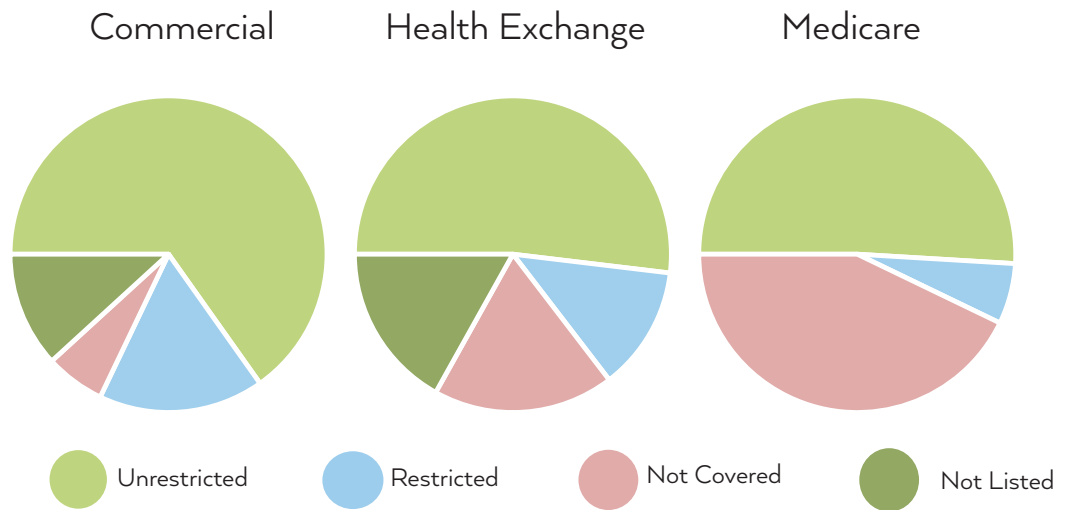


Reality Check: COPD

Coverage

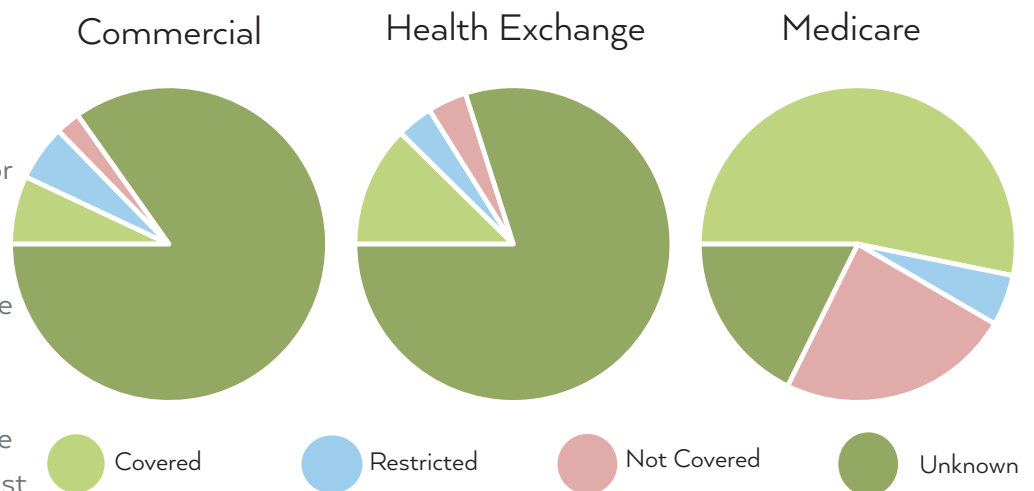
Pharmacy Benefit

Under the pharmacy benefit, more than half of the lives under all three formularies are covered without utilization management restrictions. Across all drugs, almost 43% of the lives under Medicare pharmacy benefit formularies are not covered for at least one of the drugs.



Medical Benefit

Only Brovana, Lonhala Magnair Starter and Perforomist are covered under the medical benefit for commercial and health exchange payers. Lonhala Magnair is not covered under Part B medical due to the way it received approval through the FDA. More than half of the Medicare beneficiaries have access to Brovana and Perforomist without utilization management restrictions.



Key Players



Reality Check: COPD

Trends

Highmark Inks Deal with AstraZeneca

Highmark Inc. said in April 2018 that it is working with AstraZeneca under an agreement for Symbicort, a medication used to improve lung function in patients with asthma and chronic obstructive pulmonary disease. The plan is tracking members using Symbicort in its commercial population under an outcomes-based contract. If Symbicort does not perform on par with the clinical trial results provided by AstraZeneca, the pharmaceutical manufacturer will provide a corresponding rebate.

