

# Medication MANAGEMENT

SUPPORTING PLAN MEMBERS' AND EMPLOYERS' BOTTOM LINES

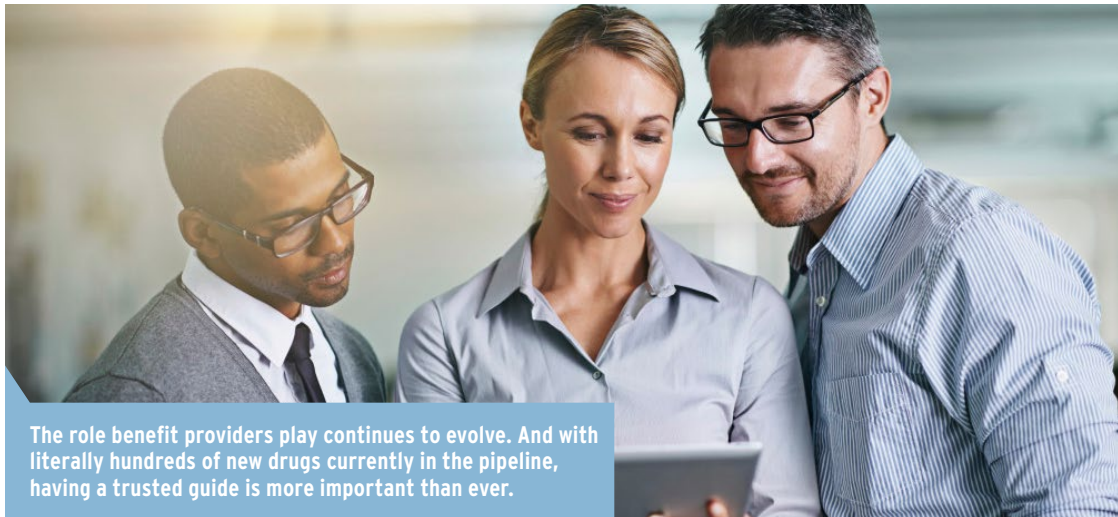
## ABOUT

*Medication Management* is an educational series about programs that support plan members, while continuing to protect the plan sponsors' bottom line.

As the costs of private drug plans grow, plan sponsors are looking to maximize the investment in their health benefit plan.

Treatments for chronic diseases and specialty medications can improve plan members' health outcomes, but may also have a significant impact on private drug plan budgets. Chronic health conditions can be complex, and plan members may require support to manage their conditions and the medications they need. In particular, specialty medications require special handling, not only for distribution and dispensing, but also to navigate coverage, manage side effects and ensure adherence. Plan sponsors also need to manage their benefit plan to ensure they are optimizing the programs and services that assist in controlling their drug plan budget.

This series profiles different programs and services that are available to plan sponsors to manage their drug spend and help plan members manage their conditions and treatments.



The role benefit providers play continues to evolve. And with literally hundreds of new drugs currently in the pipeline, having a trusted guide is more important than ever.

## Make the most of every drug dollar you spend

**Without question,** the drug benefit landscape has seen momentous changes in the past decade – changes that are only going to accelerate in the near- and mid-future. Biologics, targeted specialty medications, drugs for rare conditions, and advancements in community-based oncology medications – these are some of the realities plan sponsors face today.

Where drug costs were once a predictable portion of a benefit plan, today they are more volatile. There used to be 20 to 30 new drugs coming to market in a typical year. Latest insights into the new drug pipeline suggests as many as 200 new drugs may be approved in the next two years, the majority of which are

higher cost specialty drugs with annual per patient costs far exceeding \$10,000.

This demands a deep understanding of the potential impacts and opportunities that new treatments provide, and the expertise to balance and optimize the existing drug plan spend to make room for these new therapies. Since plan sponsors entrust their benefit providers with ensuring value for the spend, this is where they can really show their worth. By investing in innovative technologies and approaches – and looking at solutions holistically – benefit providers can bring a variety of solutions to plan sponsors that will provide the most value for their members and organizations.

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## ABOUT

### Medavie Blue Cross

Medavie Blue Cross is a not-for-profit organization that provides health, dental, travel, life and income replacement products to small and large companies in Atlantic Canada, Ontario and Quebec and to individual customers in Atlantic Canada. It also administers various provincial and federal government sponsored health programs.

Medavie Blue Cross is part of Medavie, a health services company. Together with Medavie EMS, the largest provider of Emergency Medical Services in Canada, we are committed to providing innovative solutions that will improve the health of all Canadians. Our shareholder is the community.

Instead of paying dividends, we channel 10% of our annual net income to the Medavie Health Foundation as part of our commitment to a different kind of health care. Since late 2011, the Foundation has committed more than \$6 million to more than 40 organizations through partnerships and program funding in the areas of child and youth mental health and type 2 diabetes.

# Value for drug spend

**Providing a comprehensive** drug plan is central to a member's benefit offering and, no question, the skyrocketing cost of many new drugs must be addressed in plan design and management.

But like any business expense, focussing only on the cost doesn't make sense. Instead, more probing questions need to be asked.

What is the value for my plan spend? What is the return on investment? Are we paying for good utilization or preventable utilization? Are we creating the right conditions to drive good drug utilization and prevent inappropriate use? If the plan reimburses for medications, are members taking their prescriptions appropriately? Is there agreement on the expectations and shared accountabilities of a given treatment?

