



# PARTNERSHIP FORUM

No.1 = 2020

Helping Patients Anticipate and  
Manage Drug Costs

MARCH 12-13, 2020 | THE ALEXANDRIAN | ALEXANDRIA, VA



# Moderator Welcome



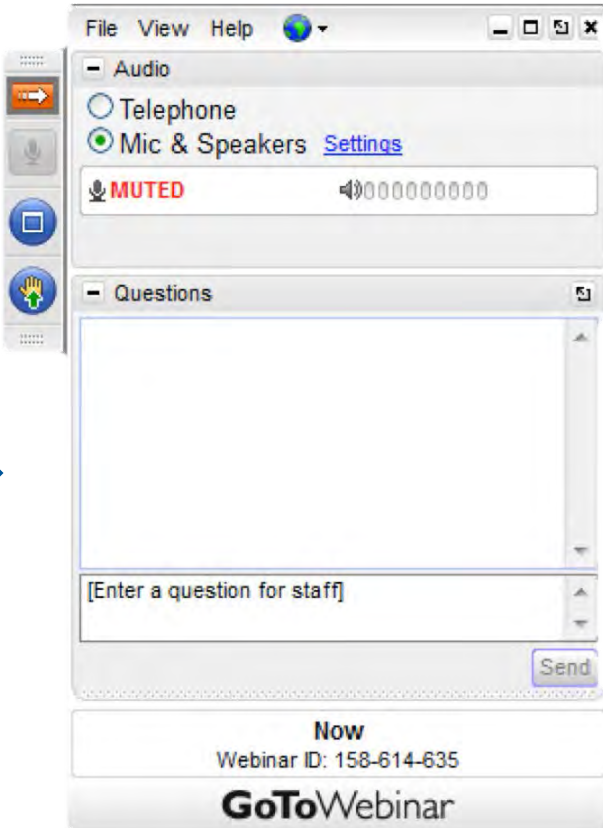
**Nicholas Ladikos, PharmD, BCPS, BCGP, BCIDP**

Director, Professional Affairs  
AMCP

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# AMCP Partnership Forums

## Collaboration for Optimization



The live, hands-on AMCP Partnership Forums bring key decision makers in managed care, integrated care, the pharmaceutical industry, and others together to discuss and collaborate on tactics and strategies to drive efficiencies and outcomes in integrated care and managed care.



# Partnership Forums

- Proactive, collaborative approach
- Provide a voice
- Gain consensus and remove barriers
- Stakeholders work together on common goals and interests
- Have high visibility
- Find common ground and actionable results



# 2020 Partnership Forums

1. Helping Patients Anticipate and Manage Drug Costs
2. Preparing for and Managing Rare Diseases
3. Biosimilars: Policy, Practice, and Post Marketing Surveillance to Support Treatment and Coverage Decisions





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# Our Faculty



**Kollet Koulianos, MBA**  
Senior Director Payer Relations  
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# Agenda

- Background
- Forum findings and recommendations
- Q&A
- Next steps and action items





# Forum Goals

- Opportunities to curb rising drug costs when approaching different reforms.
- Solutions to improve price transparency and help patients understand and manage drug costs.
- The value of patient assistance programs, and how copay policies fit into the affordability equation.
- Best practices around point-of-sale rebates, patient assistance programs, and copay coupons.
- Greater out-of-pocket cost protections for patients through benefit design.

