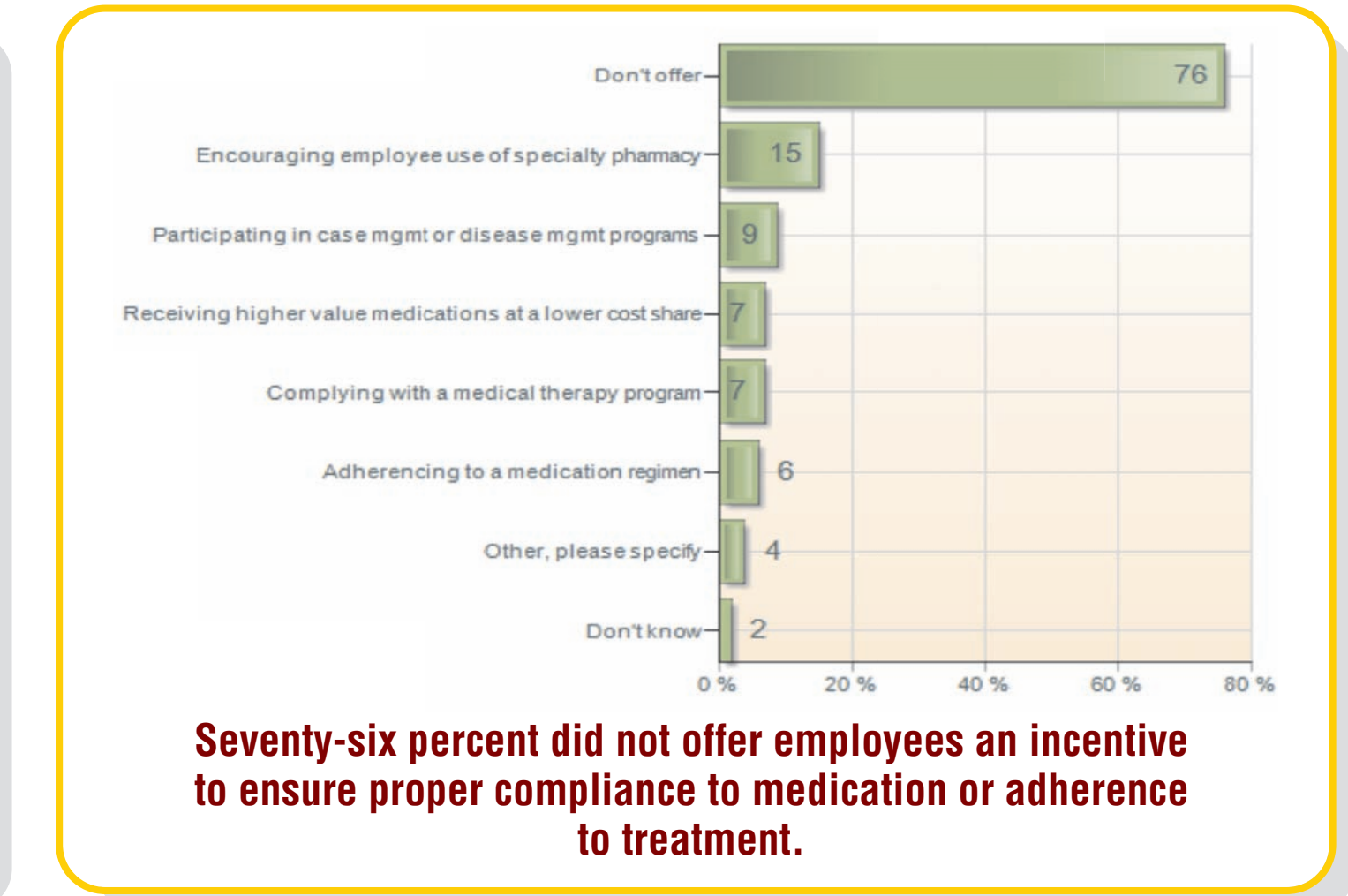
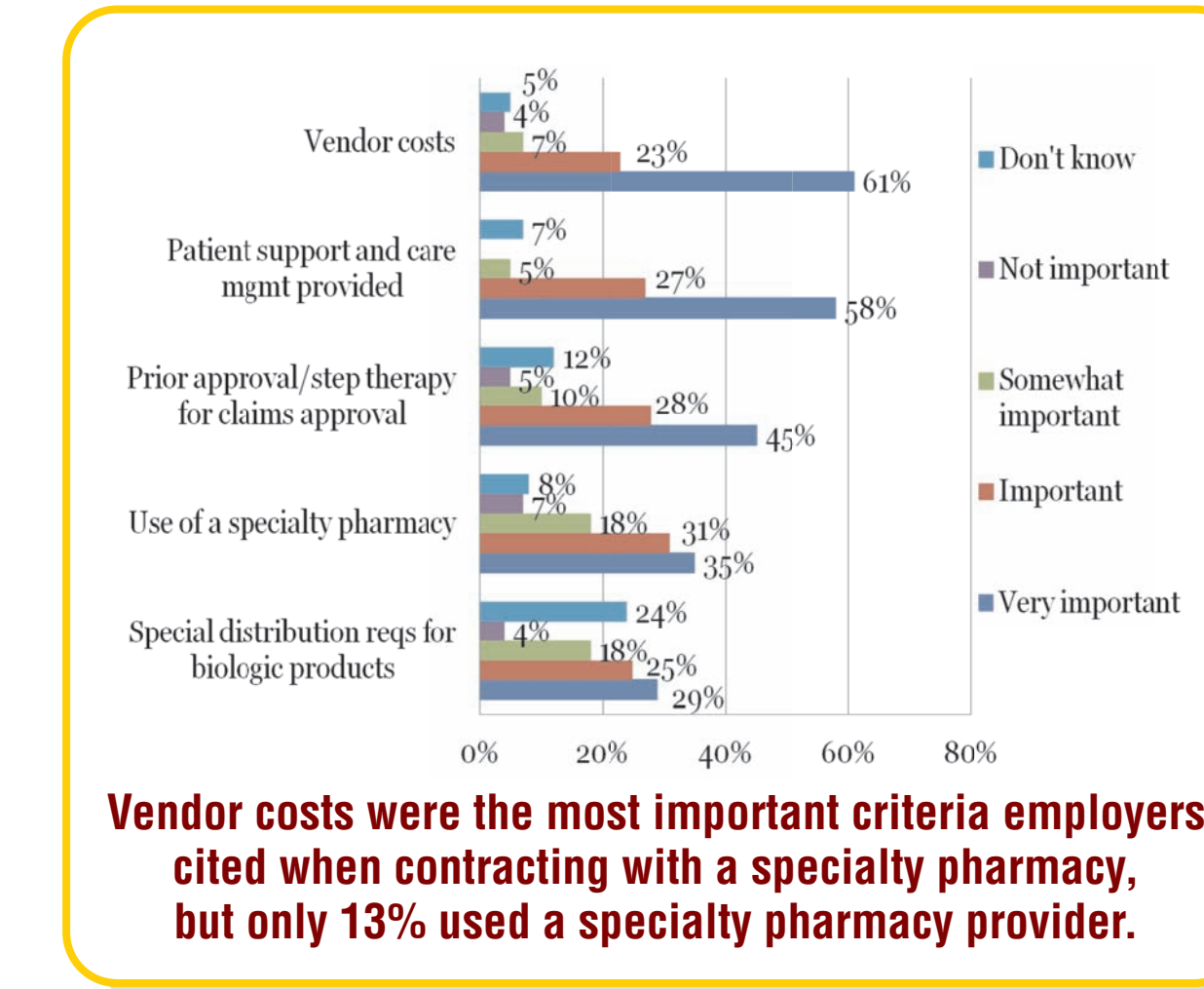
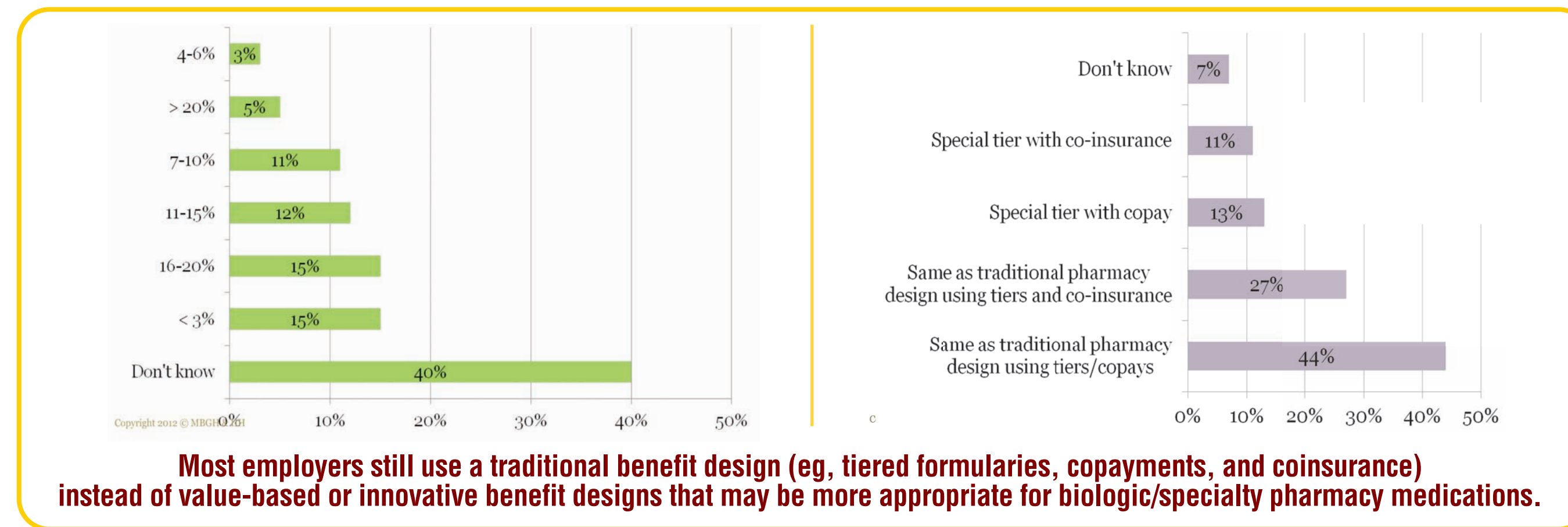
