



# Midwest Business Group on Health

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

December 3, 2019

# Agenda for Today

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- |         |   |
|---------|---|
| 2:00 PM | Why Employers Should Pay Attention to Hemophilia <ul style="list-style-type: none"><li>• Cheryl Larson, President &amp; CEO, MBGH</li></ul>   |
| 2:10 PM | Employer Challenges & Opportunities in Managing this High-Cost, Life-Threatening Disease <ul style="list-style-type: none"><li>• Kollet Koulianos, Senior Director Payer Relations, National Hemophilia Foundation</li></ul>  |
| 2:35 PM | Employer Panel: Today's Model & Employer Go-Forward Strategies <ul style="list-style-type: none"><li>• Moderator: Cheryl Larson, President &amp; CEO, MBGH</li><li>• Jason Parrott, Senior Manager. Global Healthcare &amp; Well Being Strategy, The Boeing Company</li><li>• Darin Hinderman, Global Health Strategy Manager, Total Rewards-HR, Caterpillar Inc.</li></ul> |
| 3:10 PM | MBGH Employer Toolkit on Hemophilia & Bleeding Disorders <ul style="list-style-type: none"><li>• Dawn Weddle, Director of Member Engagement, MBGH</li></ul>   |
| 3:20 PM | Top Strategies for Employers Today <ul style="list-style-type: none"><li>• Cheryl Larson, President &amp; CEO, MBGH</li></ul>   |
| 3:30 PM | Adjournment   |

# Overview of Hemophilia

- Hemophilia is a life-threatening bleeding disorder where blood does not clot properly
- Although it is estimated that 20,000 Americans have hemophilia, it represents a disproportionate driver of health care costs for employers
- There is no cure and most treatments require a life-long commitment to infusing costly clotting factor replacement products (specialty drugs)
- Challenges faced by those living with hemophilia impact everything from activities of daily living and treatment adherence to work productivity

# Economics of Hemophilia

- Hemophilia consistently ranks among the top-10 high cost claims conditions
- Medical claims for people with Hemophilia A (most common type) are 5 times higher when compared with the non-Hemophilia population
- Average annual cost of medication to treat hemophilia is more than \$270K; however can soar to over \$1 million dollars if inhibitors are present
- Total cost of care can skyrocket when members with hemophilia are unmanaged or undermanaged, resulting in avoidable ER visits and hospitalizations

# Hemophilia Cost Drivers

Three major areas driving cost in this space:

- *Provider/Site of Care:* Hemophilia is a complex and rare disorder requiring a high-touch individualized approach to patient care for optimal outcomes
- *Medication Management:* Clotting factor replacement products represent upwards of 90% of the member's total cost of care
- *Prescription/Adherence Management:* Patient non-compliance can contribute to poor outcomes and unnecessary ER visits and hospitalizations

# Waste & Misuse

- More treatment options are available for hemophilia than ever before
- Because clotting factor is a biologic, the stage is set for there to be a tremendous amount of waste; especially when employers don't know what to look for
- This can lead to over shipping and other forms of waste due to lack of middlemen oversight on the amount of product being delivered to the patient
- This can ultimately carry a significant price tag for employers

# Addressing Hemophilia High Cost Drivers

To reduce waste and manage cost trends:

- Use a benefit plan design that drives members to the highest quality, most cost-effective site of care for treatment
- Ensure your health plan and PBM are appropriately managing the clotting factor treatment for each patient
- Communication and coordination between the medical care provider, pharmacy and the patient are paramount