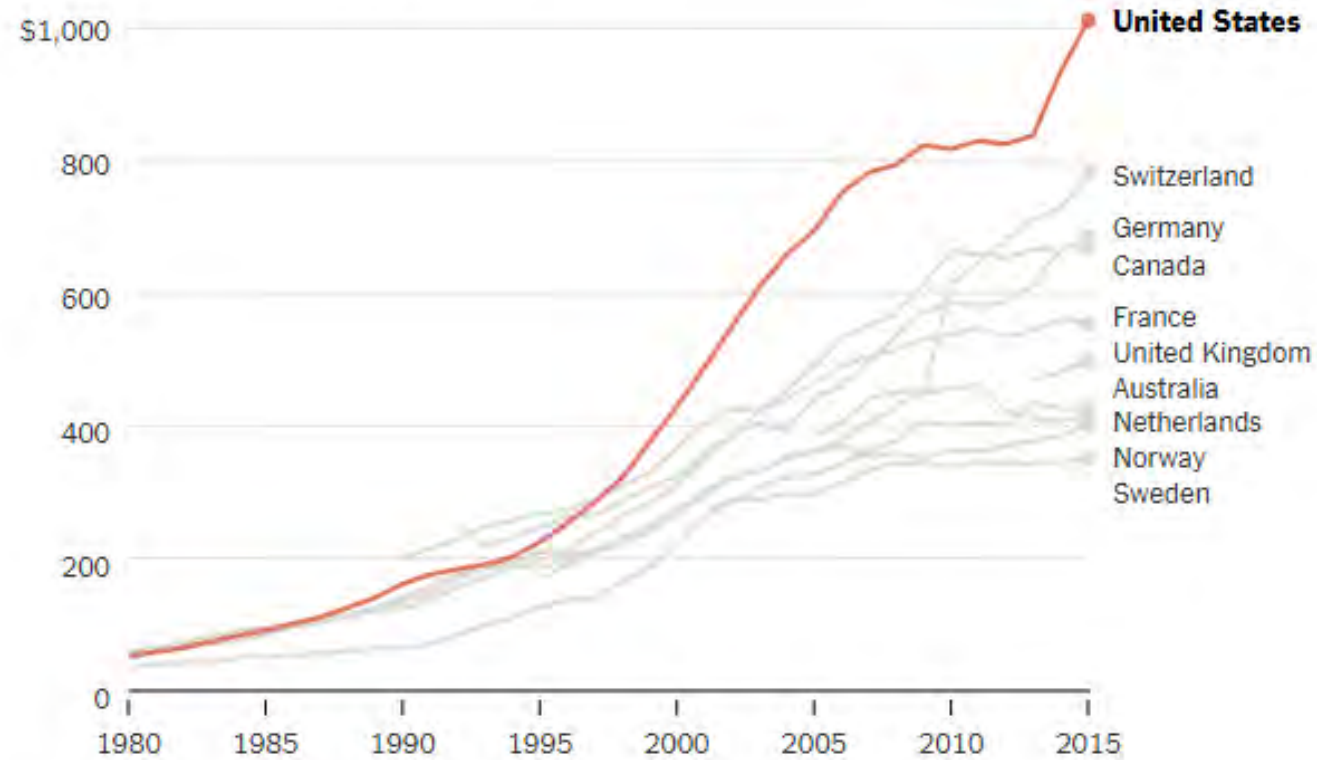


# Impact of Rising Prescription Drug Costs

- Prescription drug spending grew by 29% from 2011 to 2017.
  - Projected to continue growing over the coming decade.
- Specialty medications, including oncologic therapies, may have costs exceeding \$100,000 annually, and some curative therapies (e.g., gene therapies) have costs exceeding \$1 million.
- Many insurance policies are structured around coinsurance (e.g., 10% of prescription drug costs), leaving patients with large out-of-pocket costs.
- PBMs use formulary strategies to manage cost and support appropriate medication utilization.
- Manufacturer programs that target expanding access to newer medications include copay coupons and vouchers.

# Rising Cost of Drug Spending in the US

Annual retail prescription drug spending per person



Adjusted for the relative purchasing power of different currencies. The Netherlands and U.K. figures include prescribed medicines, over-the-counter medications and other medical nondurable goods.

# Value is in the Eye of the Stakeholder

## **Payer perspectives: Steward of health care \$**

- Controlling providers' reimbursement and patients' out-of-pocket costs, through benefit policies.
- Encouraging the use of clinical pathways and evidence to reduce variation and control costs.

## **Manufacturer perspectives: Innovator**

- Bringing innovative drugs to market.
- Seeking successful sales of current products to fund new drug developments.

