



## Midwest Business Group on Health Webinar Summary

December 3, 2019 / 2:00 – 3:30 PM CST

### *Hemophilia & Bleeding Disorders: Plan Design Strategies that Address Costs, Waste & Improve Outcomes*

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#### Overview

Hemophilia is a complex, rare and life-threatening blood disorder where blood does not clot properly. An estimated 20,000 people in the US have hemophilia, yet it represents a disproportionate driver of health care costs for employers, consistently ranking among the top 10 high cost claims conditions. There is no cure and most treatments require a life-long commitment to infusing costly clotting factor replacement products that fall into the specialty drug category. Challenges faced by those living with hemophilia impact everything from activities of daily living and treatment adherence to work productivity.

Optimal management of hemophilia is based on:

- Early detection and diagnosis
- Prevention and early treatment of bleeding episodes to avoid complications
- Detection and management of [inhibitors](#)
- Psychosocial and educational support
- Monitoring for treatment-related comorbidities
- Coordination of care with other providers and payers involved in management

#### Employer Challenges & Opportunities

Managing the impact of hemophilia in the workplace presents unique challenges. Employers can take steps to mitigate risks by learning what drives related health care costs and creating a strategy to manage cost trends and unnecessary waste/misuse of the drugs used to treat the condition.

#### Economics

[Recent research](#) identifies hemophilia as a leading high-cost claimant condition for people in their prime working years, between the ages of 20 and 39. The high cost is mainly due to the necessary use of specialty drugs to manage and treat the condition. Annually, the cost of this

medication averages more than [\\$270,000 per patient](#), and can increase significantly depending on disease severity, comorbidities and whether [inhibitors](#) are present. If complications arise, the yearly price tag can soar to over \$1 million dollars. Other factors influencing the total cost of care include avoidable ER use and unnecessary hospitalizations that result when members with hemophilia are unmanaged or undermanaged.

Employers should be aware of these three cost-drivers related to hemophilia management as they can have a significant impact on health care spend:

- *Provider/site of care* – a high touch, individualized, integrated medical/pharmacy approach to patient care is necessary to achieve optimal outcomes and lessen the cost of care
- *Medication Management* – the specialty medication required to treat the condition (also known as clotting factor) represents upwards of 90% of the total cost of care; there is significant waste involved in hemophilia treatment that drives much of this cost
- *Prescription Adherence/Management* – patient non-compliance can result in poor outcomes and unnecessary utilization of health care services such as the ER and hospital – both of which can significantly impact spend

#### *Waste and Misuse*

There are more treatment options available for hemophilia than ever before. However, because the drugs used to treat this condition are biologic/specialty drugs, the stage is set for misuse and waste, in part because prescriptions are written and dispensed differently than traditional medications. Prescriptions for clotting factor are typically written for a variance of + or – 10% of the prescribed target dose. Most specialty pharmacies auto-ship medication to patients. If the maximum amount is filled every time (which is not uncommon), stockpiling occurs. Over shipping and other types of waste often result when there is no oversight of the middlemen (PBMs, specialty pharmacies) responsible for the delivery and administration of clotting factor.

Most employers do not have the data needed to track members with hemophilia and the medical and pharmacy claims they incur. This is largely because they don't know what to look for and/or what types of data to ask for from vendors. As a result, PBMs and specialty pharmacies are not held accountable for minimizing waste. This ultimately results in a significant price tag for employers.

#### **Strategies to Reduce Waste & Manage Trend**

Unnecessary hemophilia-related costs can be avoided and cost trends contained. Consider the following guidance based on the experience of two large employers and the National Hemophilia Foundation.

#### *Know your numbers*

Learn about hemophilia in your organization and understand what channels the specialty drugs related to hemophilia are flowing through. Whether an employer uses an internal database, insurance carrier, specialty pharmacy, carve out specialty or consultant, start by seeking answers to these basic questions:

- How many individuals with hemophilia are currently covered by your plan?
- What are the costs associated with hemophilia, both in your medical and pharmacy plan?
- How many emergency room and hospitalization claims are the result of hemophilia?
- What is the hemophilia spend compared to overall costs?

### *Evaluate your current benefit plan design*

Use a benefit plan design that drives members to the highest quality, most cost-effective site of care for treatment. Working with your carriers to put contracts in place that get people to the right provider and the right care is critical to managing hemophilia spend and achieving optimal outcomes. To ensure that an integrated medical and pharmacy care model is being used, include [Hemophilia Treatment Centers](#) (HTCs) as in-network providers of both clinical/medical and specialty pharmacy services. There are currently 140+ federally recognized HTCs across the country.