[Subscribers to AIS's Health Plan Weekly may read the in-depth article online](#)

Exclusive Subscriber Content
Health Plan Weekly

Highmark Adds Outcomes-Based Contract as Pacts Gain Ground

Apr 30, 2018

Seeking to deliver better patient outcomes, Highmark Inc. said April 17 it is working with AstraZeneca under an agreement to Symbicort, a medication used to improve lung function in patients with asthma and chronic obstructive pulmonary disease (COPD). The plan is tracking members using Symbicort in its commercial population under a so-called outcomes-based contract (OBC) — a type of agreement that an expert says is on the rise, citing “a strong uptick” last year in plans’ and employers’ favorable attitudes toward them.

On April 18, Harvard Pilgrim Health Care, Inc., which is among plans at the forefront of OBC initiatives, said it, too, has signed a value-based agreement with AstraZeneca for Symbicort. It represents the third OBC the plan has signed with AstraZeneca over the past two years.

Under Highmark’s agreement, the Pittsburgh-based insurer, an independent licensee of the Blue Cross and Blue Shield Association, will review specific pharmacy and medical criteria to determine if COPD or asthma-related symptoms for Highmark patients taking Symbicort are in line with clinical trial results provided by AstraZeneca. If Symbicort doesn’t perform as expected, AstraZeneca will provide a corresponding rebate.

Highmark Inks OBC for Symbicort

“This is definitely the first [OBC] in the respiratory space for us,” Kayse Rehmeyer, Highmark’s pharmaceutical manufacturer relations director, tells AIS Health. “We do have a few others, which we can’t publicly disclose yet, but in categories like diabetes, cholesterol — and oncology as well.”

Highmark and Harvard Pilgrim are not alone in their push toward such deals. “We’re definitely seeing a stronger interest from plans and [drug] manufacturers around outcomes-based contracts — and areas not traditionally tied to behavioral health, plan management, are being explored for OBCs. And there’s interest in the mental health space as well. Even in some of these complex areas, we’re seeing interest,” says Sarah Donovan, senior vice president at Avarete Health. “The market is getting

Prime 2019 Formulary Excludes Lonhala Magnair

Prime Therapeutics LLC’s 2019 National NetResults Formulary excludes Lonhala Magnair (glycopyrrolate inhalation solution). David Lassen, Pharm.D., chief clinical officer of the PBM, describes it as the first long-acting muscarinic antagonist (LAMA) available in a nebulized form. “There is no evidence of a clinical advantage with nebulized therapy over hand-held devices in COPD patients who are able to use these devices properly,” he says.

[Subscribers to AIS's RADAR on Drug Benefits may read the in-depth article online](#)

Exclusive Subscriber Content
RADAR on Drug Benefits

Prime’s New Formulary Excludes Many Drugs Just Added in 2018

Sep 27, 2018

Against the backdrop of giant PBMs’ megadeals, mid-sized PBMs such as Prime Therapeutics LLC are strategizing to remain competitive. To general experts say, they’re aiming to differentiate themselves by forming new models, customizing formularies and enhancing technology in efforts to meet the needs of employer and plan clients. As part of its effort, Prime, similar to its larger counterparts (RADAR 8/14/18, p. 7), tells AIS Health it intends to exclude dozens of drugs from its formulary effective Jan. 1 and most of the drugs being eliminated only entered the market in 2018.

Overall, Prime said, its national NetResults Formulary is eliminating 35 to 36 drugs, for a total of 303 exclusions. For 2019, as David Lassen, Pharm.D., chief clinical officer of the PBM, which is collectively owned by 10 Blue Cross and Blue Shield plans, it serves 22 Blues plans, four are not owners. NetResults is the primary standard formulary that the PBM recommends to its clients. Outside of NetResults, Prime supports its Blues plans with their own custom Blue formularies as well.

Formulary Is Constantly Evolving

According to Lassen, Prime’s NetResults formulary is constantly evolving. “Obviously, every quarter we’re reviewing our formulary — so 2019 is a reflection of that,” he says. “Most notable is [that] about 65% of the new exclusions were new products launched in 2018. We want to ensure cost-effectiveness of new products coming to market — and exclusions target those drugs that haven’t shown cost-effectiveness at this point.”

Lassen offers some examples of new drugs launched in 2018 that are being excluded on Prime’s NetResults formulary for 2019:

Rhopressa (netarsudil solution), a new mechanism of action (MOA) for glaucoma. “Prostaglandin analogs (e.g. latanoprost) are considered the most effective initial treatment,” he says. “Rhopressa is less effective, has more side effects, and is more expensive than currently available drug [latanoprost].”