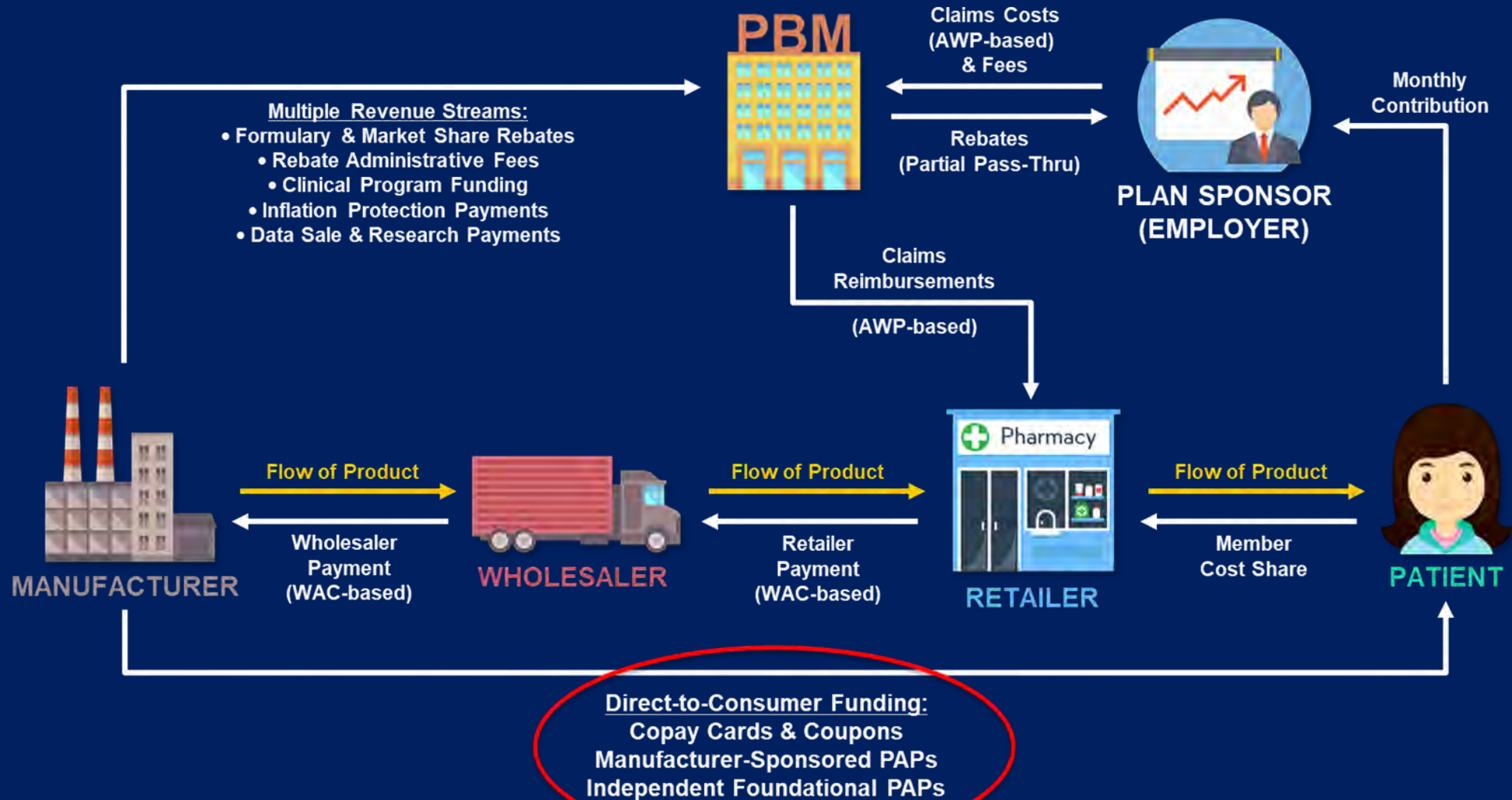
## **Provider perspectives: On the front line**

- Obtaining best clinical outcomes for patients.
- Weighing financial impact to patients.
- Balancing between workload and patient benefits.

## **Patient perspectives: Victim**

- Receiving the best available cure.
- Maintaining quality of life.
- Minimizing financial impact.
- Requiring consideration of other factors: religion, culture, and family, etc.

# System Complexities



- PBM - Pharmacy Benefit Manager
- AWP - Average Wholesale Price
- WAC - Wholesale Acquisition Cost



# Payer and Manufacturer Responses to High Drug Prices

## Payers/PBMs

- Prior authorizations
- Precertification
- Tiered formularies
- Copays
- Coinsurance

## Manufacturers

- Copay coupons
- Vouchers
- Rebates
- Direct-to-consumer marketing



# Patient Financial Support

- Manufacturer supported copay coupons, copay cards, Patient Assistance Programs (PAPs) or free product (through in-kind product donations)
- Charitable grants and PAPs from independent organizations
- A distinction between copay coupons and PAPs is the ability to influence patients' choice of a specific drug. With copay coupons there is direct control over the drug for which the coupon can be used. PAPs may support specific drug access (manufacturer supported) or several treatment options (independent orgs)
- Some copay-assistance programs challenge cost-sharing requirements and benefit designs that incentivize cost-effective drug prescribing and purchasing choices, copay accumulator and maximizer programs have been developed in response.