### *Hold your vendors accountable*

Build a strategy with your vendor partners that hold them accountable for appropriately managing clotting factor treatment for each patient. Put assay management and dose optimization in place – ask specialty pharmacies and PBMs to tighten the prescribing variance down from 10%. This is an opportunity to save money and ensure vendors provide the right dose to the patient.

During PBM contract negotiations get clarification on standard practices for ongoing clinical management of hemophilia. Put checks and balances in place to hold your vendors accountable; be specific about requirements for managing and reporting on hemophilia drugs. Make sure all vendor partners (including specialty pharmacies, PBMs, carriers, consultants) can provide detailed hemophilia management reports on an ongoing/quarterly basis. This can become part of your operating rhythm so it's not “one and done”. Over time you can measure results year-over-year. Drive accountability by weaving this discussion into regular meetings with your PBM, insurer and carrier.

### **Participant Questions**

*Question: Why is the +/- 10% allowance applied to drug therapy for hemophilia? Seems odd as few other medications have such allowances at dispensing.*

**Answer:** The goal of hemophilia treatment is the effective replacement of missing clotting factor. Dosing of the drugs is determined by a variety of things including a patient's weight, disease severity, bleeding patterns and comorbidities.

Clotting factor is manufactured in batches and comes in pre-filled vials. Pharmacies differ in the number and size of vials they keep on hand. A pharmacist fills an individual's prescription so that it matches the physician's prescribed dose as closely as possible with the available vials. As a result, there is a + or – 10% fill variance allowed.

*Question: Any comments on cost containment for management of clotting factor resistance?*

Answer: Twenty-five to thirty percent of people with hemophilia develop an antibody, also called an inhibitor, that prevents the clotting factor from working effectively. Inhibitor development is the most serious complication of factor replacement therapy, and the most challenging and costly aspect to manage. Once inhibitors are detected in a patient, effective management includes making sure they receive optimal care from health professionals who are experienced in treating people with bleeding disorders. An example of this are Hemophilia Treatment Centers, where health care teams regularly deal with the complex treatment of inhibitors.

Manufacturers of drug therapies that treat inhibitors are working quickly to develop new and novel agents that are more cost effective and could potentially reduce the burden of people with inhibitors.

*Question: How do you improve assay management (responses are from two large employers):*

Answer: First, gain an understanding of assay management in your organization based on data and precision dispensing in the pharmacy and/or medical channels. Understanding the proprietary algorithms used by specialty PBMs for precision dispensing is challenging for any employer due to the lack of transparency in the typical PBM model. There is an opportunity to drive and influence greater transparency with PBMs and see what they are actually dispensing based on the needs of patients/members.

This can be accomplished by working with your specialty provider or carrier to set up an audit. Vendors often report they adhere to a + or – 10% variance, but until you see the results of an audit that compares the actual amount dispensed to amount prescribed, there is no way to verify their numbers are correct. There is an opportunity to work with specialty providers to schedule regular audits. Over time, you can quantify waste avoidance and savings derived by being as precise as possible without risking avoidable ER visits.

You can also establish performance guarantees on assay management, which includes regular reports and putting fees at-risk based on meeting predefined targets.

### **Hemophilia Toolkit Overview**

The MBGH Hemophilia Toolkit was developed in collaboration with the [National Hemophilia Foundation](#) and the [Hemophilia Alliance](#), along with input from an MBGH Employer Advisory Group. This online resource, located on the [MBGH website](#), was created to help employers better understand and manage this complex condition. The information and resources in the toolkit are designed to help employers better understand the impact of hemophilia on their health care spend and provides strategies to address costs, waste and improve outcomes. The toolkit sections include:

**Overview:** Provides facts about hemophilia and bleeding disorders, living with hemophilia and treatment considerations

**Building the Business Case:** Looks at the economics of hemophilia, approaches for most effective management, and the importance of and how-tos for gathering pertinent data

**Benefit Plan Design:** Influenced by employers who shared the importance of plan design to improve outcomes and cost of treatment; offers information on contract standardization, carve out considerations, and a review of current cost shifting strategies that impact patients with hemophilia

**Adherence & Assay Management:** Covers strategies for management of clotting factor (assay management) and dose/adherence management to help employers to reduce waste, avoid unnecessary health care costs and improve patient and cost outcomes; real life examples are provided

**Tools & Resources:** Contains relevant and up-to-date links to research and resources to help employers with the issues and challenges faced when creating a strategy for managing bleeding disorders in a covered population