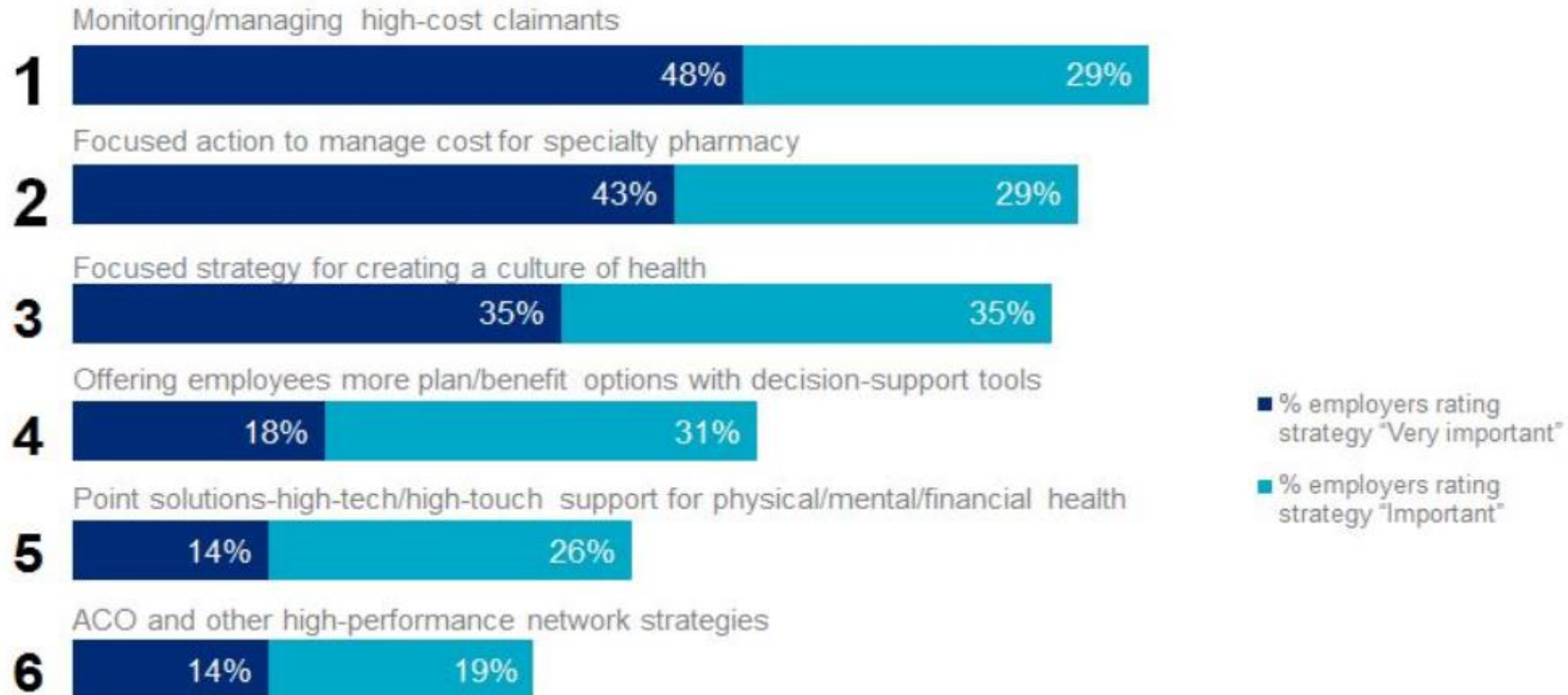




# Employer Challenges & Opportunities in Managing this High-Cost, Life-Threatening Disease



# Managing High Cost Claimants is Important to Employers



# Employers Can Mitigate Risk When...

- They identify their target high cost disease claimants
- Identify associated cost drivers (total cost of care)
  - Provider/Site of Care
  - Medication Management
  - Prescription/Adherence Management
- Engage in value-based dialogue with experts in those key areas (i.e. NHF, Hemophilia Alliance, HTC Providers & MASAC)



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## Hemophilia Treatment Centers (HTCs)

- Prior to 1970's, average life expectancy 20 years old
- Congress established the HTC network to improve expertise, access to care and outcomes for people with hemophilia
- In the 1980's, 90% of patients with hemophilia were infected with HIV and Hepatitis from tainted blood supply – more than 50% lost their lives
- Hemophilia is a complex disorder – good quality medical care can help prevent serious problems – often the best choice is a comprehensive HTC
- ~140 federally recognized HTCs across the US

# Provider / Site of Care

- HTC are specialized health care centers that bring together a team of doctors, nurses, and other health professionals experienced in treating people with hemophilia
- HTCs are the only recognized standard of care for managing hemophilia and other rare bleeding disorders
- CDC study of 3,000 people with hemophilia treated at an HTC
  - 40% less likely to die of a hemophilia-related complication
  - 40% lower hospital admissions