# Response to Copay Assistance Programs

- Copay accumulator programs were recently implemented by many PBMs and health plans to exclude copay assistance from counting toward a patient's deductible or other out-of-pocket maximum.
- Copay maximizer programs work a little differently than copay accumulators. The maximum value of the copay card program is split evenly across the year, and the patient's out-of-pocket costs are determined by the copay program.
- These programs are typically used in high-cost disease areas.

# How Copay Assistance Programs Work





# Medication Cost Example With Copay Assistance

## Benefit Design

- \$3,000 deductible
- \$50 coinsurance after deductible
- \$6,000 out-of-pocket max

## Prescription Economics

- \$6,000 manufacturer copay program max
- \$2,500/month cost of drug

	Patient	Manufacturer Copay	Payer
January	\$0	\$2,500	\$0
February	\$0	\$500	\$2,000
March	\$0	\$50	\$2,450
April	\$0	\$50	\$2,450
May	\$0	\$50	\$2,450
June	\$0	\$50	\$2,450
<b>Total</b>	<b>\$0</b>	<b>\$3,200</b>	<b>\$11,800</b>

Deductible met



# Objectives for Copay Accumulators

- Allow costs of medications to be shared by insurers, drug companies, and patients.
  - Coupons challenge cost-sharing requirements and benefit designs that incentivize cost-effective drug prescribing and purchasing choices.
- Increase provider awareness of implications of high-priced drug alternatives.
- Increase patient choice in selecting effective lower cost therapies.
  - Coupon availability pushes beneficiaries toward branded products even when generics are available.
- Drive down drug prices.



# How Copay Accumulators Work



## Alternative names:

- Out-of-Pocket Protection Program
- True Accumulation
- Coupon Adjustment: Benefit Plan Protection Program



# Medication Cost Example With Copay Accumulator

## Benefit Design

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## Prescription Economics

- \$6,000 manufacturer copay program max
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	Patient	Manufacturer Copay	Payer
January	\$0	\$2,500	\$0
February	\$0	\$2,500	\$0
March	\$1,500	\$1,000	\$0
April	\$1,550	\$0	\$950
May	\$50	\$0	\$2,450
June	\$50	\$0	\$2,450
<b>Total</b>	<b>\$3,150</b>	<b>\$6,000</b>	<b>\$5,850</b>

Manufacturer copay depleted

Deductible met



# Accumulator vs. Maximizer

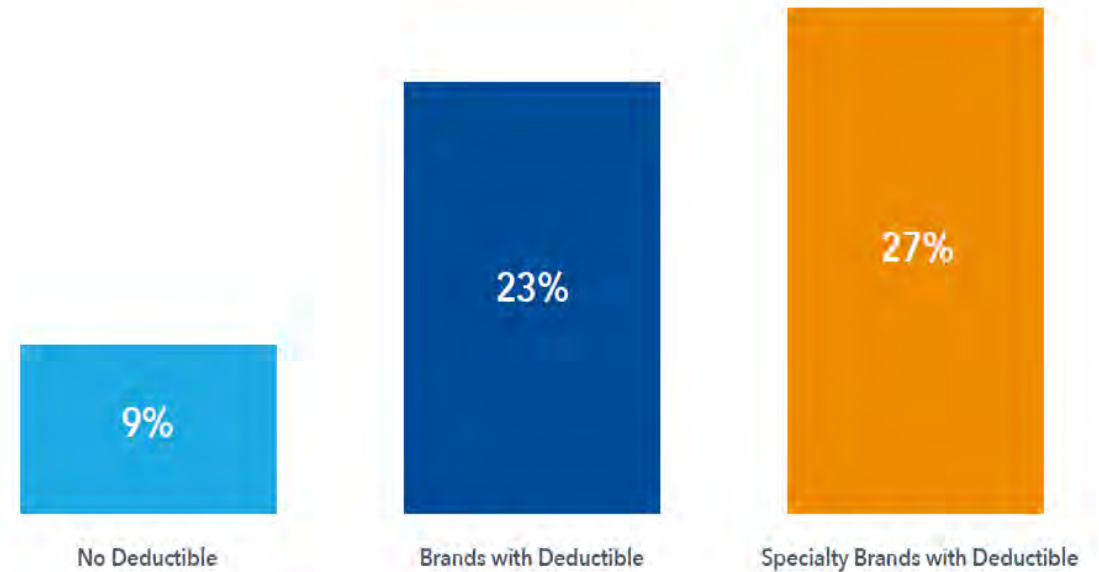
- Benefit Design
  - Patient deductible: \$2,000
  - Patient coinsurance: 25% (\$500/month)
  - Patient annual out-of-pocket maximum: \$6,000
  - A pharmacy-only deductible
- Prescription Economics
  - Annual cost of medication: \$24,000
  - Copay assistance program: \$0 monthly copay
  - Copay assistance program annual maximum benefit: \$16,000

