

A survey-based analysis of the determinants of management in traditionally unmanaged categories of oncology and rare diseases

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BACKGROUND

- Traditionally unmanaged categories such as oncology and rare diseases create challenges for managed care organizations (MCOs) to judiciously deploy healthcare dollars
- Indications which once had only one product available are expanding to include multiple options with similar mechanisms of action (MOAs)
- It is unclear whether MCOs desire to manage these categories, what information is needed to do so, and what management strategies may be employed in the future

OBJECTIVE

- To assess the determinants of more aggressive payer management in traditionally unmanaged categories of oncology and rare diseases

METHODS

- An online survey was conducted among active members of Pharmacy & Therapeutics Committees
- Among 30 respondents, 17 were pharmacy directors and 13 were medical directors, covering a total of >250M lives across commercial, Medicare, and managed Medicaid benefits (Table 1)
- Respondents represent national and regional health plans, pharmacy benefit managers (PBMs), and integrated delivery networks (Table 1)

Table 1. Payer Panel

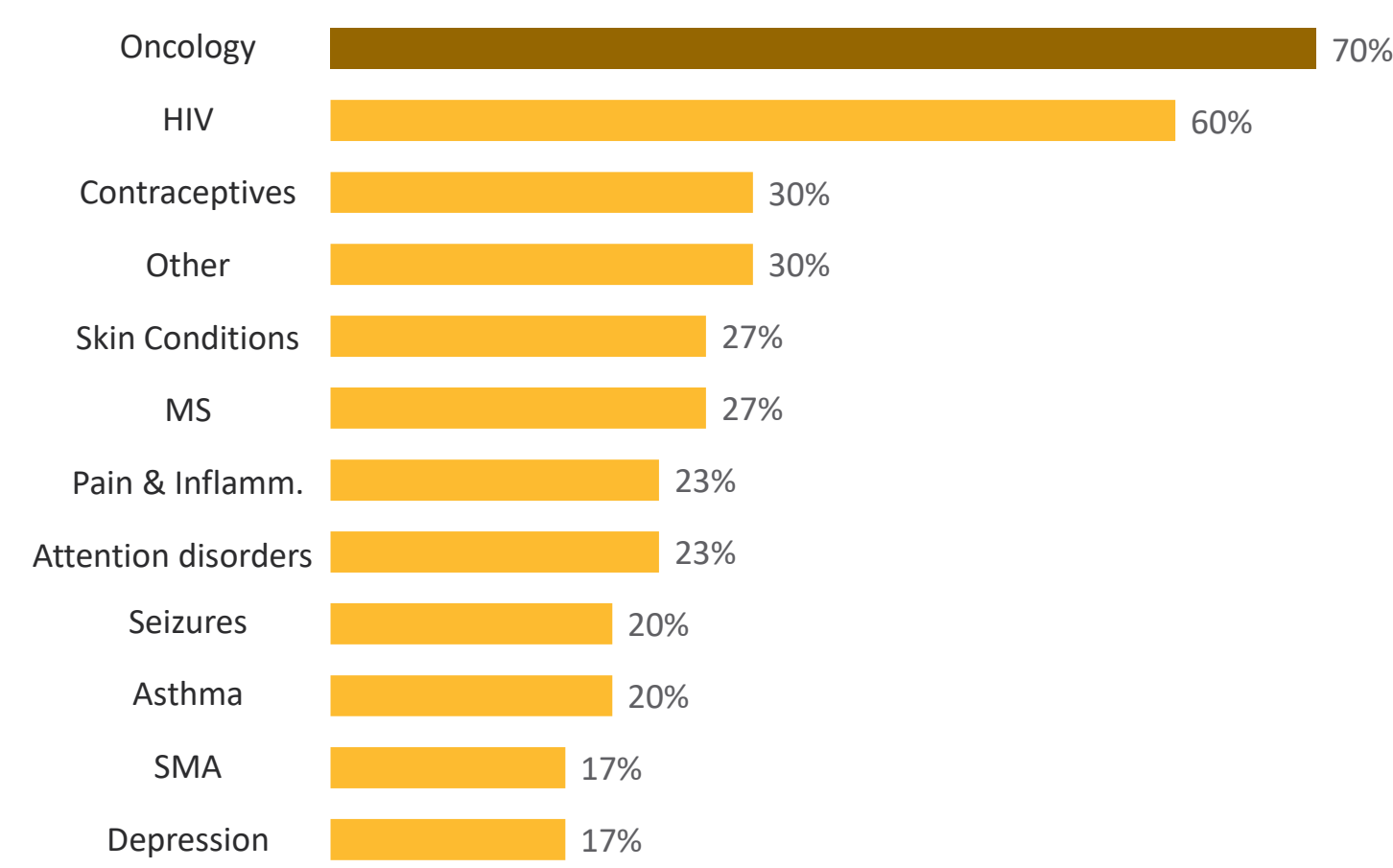
Payer Profile	Total N	Perspective			
		Managed Care*	Pharmacy Benefit Manager	Integrated Delivery Network†	
• National and large regional commercial, Medicare, and managed Medicaid plans	Pharmacy director (PDs)	17	7	8	2
• Medical and pharmacy directors who are voting members of the pharmacy & therapeutics (P&T) committee	Medical director (MDs)	13	9	0	4
• Responsibility for contracting with manufacturers / trade relations	Total payers	30	16	8	6
	Total covered lives	313.7M	119.2M	174.8M	19.7M