# Best Practice Approaches

Optimal management of hemophilia is based on:

- Early detection and diagnosis
- Prevention (prophylactic) 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 of the patient

# HTC: Total Cost Management Approach

- Most HTCs have integrated specialty pharmacies allowing for close coordination between medical and pharmacy providers
- HTCs effectively manage hemophilia and mitigate complications while monitoring adherence to drug treatment and **decreasing total cost of care**



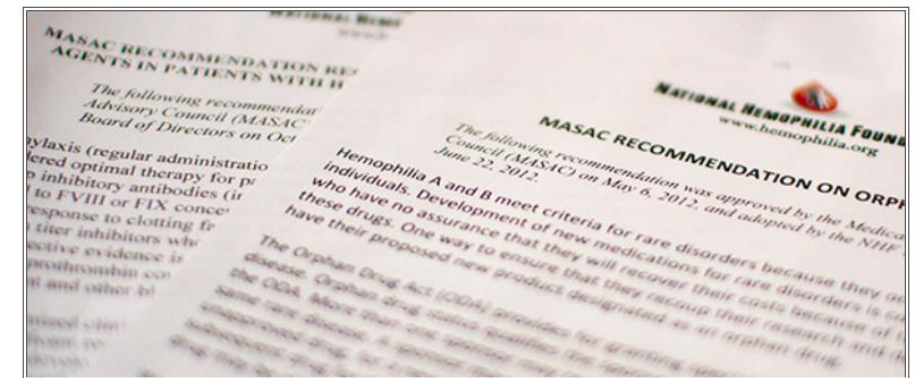


# [Specialty] Medication Management

## Standards of Service for Specialty Pharmacy Providers

- Specialty dispensing pharmacies can include home care companies, national specialty pharmacies (many owned by PBM's) or in-house HTC specialty pharmacies
- All specialty pharmacy providers should adhere to the MASAC 181 guidelines

### MASAC Recommendations



# [Specialty] Medication Management

- Approximately 90% of total cost of care is related to the biologic specialty medications required to treat
- Biologic treatments are written and dispensed differently than traditional medications.
- Guidelines allow for dispensing +/- 10%
  - Assay management is the process of filling a prescription as close to the prescribed target dose as possible using available assays (which come in range of sizes)
- Cost per unit varies significantly

# Prescription / Adherence Management

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Optimal outcomes are only achieved with adherence to prescribed treatments

MASAC 242: Patients should have available one week's supply for emergent / unexpected bleeding episodes

Prescription Management should include:

- 30-day supply maximum
- No auto shipping
- Management of PRN doses to avoid unnecessary extra doses from being sent
- PRN dose expiration management
- Adherence tracking requirement (patient bleed logs)

# Waste & Misuse: A Real-Life Example

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- Hemophilia patient prescribed 2,500 units of clotting factor 3x/week
- Guidelines allow specialty pharmacies to ship additional clotting factor at  $\pm 10\%$
- Suppliers almost always take advantage of this and employers are often not aware that additional factor is being shipped
- Can cause waste as the patient now has an extra 750 units (250 units X 3) sent to him every week
- If the prescription was followed at 2,500 units, the patient would have all the clotting factor needed

# Waste & Misuse: Impact of Dispensing higher than necessary assays

Filling prescriptions at **+10%** has a significant financial impact. Consider the price tag of this case:

- Average cost for clotting factor per unit = \$1.30
- Dispensed 10% over target each dispense
- **Unnecessary costs added and impact to employer's bottom-line:**

Weekly over target	Weekly cost for units over target @ \$1.30	Annual cost implications of poor assay management
750	\$970	<b>\$50,700</b>

# Waste & Misuse: Impact of unnecessary doses

Sending additional unrequired PRN doses monthly

- Average cost for clotting factor per unit = \$1.30
- Dispensed 5 unnecessary PRN doses monthly /
- **Unnecessary costs added and impact to employer's bottom-line\*:**

Weekly over target	Weekly cost for units over target @ \$1.30	Annual cost implications of poor assay management	Monthly cost implication of 5 unnecessary doses being sent	Annual cost implication if 5 extra doses sent monthly	Annual total cost to Employer
750	\$970	\$50,700	\$17,875	\$214,500	<b>\$265,200</b>

