

# Pharmacy Cost Reduction Strategies



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# Agenda

- Using Generics to Improve Clinical Outcomes and Decrease Costs
- Anthem's Half Tablet Program
- Preferred Glucometer

# Using Generics to Improve Clinical Outcomes and Decrease Costs

# Overview

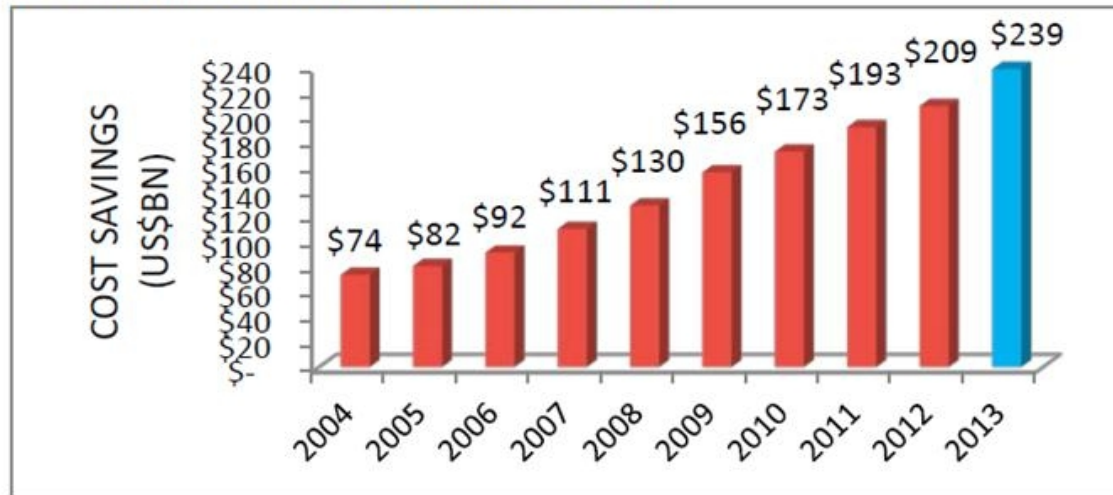
- Review the impact of generic cost savings in the U.S. and potential savings over next few years
- Describe common key facts about generic medications
- Briefly discuss financial barriers and impact on medication adherence
- Review potential strategies to assist patients with financial barriers
- Share examples of how Anthem promotes generic usage in a coordinated, comprehensive way



# Generic Cost Savings

- U.S. Cost savings in 2013 reached \$239 billion, a 14% increase over cost savings achieved in 2012
- Generic products saved the U.S. health system nearly \$1.5 trillion over the past 10 years

Figure 1. Generic Cost Savings by Year (2004-2013)