* Traditional managed care organizations (i.e., "traditional payers") who reimburse healthcare providers & product manufacturers on behalf of their covered lives
† Stakeholders with integration between payer & provider arms under a single corporate organization

RESULTS

- Among high utilization drug categories where a preferred product strategy (i.e., step edits, differential cost-sharing, etc.) is not currently in place, payers across all segments overwhelmingly want to manage oncology and several rare diseases (Figure 1)

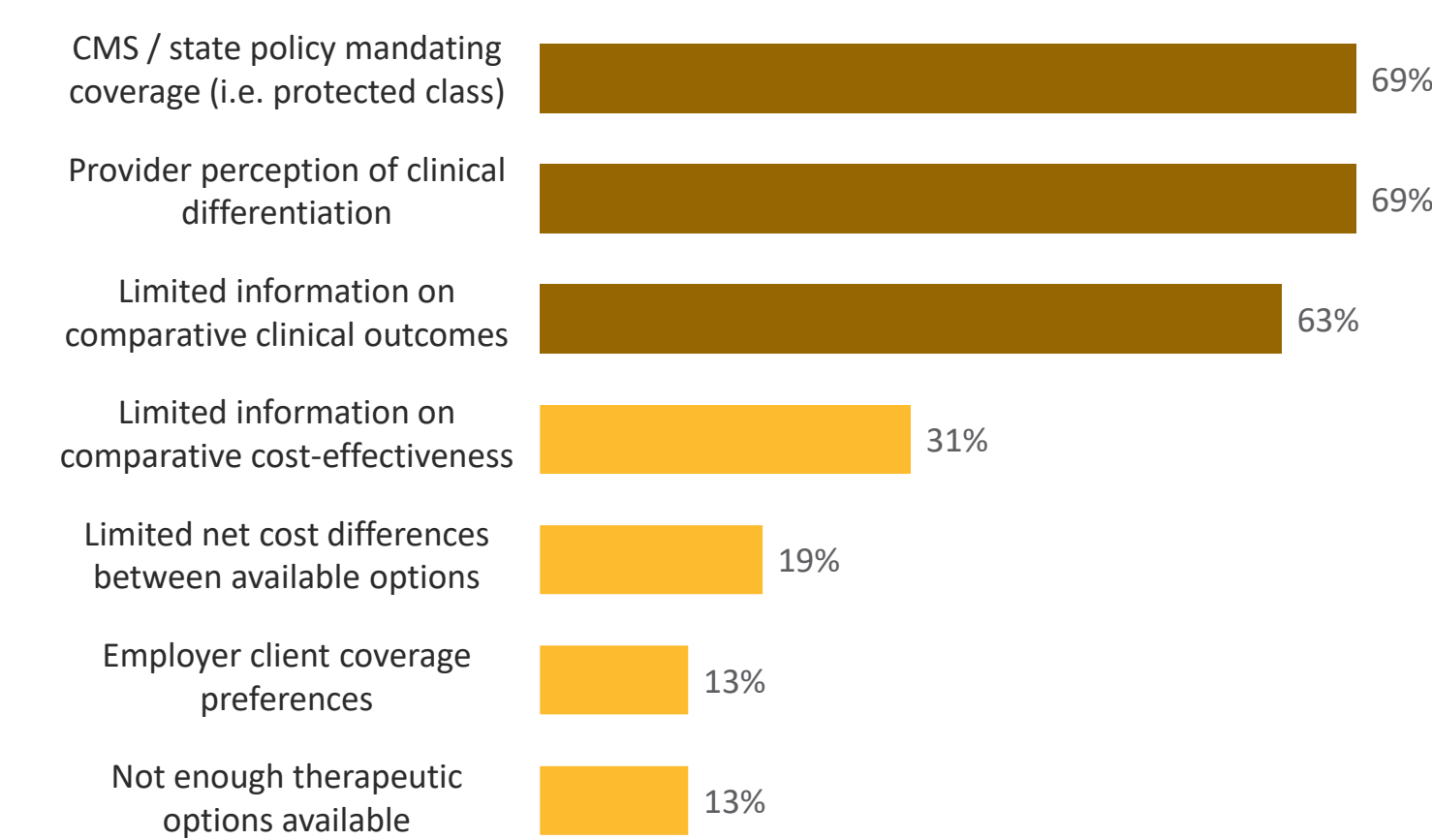
Figure 1. Therapeutic Areas Payers Desire a Preferred Product Strategy (N=30)