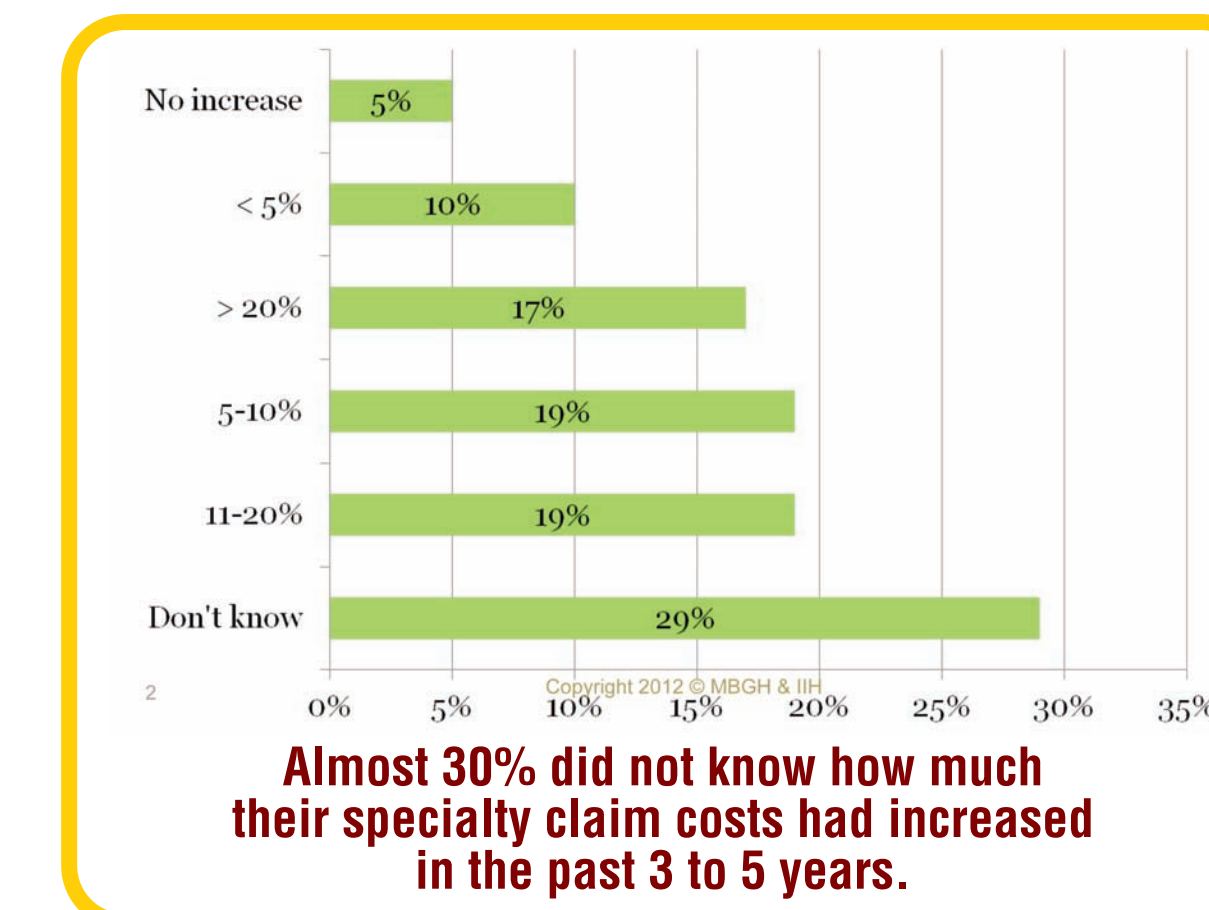
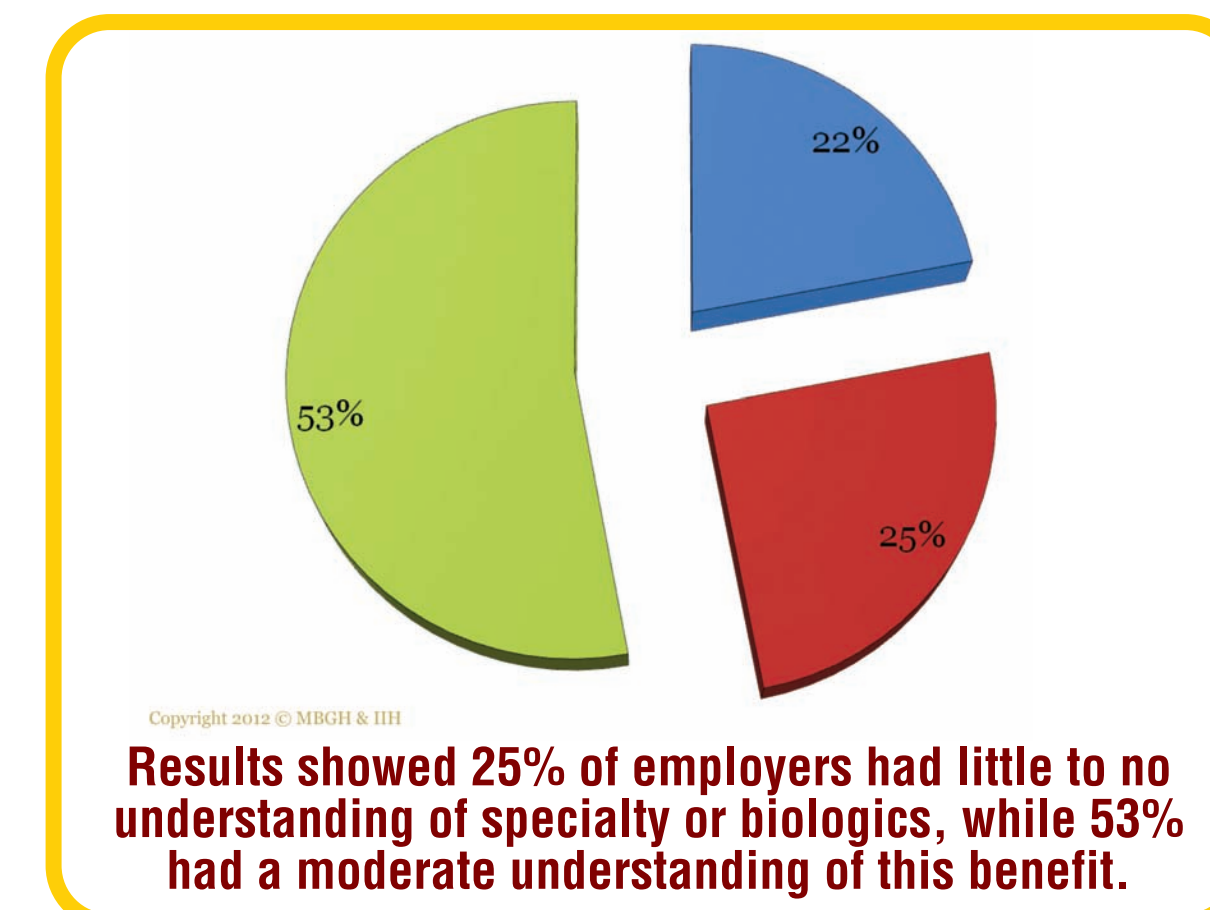
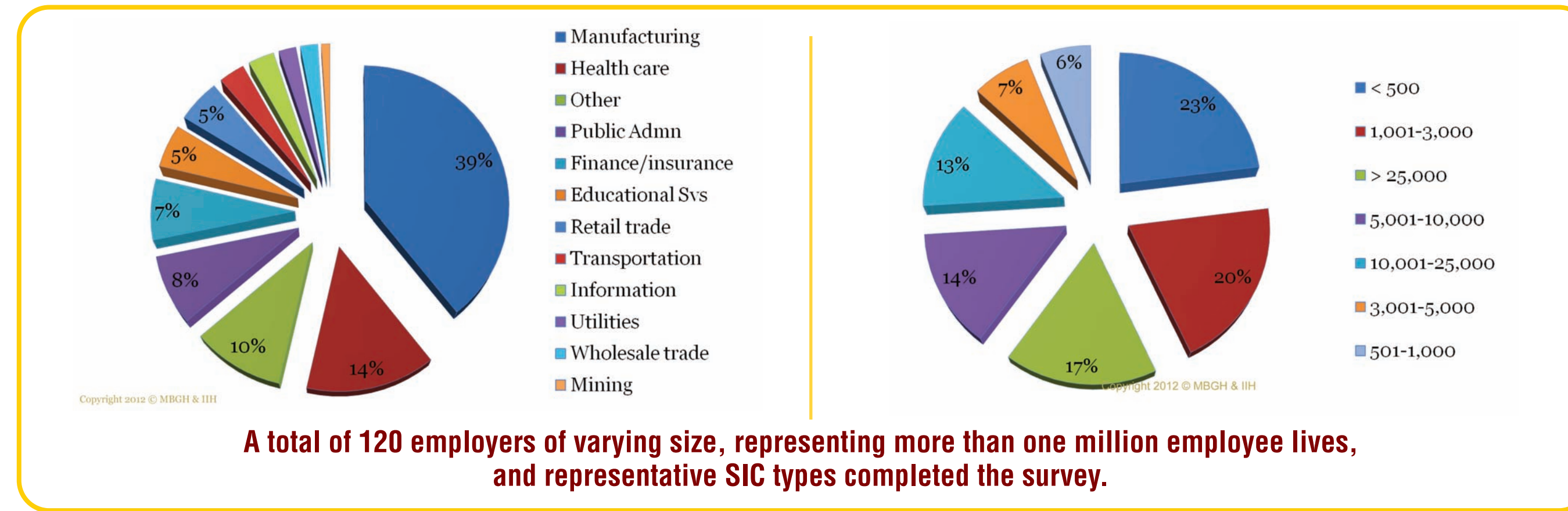
Methods

An online survey instrument was developed through an advisory council comprising self-funded employers in late spring 2011.

The survey was disseminated via electronic means during June 2011 through 14 different business coalitions across the U.S. reaching several hundred employers that was completed in late July 2011.

Results were analyzed by the Midwest Business Group on Health (MBGH) and the Institute for Integrated Healthcare (IIH).