	Patient Assistance Program Only	With Copay Accumulator	With Copay Maximizer
Patient payment	\$0	\$2,000	\$2,000
Copay assistance payment	\$6,000	\$6,000	\$16,000
Payer payment	\$18,000	\$16,000	\$6,000

# Unintended Consequences of Copay Accumulators

- Increased nonadherence or even discontinuation of therapies:
  - Progression of diseases adds to healthcare costs
- Financial toxicity:
  - Emotional and psychological distress in patients because of the added expense of medications
- Patient confusion regarding copay accumulators:
  - Many patients are not given any notice that copay accumulators are going into affect until pharmacists point it out

Abandonment Rates for Branded Medicines in Commercial Plans



Abandonment is defined as prescriptions which were canceled by the patient or not picked up at the pharmacy with 14 days of approval.

# Helping Patients Understand and Manage Drug Costs





# Helping Patients Understand and Manage Drug Costs

- Perspectives and considerations by stakeholder
- Approaches to affordability reforms
- Transparency
- Benefit structure
- Rebate considerations
- Selecting an insurance plan





# Forum Perspectives and Considerations Regarding Drug Costs

Stakeholder	Perspectives
<b>Payer</b>	<ul style="list-style-type: none"><li>• Steward of the health care dollar.</li><li>• Managing providers' reimbursement and patients' out-of-pocket costs through benefit policies.</li><li>• Encouraging the use of clinical pathways and evidence to improve outcomes and reduce variation and control costs.</li></ul>
<b>Manufacturer</b>	<ul style="list-style-type: none"><li>• Bringing innovative drugs to market that benefit patients.</li><li>• Seeking successful sales of current products to fund new drug developments.</li></ul>
<b>Provider</b>	<ul style="list-style-type: none"><li>• On the "front line" with patients.</li><li>• Obtaining best clinical outcomes for patients.</li><li>• Weighing financial impact to patients.</li><li>• Balancing between workload and patient benefits.</li></ul>
<b>Patient</b>	<ul style="list-style-type: none"><li>• Receive the best available care and achieving desirable outcomes.</li><li>• Maintaining quality of life.</li><li>• Minimizing financial impact.</li><li>• Considerations regarding factors such as religion, culture, and family.</li></ul>



# Approaches to Affordability Reforms

- Out-of-pocket maximums; however, need to manage overall costs to ensure premiums are affordable.
- Allow federal government to negotiate with manufacturers.
- Impose restrictions on price increases.
- Base patient copays on net price instead of list price.



# Transparency

- Lack of transparency regarding terms of pharmaceutical contracts and rebates may further complicate attempts to ensure that patients receive the most affordable therapies.
- A drug with a high list price and large rebate may appear less cost effective than it is to stakeholders who do not have information about the rebate.
- Health care system complexity necessitates greater cost transparency to ensure use of the most cost-effective treatments.
- Participants supported patient-centric advocacy efforts to support legislation that drives desired changes for price transparency.



# Transparency and Affordability

- Improved transparency without affordability will not fully address the challenges patients have in managing drug costs.
- Consider health literacy issues.
  - Patients need to understand how their plan aligns with PAPs (e.g., are costs applied to deductibles).
- Transparency also needed for providers.
  - Allows for informed decision making.
  - Can also support monitoring patient utilization and outcomes as well as case management and continuity of care.
  - Supports shared decision making.



# Transparency for Providers

- Need cost information available at the point of prescribing.
  - e.g., digital and/or electronic health record solutions that ensure that needed information about drug costs and options is available in real time at the point of prescribing.
- Clinicians need to be prepared to have discussions about cost and value with patients to inform rational decision making.