HIV: human immunodeficiency virus; MS: multiple sclerosis; SMA: spinal muscular atrophy

- Payers feel constrained and unable to execute a preferred product strategy in these areas primarily due to regulations mandating coverage, and limited comparative clinical outcomes which drives physician perception of product differentiation (Figure 2)

Figure 2. Reason for Not Having a Preferred Product Strategy (Oncology n=16/HIV n=14)

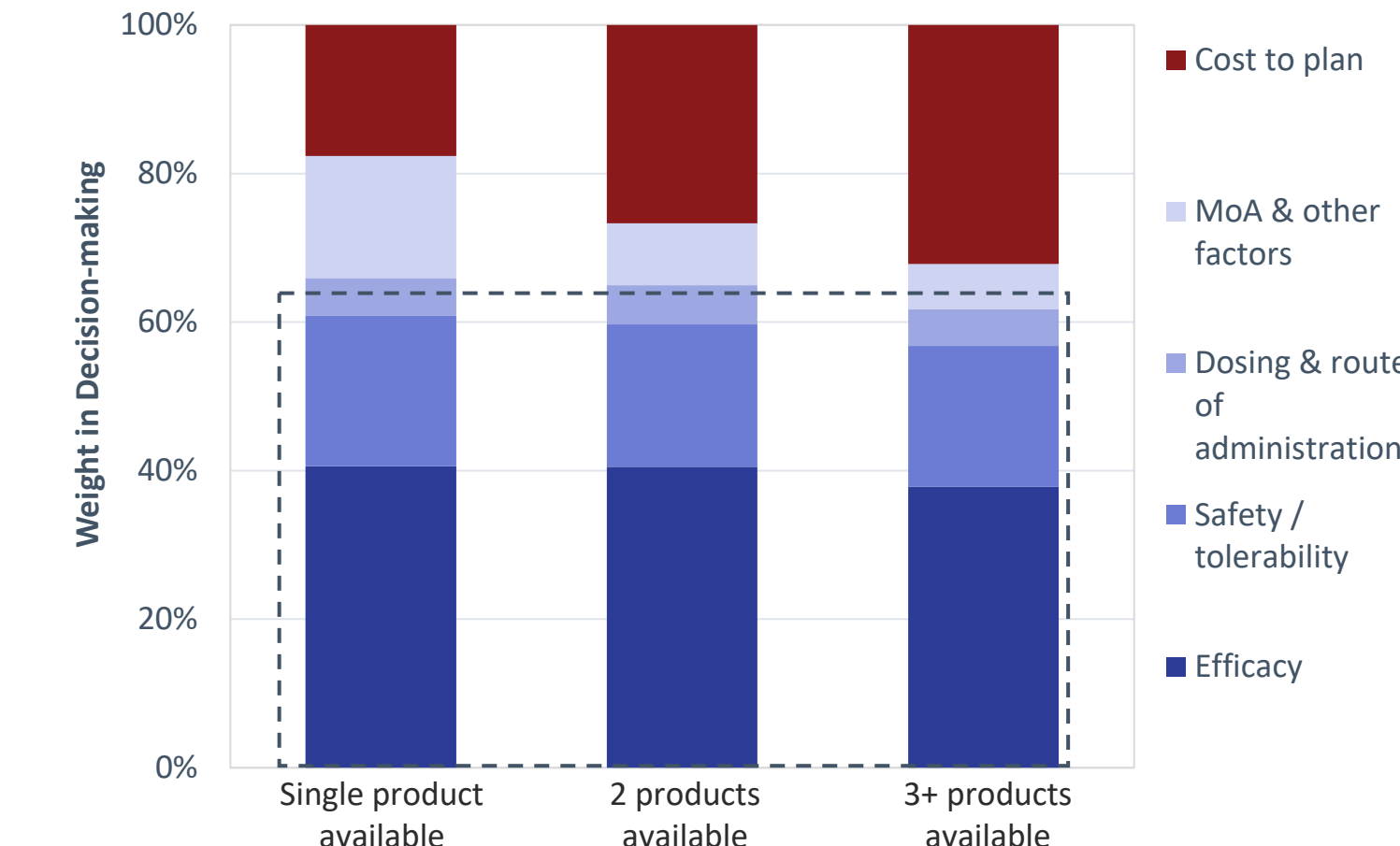