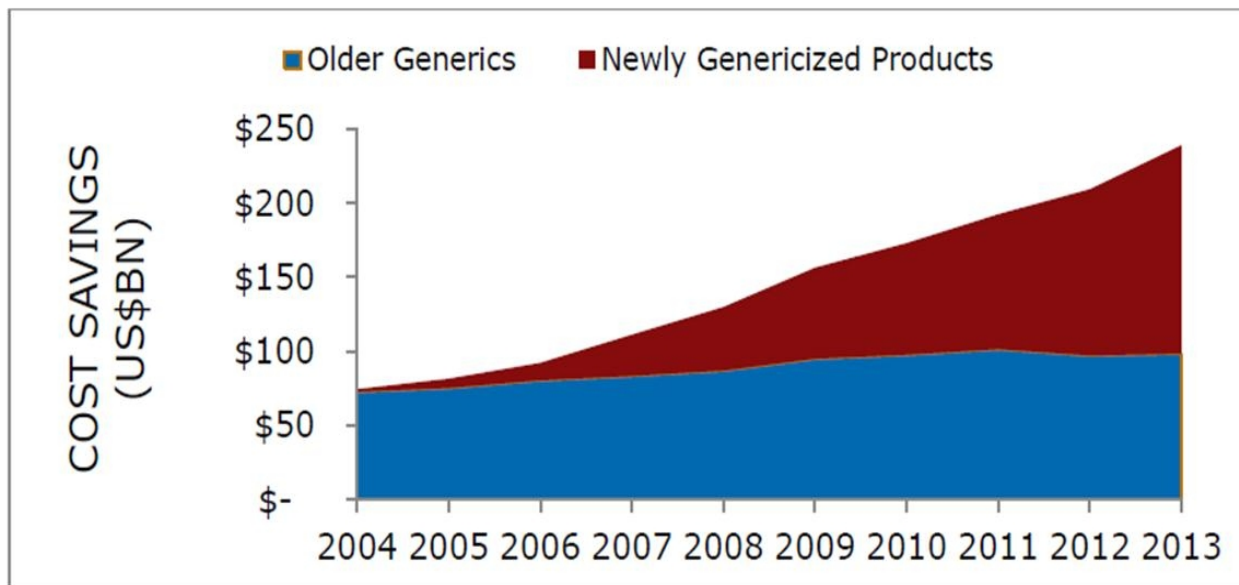


Generic Pharmaceutical Association; Generic Drug Savings In The U.S. Sixth Annual Edition: 2014

# Generic Cost Savings

- Newer generic products coming to market saved the U.S. health system \$140 billion dollars alone in 2013
- Older generics accounted for \$98 billion

Figure 3. Generic Cost Savings Over Time (2013)



Generic Pharmaceutical Association; Generic Drug Savings In The U.S. Sixth Annual Edition: 2014

# Generic Drug Pipeline

2015	2016	2017	2018	2019
\$542M	\$414M	\$145M	\$41M	\$56M
Abilify Aggrenox AndroGel Avodart Epipen Finacea Frova Generess Fe Namenda Nexium Ortho TC Lo Welchol Zyvox	Azor Benicar/HCT Crestor Gleevec Glumetza Kaletra ProAir HFA Seroquel XR Tamiflu Zetia	Adcirca Cialis Reyataz Strattera Sustiva Treximet Viagra Viread Vytorin	Acanya Levitra Sensipar Solodyn (65mg, 115mg) Zytiga	Lyrica Solodyn (55mg, 80mg, 105mg) Uloric

← \$1.2b in CoC 2014\*

A 1% increase in generic utilization results in approximately 1-2% reduction in total drug spend.

\* 2014 Commercial Cost of Care for Anthem and our affiliated plans

REVISED 2/27/2015: SOURCE IPD ANALYTICS



# Generic Facts

- The price of a generic drug is often just one-fifth the cost of a brand name drug
- Generics can be sold at a lower price because they do not have the same development costs as manufacturers of brand-name drugs
- Each state has its own laws for generic substitution

PL Technician Training Tutorial, Appropriate Generic Substitution. Pharmacist's Letter/Pharmacy Technician's Letter. January 2013

# Generic Facts

## FDA approval requires that generic

- Contain the same active ingredients as the innovator drug (inactive ingredients may vary)
- Be identical in strength, dosage form and route of administration
- Have the same use indications
- Be bioequivalent
- Meet the same batch requirements for identity, strength, purity, and quality
- Be manufactured under the same strict standards of FDA's good manufacturing practice regulations required for innovator products

Food and Drug Administration, Center for Drug Evaluation and Research. What are generic drugs? May 12, 2009.  
[www.fda.gov/Drugs/ResourcesForYou/Consumers/BuyingUsingMedicineSafely/UnderstandingGenericDrugs/ucm144456.htm](http://www.fda.gov/Drugs/ResourcesForYou/Consumers/BuyingUsingMedicineSafely/UnderstandingGenericDrugs/ucm144456.htm)

# Generic Facts

## The FDA publishes a book commonly known as the “Orange Book”

- This coding system is used to rate generic drugs as bioequivalent to the brand name product

**AB designation by the FDA means that products have the same active ingredients and work in the same way as the branded agent; this is therapeutic equivalence**

**AB designation means the product was tested for bioequivalence in vivo and/or in vitro studies**

PL Continuing Education, Demystifying Generic Substitution: Knowing the Law. Pharmacist's Letter. March 2013

# Drug Costs and Medication Adherence

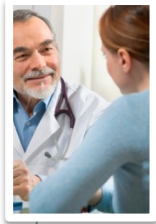
The cost of medication non-adherence in the U.S. exceeds \$100 billion annually

Inability to afford medications is one of these barriers to medication adherence

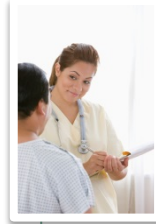
Impact of medication non-adherence leads to:

- Treatment failures
- Unnecessary treatment
- Disease exacerbation
- Increased utilization
- Patient and physician frustration
- Death

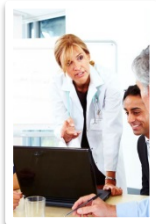
# A Team Approach



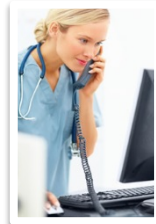
Provider



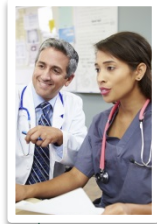
Nurse/Medical Assistant



Case Manager



Care Coordinator



Front Office Staff

# A Team Approach

- Consider generic medications when clinically appropriate
- Involve the patient in the decision-making process
- Be sensitive to patient's total drug costs and listen for patient flags such as:
  - Patient calls and wants to cancel an appointment because inability to pay for office visits
  - Patient complains they can't afford their prescriptions
- Use care coordination team members to flag and assist with patients with financial barriers
- Be familiar with the patient's health plan prescription benefits (Medicare, Health Savings Accounts, tiered co-pays)
- Comprehensive Medication Management Reviews (see next slide)

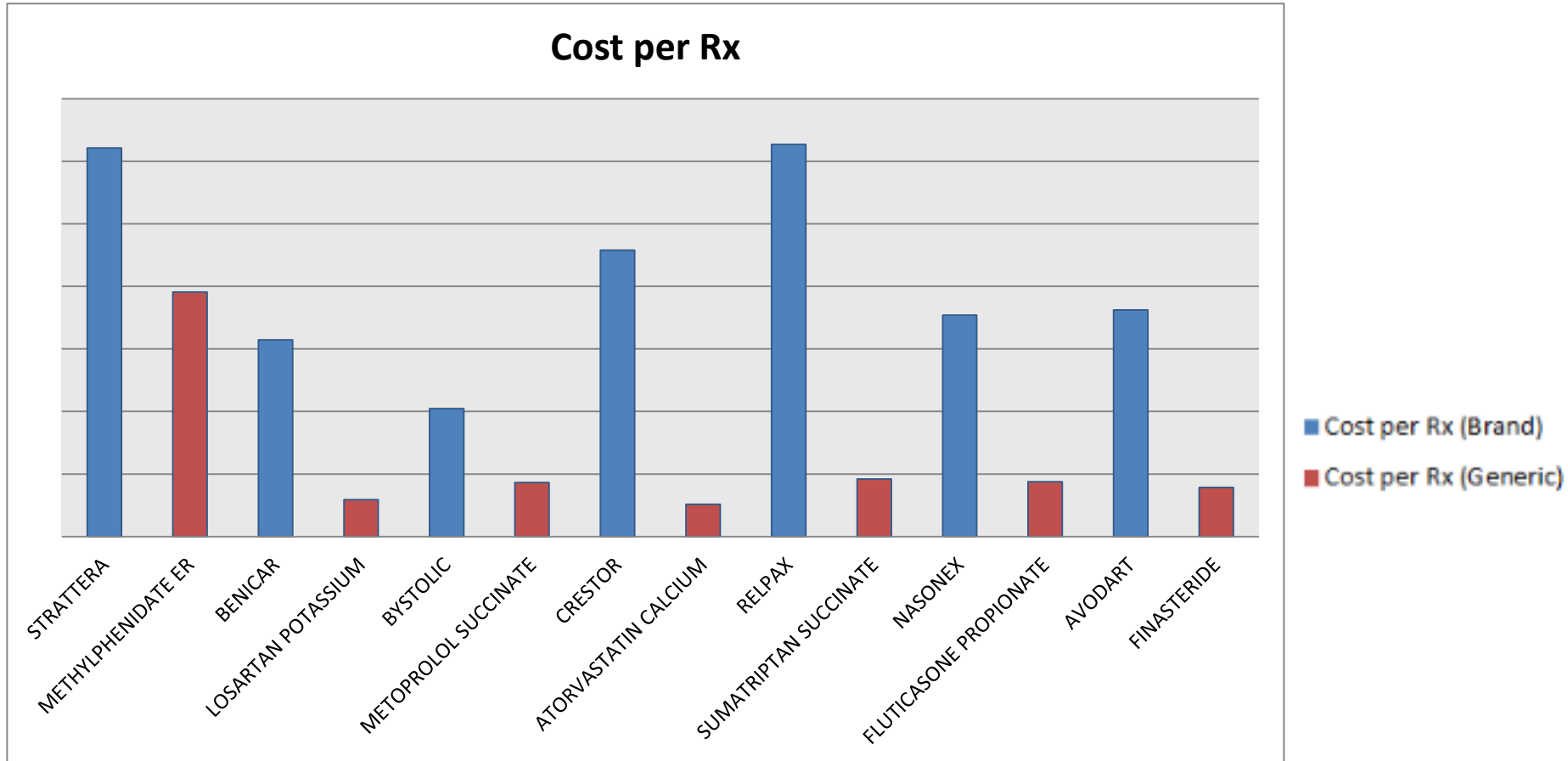


# A Team Approach

## Comprehensive medication management reviews allow the clinician to:

- Identify duplicates or overlapping drugs that can be eliminated
- Brand products that can be switched to generics or therapeutic alternatives
- Consider tablet splitting if appropriate to lower costs if needed
- Maximize the patient's benefits: a 90-day supply may reduce the amount spent on co-pays compared to a 30-day supply
- Consider assistance programs