\*Doesn't address per unit cost differential amongst specialty pharmacy providers



# Use Plan Design to Improve Outcomes

Unnecessary hemophilia-related costs can be avoided, and cost trends contained

Build a strategy with vendor partners and hold them accountable:

- During PBM contract negotiations get clarification on their practices for ongoing clinical management of hemophilia
- Be specific about requirements for managing and reporting on hemophilia drugs
- Include Hemophilia Treatment Centers as in-network providers of both clinical/medical and specialty pharmacy services



**Midwest Business Group on Health**  
*The Source for Leading Health Benefits Professionals*

# Employer Panel: Today's Model & Employer Go-Forward Strategies

# Today's Model & Employer Go-Forward Strategies



**Darin Hinderman**  
Global Health Strategy  
Manager, Total Rewards -  
Human Resources  
*Caterpillar, Inc.*



**Jason Parrott**  
Senior Manager Global  
Healthcare & Well Being  
Strategy  
*The Boeing Company*



# MBGH Employer Toolkit

## Hemophilia & Bleeding Disorders




# New Employer Hemophilia Toolkit - Available at No Cost

<https://www.mbggh.org/resources/employertoolkits>




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## Hemophilia Toolkit




### Overview of Hemophilia



- [Hemophilia at a Glance](#)
- [Types of Bleeding Disorders](#)
- [Treatment Considerations](#)

[LEARN MORE](#)


### Building the Business Case



- [Economics of Hemophilia](#)
- [Best Practice Management Approaches](#)
- [Gathering Meaningful Data](#)

[LEARN MORE](#)

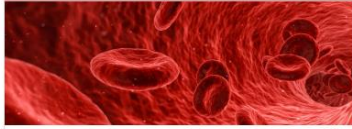
### Benefit Plan Design



- [Using Plan Design to Improve Outcomes](#)
- [Carve Out & Contract Standardization](#)
- [Patient Financial Assistance](#)

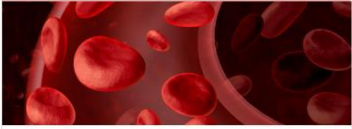
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### Adherence & Assay Management



- [Adherence Management](#)
- [Assay Management & Reporting](#)
- [Employer Case Studies](#)

### Tools & Resources



- [For Employers](#)
- [For Employees & Dependents](#)

[Toolkit Preview](#)



# Top Strategies for Employers Today



# Strategies for Employers

## *Know your numbers*

1. How many individuals with hemophilia are currently covered by your plan?
2. What are the costs associated with hemophilia in both your medical and pharmacy plans?
3. How many ER and hospital claims are the result of hemophilia?

# Strategies for Employers (continued)

## *Evaluate your current benefit plan design*

1. Is clotting factor billed under medical or prescription drug benefits?
2. What specialty pharmacy options are available? Are HTC's included in network?
3. What case management is being provided and by whom?
4. Is prior authorization process in place? What is the authorization criteria?
5. Is a copay accumulator adjustment program deployed?
6. Is clotting factor being dispensed according to MASAC #188 guidelines?

# Strategies for Employers (continued)

## *Hold your vendors accountable*

1. Conduct a retrospective analysis
  - National Hemophilia Foundation or your consultant/broker can assist with this!
2. Request quarterly reports with specific prospective data requirements

# Strategies for Employers (continued)

*If a stop-loss policy is utilized, confirm:*

1. If medical and/or prescription claims are covered in combination or as separate thresholds
2. Amount of coverage and qualifying threshold for stop-loss coverage to begin
3. Types of covered claims and timeframe for coverage
4. Number of treatment episodes reaching payment thresholds over three individual but consecutive plan years
5. Total amount of coverage provided for each

# Questions

## MBGH Contacts – [www.mbgh.org](http://www.mbgh.org)

- Cheryl Larson, President & CEO – [clarson@mbgh.org](mailto:clarson@mbgh.org)
- Dawn Weddle, Director of Member Engagement – [dweddle@mbgh.org](mailto:dweddle@mbgh.org)

Employer Hemophilia Toolkit – <https://www.mbgh.org/resources/employertoolkits>