CMS: Centers for Medicare and Medicaid Services; HIV: human immunodeficiency virus

RESULTS (CONT'D)

- Value driver analysis shows that as the number of similarly indicated products increases to three or more for rare diseases, a product's mechanism becomes less important, with its weight replaced by cost, an effect most pronounced among PBM respondents (Figure 3)

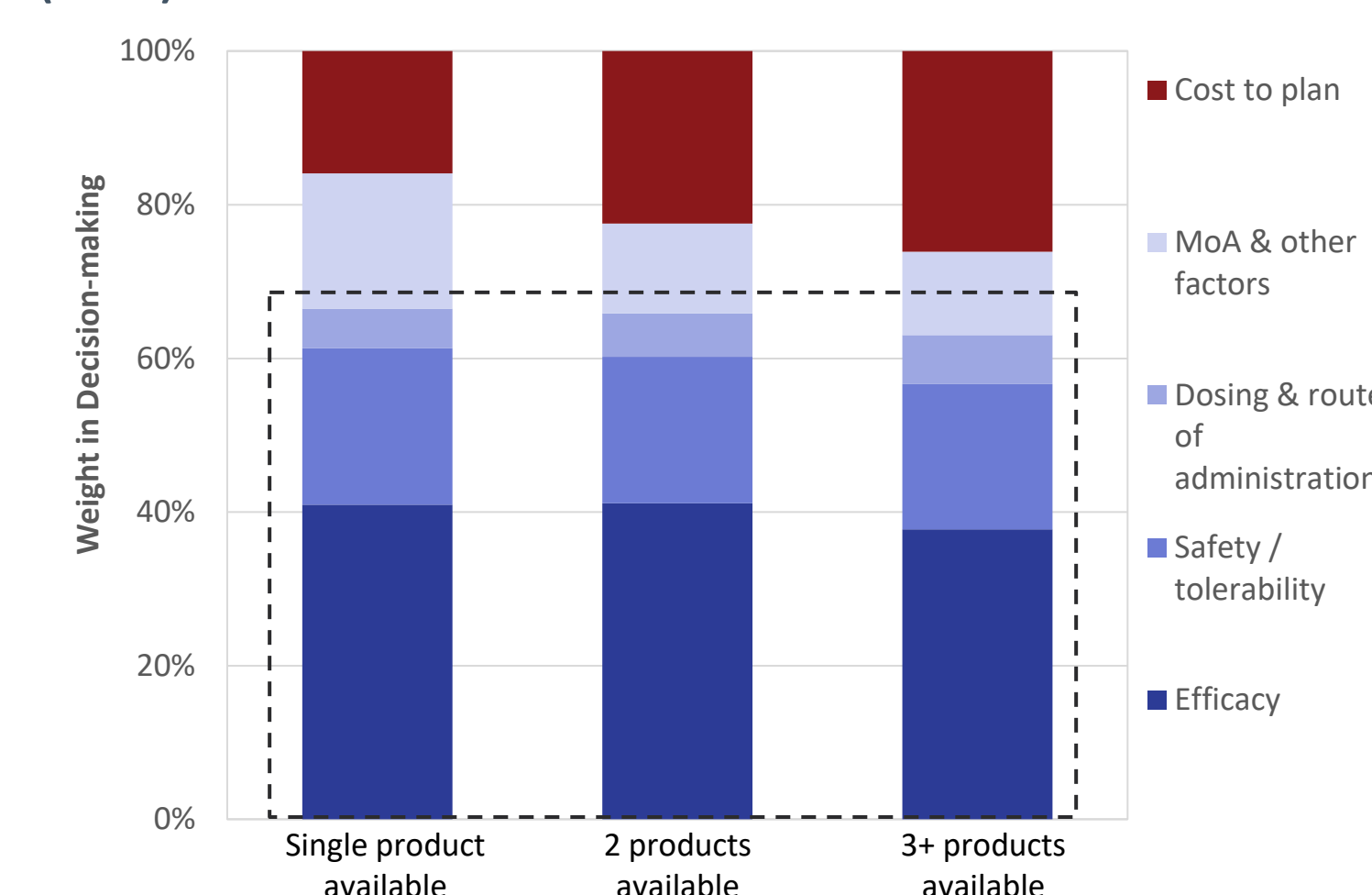
Figure 3. Payer Value Drivers for New Asset Evaluation (Rare Diseases) (N=30)