# Examples of Generic Savings



# Prescribing Generic Drugs

Generics can cost just one-fifth the cost of a brand name drug and cost your patients less out of pocket than brand name options.

Generic medications are on Tier 1 of the formulary and have lower member out-of-pocket costs compared to brand products.\* Potential savings by common drug classes is listed below:

Drug Class	Average Pharmacy Savings per Rx	Average Member Savings per Rx
Statins	\$108	\$66
ARB/ARB Combos	\$55	\$65
Beta Blockers	\$54	\$71
Serotonin Agonist	\$418	\$96
ADHD Medications	\$245	\$48

\*This document includes strategies for members with combined medical-pharmacy coverage. It does not guarantee benefit coverage for any medication as member coverage and savings may vary.

# A Comprehensive Approach to Encouraging Generics

When members have both our medical and pharmacy programs, we can promote generics in a coordinated, comprehensive way:

- Member engagement with our nurses
- Brand to generic programs for retail and home delivery
- Newly available generic programs
- Generic select
- Preferred generics



# Better Health Begins with Better Medication Management

We're helping your patients:

- Manage chronic conditions
- Address medication gaps
- Improve medication adherence
- Save money

# Healthier Employees; Lower Medical Costs

**2.6M** messages sent

**25%** more compliant with medications

**21%** care gaps closed

**\$75M** in pharmacy savings

**\$22M** medical costs avoided



Results based on 2013 clinical and cost-of-care programs for enterprise commercial business; medical cost offsets based on Medication Review.