# Benefit Structure

- PAPs often disrupt benefit structures and decrease transparency for patients, providers, and payers.
  - Need PAPs that align with plan designs and result in more affordability and predictability for patients.
  - PAPs that support for other patient needs, such as transportation costs, and other factors that impact social determinants of health.



# Rebate Considerations

- Pharmaceutical rebates obscure understanding of drug costs. Directing the rebate dollars elsewhere may improve affordability.
  - PBM or health plan – Keeps overall costs and premiums lower.
  - Employers – Offsets cost of providing insurance to employees.
  - Patients – Allows them to better manage out-of-pocket costs.





# Selecting an Insurance Plan

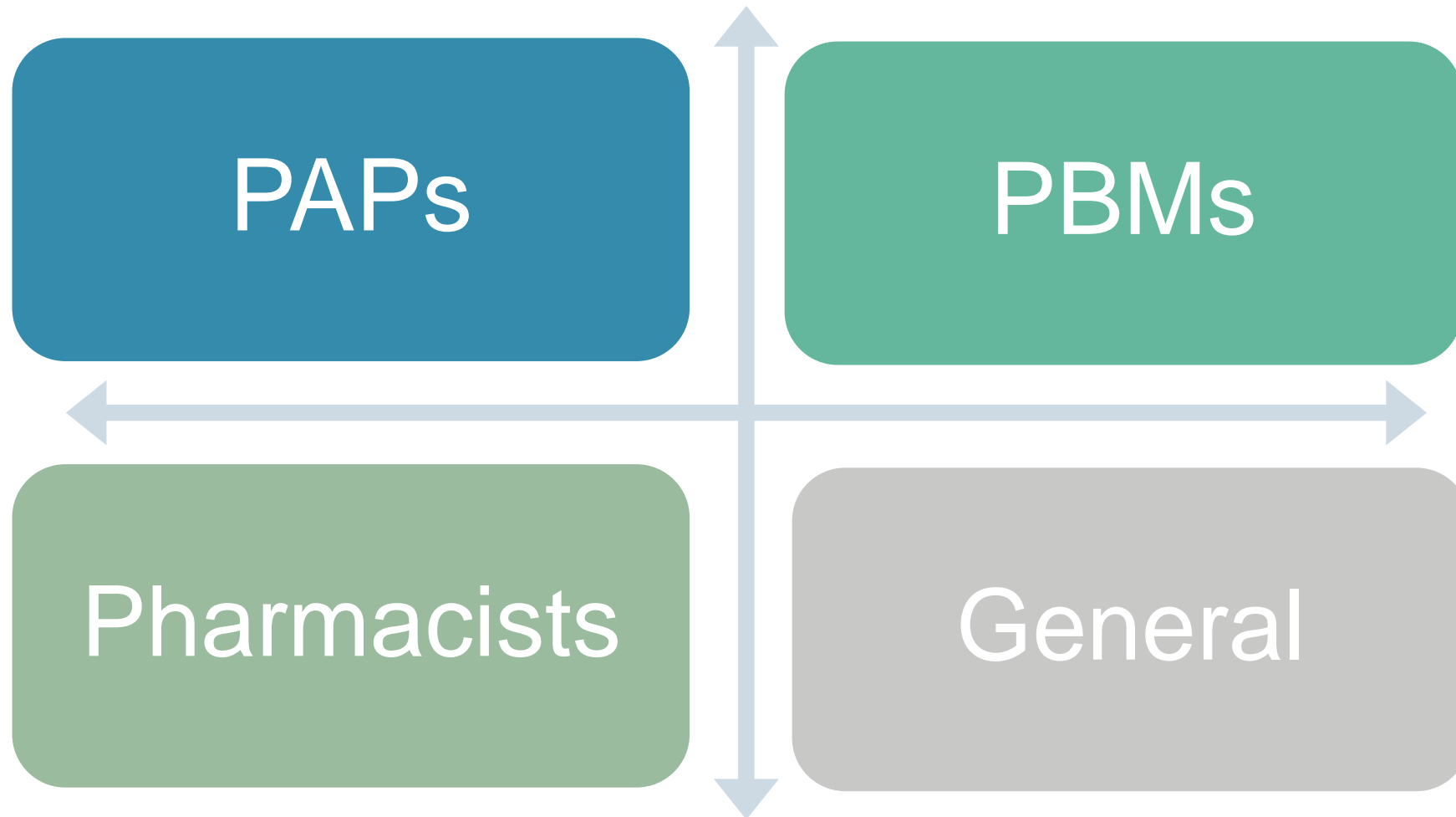
- Patients may not fully understand all the costs that are associated with various plan types and increased information should be made available to patients.
- Complexities of insurance plans.
  - Costs can be inconsistent and unpredictable, especially for high-deductible plans.
- Trained professionals could assist patients in making informed decisions about their benefits and care options.
  - Selecting copay plans instead of coinsurance plans.
- Centralized resources that provide information about programs might be available to them to assist with prescription drug costs.