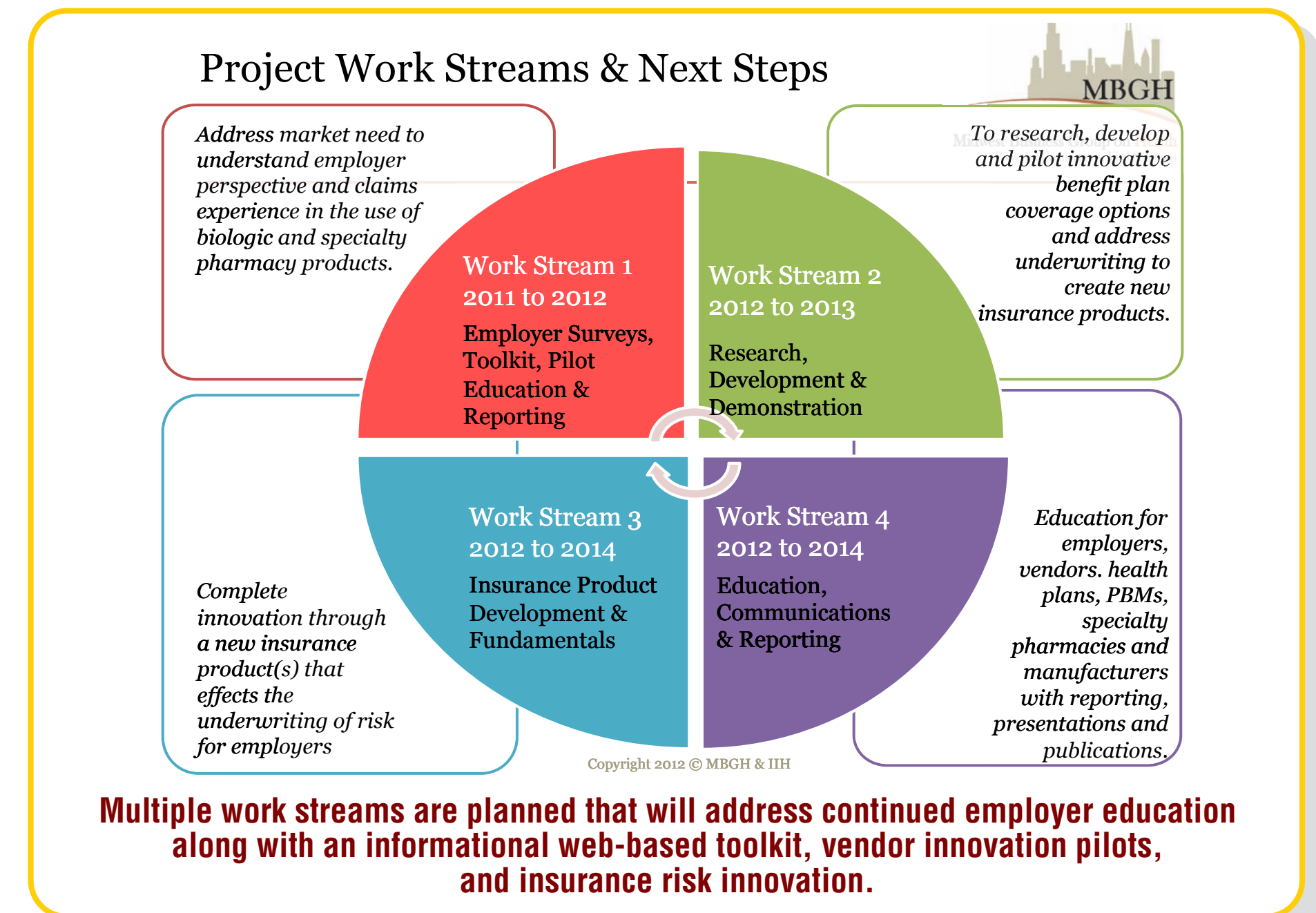
Results



Conclusion

Survey findings demonstrate employers' have a general lack of knowledge regarding benefit coverage programs for biologic drugs including appropriate support technologies and vendor contracting options available in their plan.

Improving employers' understanding will help them learn innovative benefit strategies, manage costs more effectively and positively affecting outcomes.



MBGH is one of the nation's leading non-profit business groups of over 100 large self-insured public and private employers. Member organizations provide health benefits to over 3 million lives and annually spend more than \$3 billion on health care benefits. The Institute for Integrated Healthcare provides integrated pharmaceutical benefits consulting and education to self-insured employers and business coalitions. For more information, see research section at: www.mbg.org