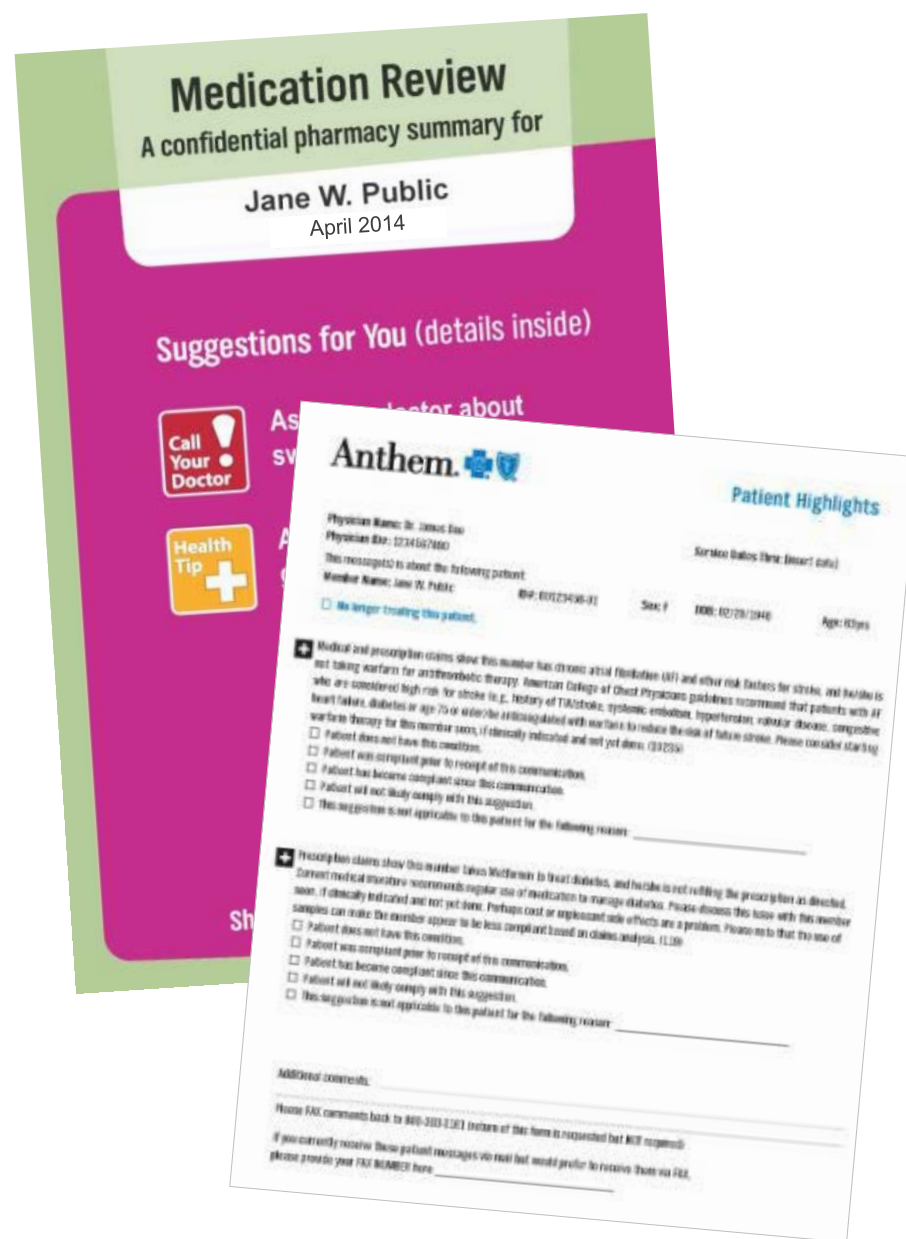


# Identifying Care Gaps and Engaging Your Patients

We focus on top conditions that drive medical costs and lost productivity:

- Diabetes
- Cardiovascular
- Respiratory
- Depression
- ADHD

Plus, we encourage the safe use of warfarin and help your patients save money!





## Half-Tablet Program

# Cost Effective Prescribing

- Cost effective prescribing helps manage pharmacy spending and makes medications more affordable for your patients
- For those with financial barriers to medication adherence, a small savings could make a big difference
- The strategies below are in place for Anthem members with combined medical-pharmacy coverage and can help you and your patients improve pharmacy costs on common prescriptions



# Half-Tablet Program

**Write prescriptions for qualified once daily medications with directions to take ½ tablet per day.**

- Members with this benefit pay just half their usual co-pay on select medications prescribed with instructions to take half a tablet
- Patients with a coinsurance save by paying their coinsurance percentage on a fewer number of tablets
- Patients paying towards a deductible will pay out-of-pocket on a fewer number of tablets

**Prescribing half-tablets for qualified medications lowers overall pharmacy costs.**

**Average pharmacy savings per 30-day Rx of qualified statin medications is \$5 for generic and \$35 for brand. This adds up to \$60-\$420 annually.**

Example:

Crestor  
20mg

- One Tablet  
1x/day
- Quantity = 30

Crestor  
40 mg

- Take ½ tablet  
1x/day
- Quantity = 15

# Anthem's Half-Tablet Program

## Who Saves?

- Providers
  - Prescribing half-tablets for qualified medications lowers overall pharmacy costs
  - Average pharmacy savings per 30-day prescription of qualified statin medications is \$5 for generic and \$35 for brand. This adds up to \$60-\$420 annually for each participating member

Example:

Whole tablet Prescription	Qty	Equivalent Half Tablet Prescription	Qty
Crestor 20mg Take one tablet (20mg) once a day	<b>30</b>	Crestor 40mg Take ½ tablet (20mg) once a day	<b>15</b>

# Preferred Glucometer Program



# Anthem's Preferred Glucometer Program

## How does it work?

- Anthem's combined medical-pharmacy members get a preferred glucometer for free; providers prescribe the test strips used with the selected glucometer.
- OneTouch® and ACCU-CHEK® test strips are on Anthem's preferred brand tier and may cost less than the non-preferred alternatives. Members can call for a free preferred glucometer and then start using the preferred strips.