# Out-of-Pocket Cost Protection for Patients

- Use of flat copayment rates rather than coinsurance amounts for patient costs associated with prescription drugs.
- Capping the total out-of-pocket costs for patients.
- “Smooth” costs for patients over a set amount of time (e.g., plan year), so that patient out-of-pocket requirements would be consistent, predictable, and affordable.
- Implementation of value-based formularies.
- Use a centralized authority to provide independent evaluations of value.

# Opportunities for the Future





# Opportunities for PAPs

- The wide range of PAPs disrupt benefit structures and decrease transparency for patients, providers, and payers.
- The purpose of PAPs should be to lower patient out-of-pocket costs, improve access, and lower total cost of care.
- Standardized PAPs that align with plan designs and result in more affordability and predictability for patients.
  - Developed to provide support for other patient needs, such as transportation costs, and other factors that impact social determinants of health.



# Opportunities for PBMs

- Rebate reform with increased transparency and enhanced accountability
- Change compensation to an objective parameter, such as an administrative fee, to eliminate incentives that could arise from conflicts of interest



# Opportunities for Pharmacists

- Knowledgeable resource who could play greater roles in selecting the most cost-effective approaches.
- Have greater access to real-time benefit tools that allow them to determine an individual patient's cost for a prescription.
- Participants suggested the strategy of providing pharmacists with greater authority to switch patients to more cost-effective therapies.
  - Increased regulatory flexibility around interchangeability of biosimilar products would help facilitate the use of the most cost-effective treatment option for some therapeutic categories.
  - Development of collaborative practice agreements that allow pharmacists to switch patients among biosimilars is another option.



# Opportunities for Improvement

- Improve predictability and “smoothing” of out-of-pocket costs to help patients.
- Ensure that drug pricing transparency information is timely, meaningful, and easy to access.
- Make pharmacy benefits easier to understand for patients.
- Consider a nationally recognized measurement of value for therapies.
- Modernize regulatory considerations around impacting federal health programs.
- Improve coordination across stakeholders to support sectors that will need to change.
- Place patients in the center of decision-making.



# Next Steps





## PARTNERSHIP FORUM

No.1 — 2020



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### EXECUTIVE SUMMARY

**Helping Patients Anticipate and Manage Drug Costs**

In pursuit of ensuring that patients have access to medicines they need at a cost they can afford, AMCP convened a multidisciplinary stakeholder forum March 12-13, 2020, in Alexandria, Va. to explore the intended and unintended consequences of a myriad of drug pricing proposals now under consideration. The AMCP Partnership Forum was designed to allow participants to consider implications of several potential drug pricing reforms, including those that address point-of-sale rebates and patient assistance programs. Specifically, participants representing diverse sectors—including health plans, patient advocacy, employers, integrated delivery systems, PBMs, specialty pharmacies, and the biopharmaceutical industry—explored:

- Opportunities to curb rising drug costs when approaching different reforms.
- Solutions to improve price transparency and help patients understand and manage drug costs.
- The value of patient assistance programs and how copy policies fit into the affordability equation.
- Best practices around point-of-sale rebates, patient assistance programs, and copy coupons.
- Greater out-of-pocket cost protections for patients through benefit design.

In addition, they identified challenges to achieving these outcomes, including:

- The highly segmented health care system in the United States;
- The rising cost of medicines, which are increasing faster than other health care costs;

continued on next page

AMCP Partnership Forums are designed to address current market challenges and opportunities by bringing together key-decision makers in managed care, integrated care, the pharmaceutical industry, and others to discuss and collaborate on tactics and strategies to drive efficiencies and outcomes.

**WATCH FOR FOLLOW-UP**

Proceedings in AMCP's *Journal of Managed Care Pharmacy*: September 2020  
 Webinar: Sep. 1, 2020

**Next Partnership Forum: Preparing for and Managing Rare Diseases**  
 Sep. 8-9, 2020  
 The Alexandria Old Town  
 Alexandria, Va.