We no longer operate in a world of "open" or "closed" plans. Benefit providers need to provide their expertise and guidance to consultants and advisors to offer holistic approaches for plan sponsors that manage both high cost and lower cost high-utilization spending. For example, achieving savings

in existing chronic condition treatments, through plan design, pricing and manufacturer agreements, allows benefit dollars to be reallocated to new, innovative therapies.

### Challenging decisions

Is your plan having the greatest impact when it facilitates the more expensive drug for treating a condition, or should you direct members toward the most cost-effective option and allocate the benefit dollar savings to medications for hepatitis C or oncology?

Twenty years ago, as the drug landscape was just starting to transform, Medavie Blue Cross established its Medication Advisory Panel (MAP) to consider such questions. With an internal and external panel, including physicians, nurses, pharmacists and health economists, the MAP reviews every drug submitted to assess its effectiveness related to cost – in other words, its value proposition.

The history of the MAP also gives a window into the scale of change. Ten years ago,

#### CASE STUDY

### Repatha

When Repatha came to market in early 2016, it encapsulated many of the challenges facing our industry today. Indicated for patients with high cholesterol who do not respond to traditional statins, it pushes the annual cost of treatment from \$800 to \$8,800. So even though it comes in under the \$10,000 specialty drug threshold, the potential plan impacts are substantial.

To help balance this impact, Medavie Blue Cross built a custom prior authorization process for the drug to ensure it is approved only for patients who fit the criteria. It then translated its claims data to determine the exact percentage of members who would truly benefit from the drug, and integrated member medication adherence rates into a real-time assessment of reimbursement requests. This allows the prior authorization team to track adherence and health impacts to determine if a member is eligible for initial and continued reimbursement for the drug, while also fully integrating with the manufacturer's PSP to ensure the best possible support for the member.

there were only three specialty drugs that were under review or management. Contrast that with today, the MAP process has evaluated & listed more than 200 specialty drugs, many of which have multiple indications.

### Evidence-based decision making

With the right experts engaged, evaluating new drugs is no longer a “yes” or “no” decision – it’s “how.” The MAP provides the evidence-based foundation to develop and put in place innovative approaches to make an effective drug available to plan members who will truly benefit from it, such as drafting specific criteria that Medavie Blue Cross’s prior authorization nurses use to assess requests.

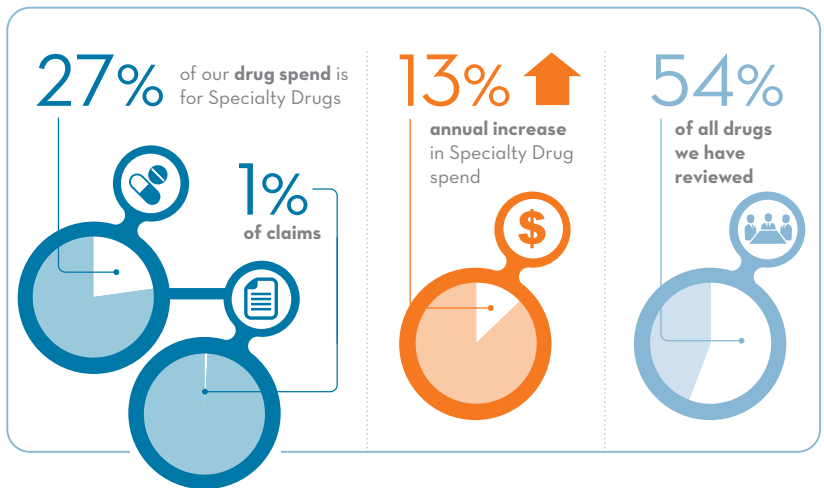
By following an evidence-based strategy for drug coverage, benefit providers can make sure that the right member gets the right drug at the right time. As drug costs continue to rise and become more and more targeted for specific conditions, plan sponsors need the experts who understand the implications of coverage decisions.

### Putting the patient first

While much of today’s focus is on the rising number of expensive drugs entering the market, ensuring patients get the most from their treatment is an equally important trend. Drug manufacturer-sponsored patient support programs (PSPs) increasingly provide expert advice and support to patients on the optimal use of their medication and management of their condition, which can be essential to the effectiveness of drug plan spending.

While some industry models enlist third-party organizations to coordinate between these support programs, benefit providers, health providers and patients, Medavie Blue Cross takes a different approach. Drawing on its internal resources, including its pharmacy benefit management system and prior authorization case management capabilities, Medavie Blue Cross’s seamless integration

## Specialty drugs: a growing challenge and opportunity



with the PSPs, medical professionals and pharmacies ensure added support to reduce stress for the patient.

With more than 90% of its specialty drug claimants enrolled and participating in an integrated PSP, Medavie Blue Cross’s integrated approach allows patients to concentrate on their health, instead of their health plan, while the progress of their treatment, including adherence, is better monitored over time.

### A hopeful future

Modern medicine is bringing us new health breakthroughs at an unprecedented rate. For example, consider the group plan members who, in the past year, have received a cure for hepatitis C. Not a treatment. A *cure*.

Being able to contribute to that sort of life-altering health outcome can be one of a plan sponsor’s greatest achievements. And it’s a core reason a careful, focused and fact-based approach to drug management is so essential. Every dollar spent on an ineffective or unnecessary treatment is a dollar not available for other plan members in need.

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### CHECKLIST

#### Proactive drug management

- Independent assessment of new drugs
- Rigorous prior authorization process
- Formulary options to reflect plan philosophy
- Agreements with drug manufacturers to ensure a wise drug spend and appropriate use
- Integration with patient support programs