

Understanding biosimilar purchasing patterns within a home infusion and specialty pharmacy group purchasing organization: An inflammatory conditions case study

INTRODUCTION

Biologic drugs play a critical role in the treatment of many serious illnesses, but can be very expensive to both the health care system and patients. Biologics represent almost 40 percent of all prescription drug spending and accounted for 70% of growth in prescription spending from 2010 to 2015.¹ From 2014 to 2018, spending on biologic drugs was recorded at \$125 billion.²

In 2010, Congress passed the Biologics Price Competition and Innovation Act (BPCI Act), which established an abbreviated pathway for biosimilar competition. As of April 2020, the FDA has approved 26 biosimilars in the United States, although not all are commercially available.³

Biosimilars are defined as drugs that are highly similar to and have no clinically meaningful differences from an existing FDA-approved reference product in terms of safety, purity, and potency. Biosimilar manufacturers must demonstrate that its product is highly similar to the reference product by extensively analyzing the structure and function of both the reference product and the proposed biosimilar. Although slight differences are expected during the manufacturing process for biological products (regardless of whether the product is a biosimilar or for between batch differences of the reference product), any differences between the proposed biosimilar product and the reference product are carefully evaluated by FDA.³

Because biosimilar manufacturers can often times show similarity and prove that they have no clinically meaningful differences in terms of safety, purity, and potency without conducting very expensive large scale and lengthy clinical trials, the biosimilar pathway provides a mechanism for quicker access, additional therapeutic options, and potential reduced costs for patients.³

Due to the streamlined approval process, biosimilars have long been anticipated to result in significant cost savings to the health care system as compared to innovator biologic drugs. However, recent analyses suggest that biosimilars have only achieved 9% (\$91 million) of the \$1 billion in cost savings estimated by the Congressional Budget Office.²

INTRODUCTION CONTINUED

The lagging market penetration for biosimilars in the US has left many stakeholders frustrated, particularly when biosimilars in Europe have rapidly expanded and were able to realize significant cost savings.²

Given that biosimilars have faced significant obstacles in US uptake, this nationwide home infusion and specialty pharmacy group purchasing organization offered a pharmaceutical manufacturer agreement for participating pharmacies to access competitive biosimilar purchase pricing along with a program of clinical education, communication, and support for the contracted biosimilar product.

This analysis seeks to better understand the resultant experience of home infusion and specialty pharmacies purchasing the contracted biosimilar and the non-contracted innovator biologic.

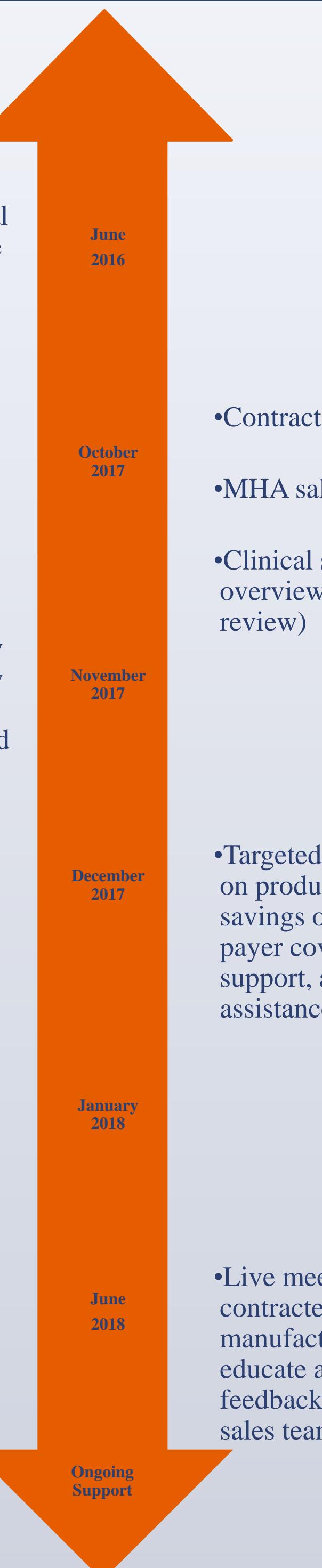
PURPOSE STATEMENT

The objective of this case study is to understand changes in purchasing patterns by analyzing purchasing data from participating home infusion and specialty pharmacies for the non-contracted innovator biologic as compared to a contracted biosimilar to treat inflammatory conditions.

METHODS

A retrospective analysis of purchasing data from this home infusion and specialty pharmacy group purchasing organization was conducted to determine sales growth for the non-contracted innovator biologic and the contracted biosimilar. For each of the groups, the baseline for measurement was 4Q17 and sales growth was analyzed quarterly through 4Q19 as compared to baseline. Pharmacies that had at least one purchase of the contracted biosimilar within the study time frame were included in the analysis. Clinical education, communication, and support were provided at intervals throughout the study time period.

SELECTED CLINICAL EDUCATION, COMMUNICATION, AND CONTRACTED BIOSIMILAR PRODUCT SUPPORT



RESULTS



When compared to baseline, contracted biosimilar purchases grew 52% in 1Q18, 104% in 2Q18, 165% in 3Q18, 209% in 4Q18, 213% in 1Q19, 386% in 2Q19, 529% in 3Q19, and 1047% in 4Q19.

When compared to baseline, non-contracted innovator biologic purchases grew 2% in 1Q18, 12% in 2Q18, 9% in 3Q18, 18% in 4Q18, 14% in 1Q19, 34% in 2Q19, 27% in 3Q19, and 31% in 4Q19.

DISCUSSION

There have been four main factors which have served to create barriers to the US uptake of biosimilars. The first is patent protection and legal actions to block entry of biosimilars to the market. The second are payer related factors, such as the rebate system between biologic manufacturers, pharmacy benefit managers, and other third party payers that can create incentives for preferring innovator biologics over biosimilars on formularies. The third barrier is prescriber inertia in the US, which seems to be a result of smaller than expected cost savings, formulary influence on prescribing, lagging physician knowledge and comfort with biosimilars, and reimbursement policies by third parties that may not incentivize providers to switch to a biosimilar. The fourth factor is that the regulatory pathway has taken many years to define and continues to evolve. Furthermore, the concept of interchangeability remains unrealized in the US.²

Although unable to control for any of the above confounding factors, this case study demonstrated that it is possible for biosimilars to make gains despite significant barriers as the contracted biosimilar grew at a significantly higher rate than the non-contracted innovator biologic during the study time period.

CONCLUSION

Given that biosimilars have faced significant obstacles in uptake for the reasons detailed above, pharmaceutical manufacturer agreements designed for participating pharmacies to access competitive biosimilar purchase pricing along with clinical education and support through this home infusion and specialty pharmacy group purchasing organization could be one way to assist in driving adoption and realizing cost savings.

REFERENCES

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