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# JOURNAL OF MANAGED CARE & SPECIALTY PHARMACY

Volume 28 • Number 1 • September 2020

**CLINICAL MANAGEMENT**

*Evaluation of the Impact of Long-term Medication Management Services Tailored to Patients in a Transitional and Emergency Department Unit*  
 Scott W. Brinkley, PharmD, MPH, Michael T. Spencer, PharmD, Colleen M. Borer, BS, and Tasha L. Grogan, MS, MPH

*Development of Point-of-Care in Medical Outpatients with Type 2 Diabetes Treated with Prescription Medications in Settings such as Primary Care Clinics, Urgent Care, Retail Pharmacies, Pharmacies, and Long-Term Care*  
 Robert M. Berman, PharmD, PhD, Robert M. Berman, PharmD, PhD, and Robert M. Berman, PharmD, PhD

*Impact of a Pill Box (Cap) to Improve System-Based Pressure in Patients with Uncontrolled Hypertension Taking 1 or More Antihypertensive Medications*  
 Angela K. Palmer, PharmD, DCP, BC-CP, Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, and Robert M. Berman, PharmD, DCP

*Impact of a Clinical Pharmacy Program on Design in Ambulatory Care, Diabetes, Infant, Hospitalization, and Diabetes-Related Emergency Department Visits for Patients with Diabetes in an Endocrinology Population*  
 Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, and Robert M. Berman, PharmD, DCP

**BENEFIT MANAGEMENT**

*Use of Plan Medication as a Tool to Assess and Monitor Patient Adherence in the United States*  
 Kelly L. King, PharmD, MPH, PhD, Katherine E. Spivey, PharmD, PhD, and Robert M. Berman, PharmD, DCP

*Value of Mail Vaccination in Medical Settings and Pharmacies: An Observational Study*  
 Robert M. Berman, PharmD, DCP, and Robert M. Berman, PharmD, DCP


**ONLINE EXCLUSIVE**

*Report of the 2019 AMCP Partnership Forum on Economic Solutions to Medication Access and Improving Transition of Care: Development and Validation of a Risk Score to Identify Patients at High Risk for Disruptive Medication Transitions*  
 Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, and Robert M. Berman, PharmD, DCP

*A Comparison of Costs of Medicare Part-D Prescriptions Dispensed at Retail and Mail Order Pharmacies*  
 Robert M. Berman, PharmD, DCP


*The Evaluation of Clinical and Care Outcomes Associated with Earlier Initiation of Insulin in Patients with Type 2 Diabetes Mellitus*  
 Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, Robert M. Berman, PharmD, DCP, and Robert M. Berman, PharmD, DCP



## PARTNERSHIP FORUM

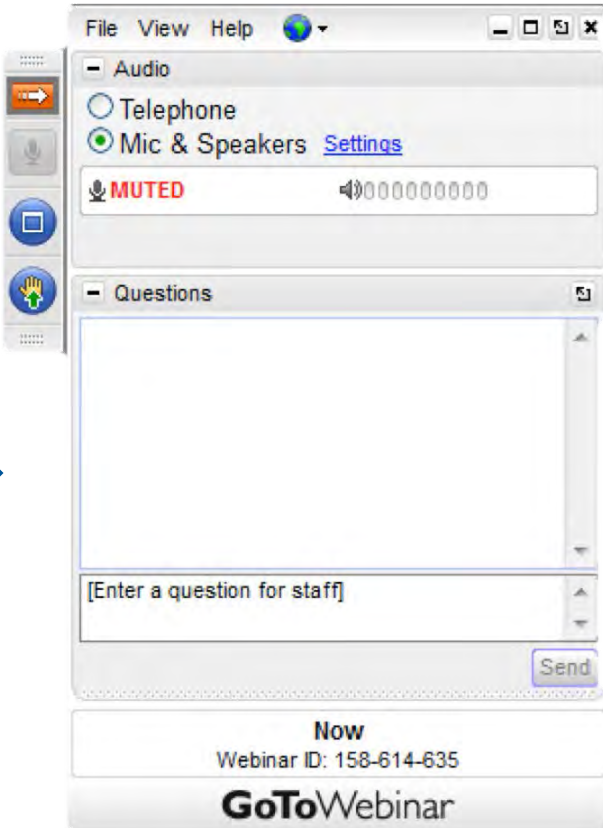
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