## Who Saves?

- Members
  - Test strips for preferred glucometers are on Tier 2 of the formulary and have lower member out-of-pocket costs compared to non-preferred, Tier 3 strips. Individual member savings varies based on their benefit.
- Providers
  - Preferred strips save \$50 per 30-day prescription on average compared to non-preferred strips adding up to as much as \$600 annually.

# Preferred Glucometer Program

## Which test strips are preferred?

Anthem's preferred glucometers include OneTouch® and ACCU-CHEK® products. Test strips for these meters are on the preferred brand tier and cost less than the non-preferred alternatives. Patients can also get select OneTouch® and ACCU-CHEK® meters for free, including:

### ACCU-CHEK®

- ACCU-CHEK Nano
- ACCU-CHEK Aviva Plus

### OneTouch®

- OneTouch Verio
- OneTouch Verio IQ
- OneTouch Verio Synch System
- OneTouch Ultra 2
- OneTouch UltraMini

# How do patients get a free glucometer?

Brand	ACCU-CHEK®	OneTouch®
Available Glucometers	<ul style="list-style-type: none"> <li>• ACCU-CHEK Nano</li> <li>• ACCU-CHEK Aviva Plus</li> </ul>	<ul style="list-style-type: none"> <li>• OneTouch Verio</li> <li>• OneTouch Verio IQ</li> <li>• OneTouch Verio Sync System</li> <li>• OneTouch Ultra 2</li> <li>• OneTouch UltraMini</li> </ul>
Contact information	888-355-4242	1-877-725-2783 Order Code 361BCC001
Free glucometer process	<p>Member can request a coupon for the free glucometer by calling the number above.</p> <p>The coupon will be sent immediately via email or standard mail and can be redeemed at their local pharmacy.</p>	<p>Member can request a free glucometer, to be shipped at no cost, by calling the number above and providing order code 361BCC001.</p>
Additional Steps	Provide a prescription for the test strips used with the selected glucometer. See the table below for more detail.	

# Free Glucometers and Test Strips

Can you tell me more about the free glucometers and their test strips?

Glucometer	Glucometer Features	Strips
ACCU-CHEK Nano	Small meter. Before- and after-meal markers. Able to download. 500-test memory with 7, 14, 30 and 90 day averaging. No coding.	ACCU-CHEK Smartview
ACCU-CHEK Aviva Plus	Before and after meal markers, customizable test reminders. Able to download. 500-test memory with 7, 14, 30 and 90 day averaging. No coding.	ACCU-CHEK Aviva Plus
OneTouch Verio	In and out of range alerts. Messages on progress/ patterns. Able to download. 500-test memory with 7 day averaging. No coding.	OneTouch Verio
OneTouch Verio IQ	Before and after meal tagging. Messages on patterns. Able to download. 750-test memory with 7, 14, 30 and 90 day averaging. No coding.	OneTouch Verio
OneTouch Verio Synch System	Bluetooth compatible to send results to iPhone or iPad using mobile app. Trending functionality within app.	OneTouch Verio
OneTouch Ultra 2	Before and after meal tagging with notes. Able to download. 500 test memory with 7, 14, and 30 day averaging. Requires user coding.	OneTouch Ultra
OneTouch UltraMini	Small meter. Able to download. 500-test memory. Works at higher and at cooler temperatures. Requires user coding	OneTouch Ultra

# Next Steps

## Generic Prescribing

- Consider pulling data on brand name medications that have opportunity for therapeutic alternatives
- Define your organization's focus on managing generic utilization
- Remember to ask patients about medication adherence and if drug costs are a concern
- Consider comprehensive medication reviews to remove drug cost barriers and simplify regimen

## Half-Tablet Program

- Educate eligible patients on the Half-Tablet program and provide the option to use this benefit

## Preferred Glucometer

- Consider prescribing OneTouch® and ACCU-CHEK® products

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