Plan’s VBIID Program Includes COPD

CMS launched the Medicare Advantage Value-Based Insurance Design (VBIID) model in 2017 with a focus on lowering Medicare costs and improving beneficiary care and delivery of that care. Participant UPMC Health Plans’ “Spark Your Health” program aims to promote self-management in members with congestive heart failure and diabetes, CHF and COPD or all three conditions.

[Subscribers to AIS's RADAR on Medicare Advantage may read the in-depth article online](#)

Exclusive Subscriber Content
RADAR on Medicare Advantage

CMS, UPMC Hope to Boost Interest in VBIID Programs

Nov 2, 2017

CMS will soon begin soliciting applications from plan sponsor participants that wish to test innovative benefit designs in the third year of the Medicare Advantage Value-Based Insurance Design (VBIID) model and may be providing greater flexibility to participating plans, as indicated in a September request for information (RFI 9/21/17, p. 7). As MA organizations weigh the potential risks and rewards of offering a VBIID program, officials from CMS and UPMC Health Plans, Inc. recently shared lessons learned from the first year of the model that began on Jan. 1, 2017.

Introduced in September 2015, the two-year VBIID test grant MA plans in seven states the flexibility to offer targeted extra benefits or reduced cost-sharing to enrollees with at least one of seven chronic conditions. CMS for the second year (2018) the model excluded three more states and two additional targeted conditions. Yet as of now, the participants are nine MA organizations operating 11 plans in just three states, and at least two health plans have reported lower-than-anticipated enrollment in their programs.

During a well-attended session of the American Health Insurance Plans National Conference on Medicare, held Sept. 24-26 Washington, D.C., VBIID Model Lead Stephen Jenkins said CMS has had “a lot of interest” from plans in other states but that there have been various reasons why they decided not to participate in the model. “I would say my general takeaway is people are waiting to try and see what other people are doing before they take their first step,” he told attendees. He added that CMS has projected that the VBIID programs can reach about 71,000 eligible beneficiaries out of 430,000 total plan enrollees.

Many eyes are on UPMC, one of the few participants that have publicized the details of their initiatives. Offered in Western Pennsylvania, the “Spark Your Health” program is designed to promote self-management in members with congestive heart failure and diabetes, CHF and chronic obstructive pulmonary disease (COPD) or all three conditions. Jenkins said most participating sponsors have chosen to target diabetes, COPD and CHF, or a combination of two of these conditions.

Spark Your Health features a health assessment survey, personalized quarterly activities and a direct reimbursement for POC cost sharing. Members receive a \$25 check for completing the initial survey, and can continue to receive \$25 on a quarterly basis and up to \$150 annually for taking certain steps.

Reality Check: COPD

Key Findings

Market Events Drive Changes

In January 2019, the FDA approved the first generic of GSK’s Advair Diskus, which is manufactured by Mylan. The nebulized long-acting muscarinic antagonists (LAMAs) Yupelri, from Theravance Biopharma, gained approval in November 2018 and Sunovion Pharmaceuticals, Inc.’s Lonhala Magnair in December 2017. In September 2017, the agency approved GlaxoSmithKline plc’s Trelegy Ellipta, which became the first triple combination therapy (ICS/LAMA/LABA) in the COPD market. The class continues to grow with an influx of pipeline products.

Competitive Landscape

Once-a-day combination products and monoclonal antibodies have created new opportunities for COPD market growth. Brovana and Perforomist face competition from LABA and LAMA products that are delivered via metered-dose inhalers and dry-powder inhalers, as well as combination therapies for COPD. Product placement will be crucial as manufacturers will want to maintain favorable statuses for their products.

Medical and Pharmacy Benefit Implications

Coverage is apparent for most COPD products. When prior authorization is defined, a diagnosis will be required. Step restriction through a SABA, LABA, SAMA, LAMA or ICS is commonly seen in policies. ICS therapies are often used in combination with LABA products. Coverage is primarily under the pharmacy benefit, except for Yupelri, Brovana, Lonhala Magnair Starter and Perforomist, which can be covered under both the pharmacy and medical benefits.

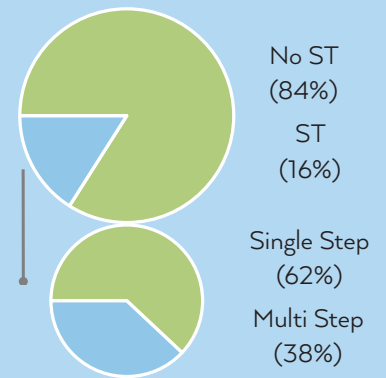
Characteristics

Indications



Step-Therapy (ST) Policies

A review of ST policies for payer-controlled formularies:



Prior-Authorization (PA) Policies

A review of PA policies for payer-controlled formularies:

