Biosimilars
FOR EMPLOYER CONSULTANTS

We have been waiting a long time for biosimilar competition, knowing that these products can provide both cost savings and increased options for patients and their providers.

— John Watkins
Premera Health Plan

In 2023, pharmacy trends and expenses are higher than we have seen in a while. Several of the areas driving this increase will see biosimilars enter the market in the next few years. Biosimilars are critical for the overall management of pharmaceutical expense.

— Eric Cannon
Select Health

How Many Biosimilars are Available?
In the U.S. as of March 2023 —

41 have received FDA approval
28 have launched

364+ million days

Since 2015, biosimilars have been used in over 364 million days of patient therapy; 150 million of those patient days of therapy would not be expected to occur without biosimilar competition.

— Gary Rice
MedImpact

What are Biosimilars?
Biosimilars are safe and effective treatment options for many chronic illnesses such as skin and bowel diseases (like psoriasis, Crohn’s disease, and colitis), arthritis, kidney conditions, and cancer. They are FDA approved as having no clinically meaningful difference from the original brand drug.¹

What is Special About Biosimilars?
Biosimilars are a lower-cost version of a brand drug (sometimes called the reference product) and offer the ability to lower patient and payer costs without impacting quality of care. Biosimilars have saved over $13.3 billion since they were introduced in the American market in 2015,² and it is anticipated that $38.4 billion in biosimilars savings will occur between 2021 and 2025.³

How Can I Help My Clients Maximize the Value Proposition of Biosimilars?
Talk to your clients about how biosimilars offer a unique opportunity to lower patient out-of-pocket costs, even if it means reduced rebate revenue. When meeting with pharmacy benefit managers (PBMs) on behalf of your clients, be sure to ask about the PBM’s biosimilar strategy and whether the PBM offers formulary designs that balance out-of-pocket costs for patients and net costs for payers, even if overall rebate revenues are reduced.

One of the primary benefits of biosimilars is their potential to reduce health care costs by fostering market competition. This can drive down prices further, providing Pharmacy Benefit Managers with more negotiating power to secure favorable reimbursement rates for payors and patients, allowing payors to broaden coverage and offer more patients the opportunity to benefit from these lifesaving or life-enhancing therapies.

See Next Page for Pricing and Adherence Info

1. FDA. https://www.fda.gov/drugs/therapeutic-biologics-applications-bl/asbiosimilars
7. NCBI. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3478300/
In the pharmacy benefit space, the same product is sometimes offered at two different price points. One includes a small discount off the reference-product’s list price with the assumption that it will be supplemented by rebates, and the second option provides a larger discount off the reference product’s list price, with the assumption that there would be no rebates. If the lower-cost product is covered, patients will likely have lower out-of-pocket costs and the net costs to health plans and employers will be similar. Of note, the lower cost product would likely decrease rebate revenue.

AMJEVITA™ (adalimumab-atto), a biosimilar to HUMIRA® (adalimumab), has NDCs (packages) offered at two price points. The high list price option is 5% less than HUMIRA’s list price while the low is 55% less. The high list price option would likely provide rebates to the payer and offer plan design flexibility, but it may not provide incentives for patients to switch to a biosimilar and lower their cost share.

Very important. Studies have shown that high patient out-of-pocket costs can negatively impact patient adherence, persistence, and/or discontinuation of therapy. This can lead to higher overall health care costs in the future. In addition, increased medication adherence lowers indirect costs (like workdays missed) compared to non-adherent patients.

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