MoA: mechanism of action

- As product competition increases in oncology, the relative importance of plan cost in payer decision-making increases; however, efficacy remains the most important driver in all scenarios (Figure 4)

Figure 4. Payer Value Drivers for New Asset Evaluation (Oncology) (N=30)

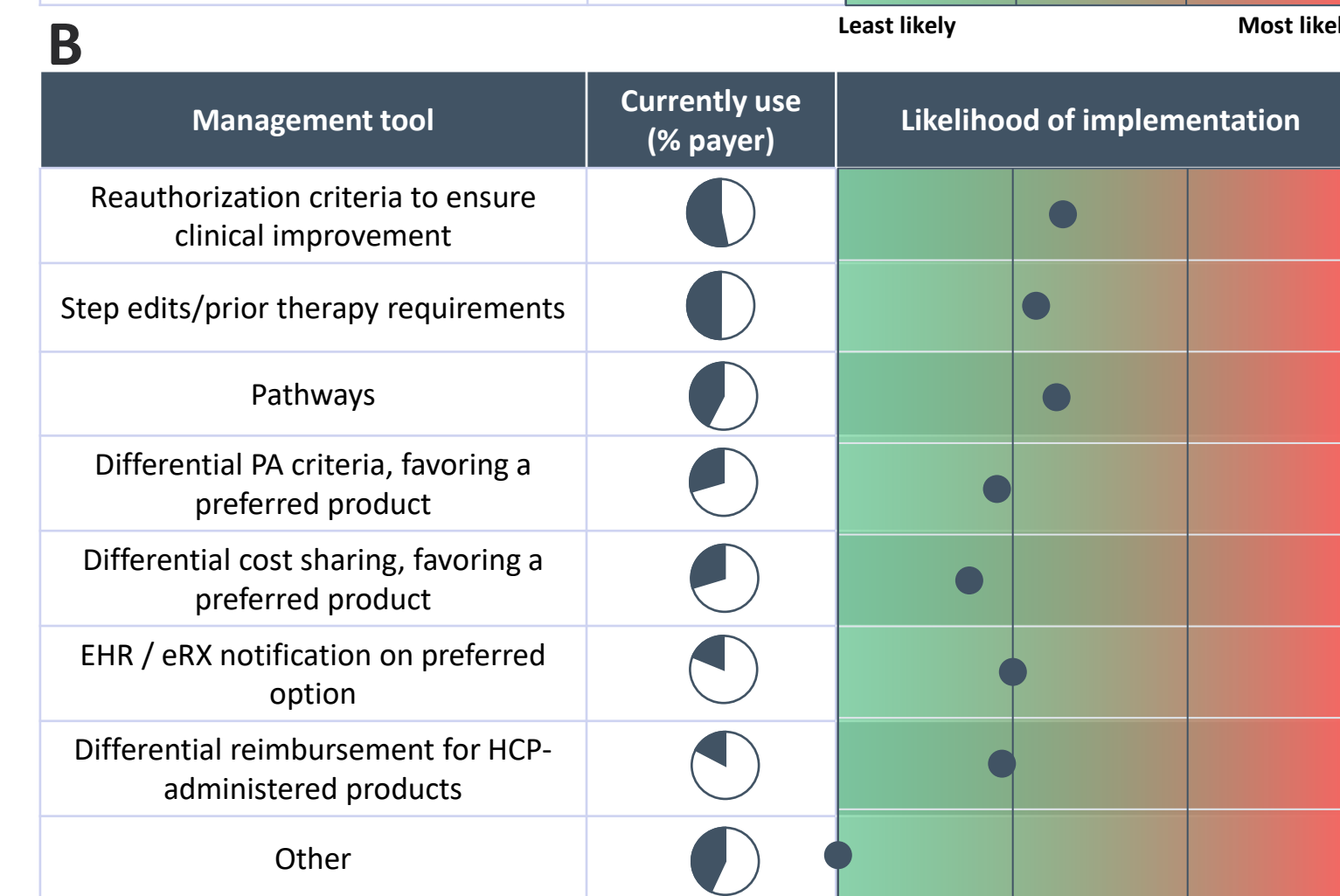
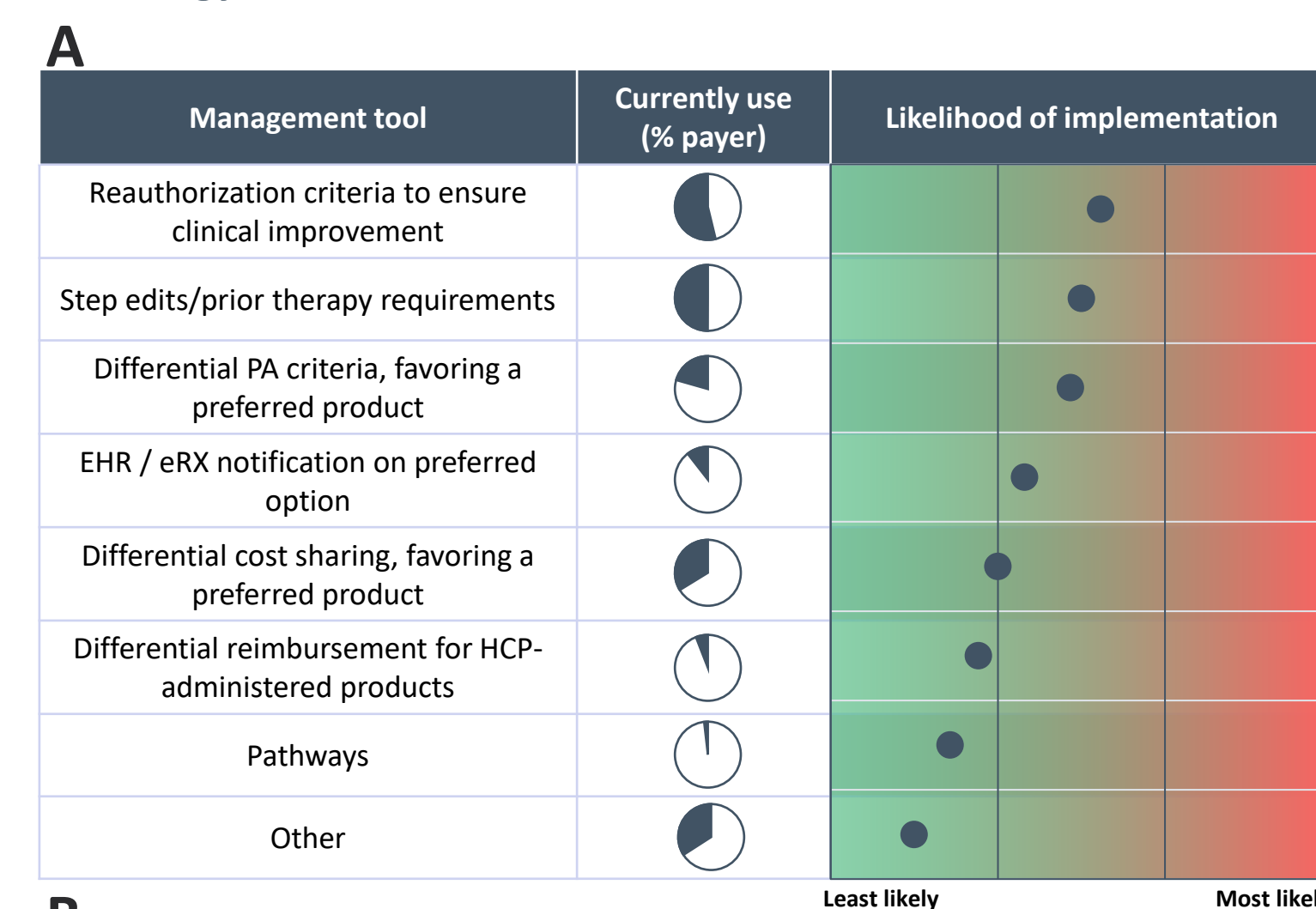


MoA: mechanism of action

RESULTS (CONT'D)

- Current and future strategies to manage oncology and rare disease categories employ reauthorization criteria to assess patient outcomes, along with step edits and prior therapy requirements (Figure 5)
- The overall likelihood of implementation of various utilization management tools in rare diseases is low due to scarcity of options and even lower in oncology due to use of strategies specific to the therapeutic area (i.e. pathways) (Figure 5)

Figure 5. Payer Management of A) Rare Disease TAs and B) Oncology TAs



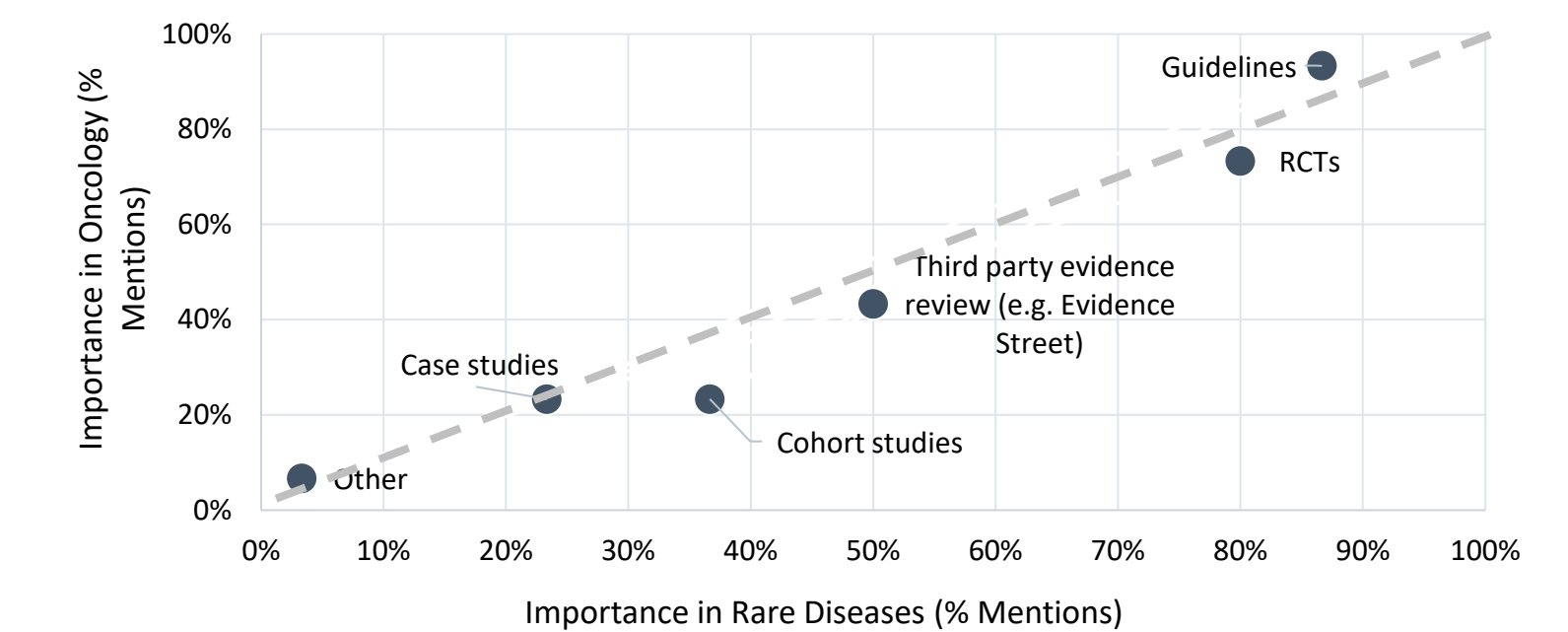
EHR: electronic health records; eRX: electronic prescribing; HCP: healthcare provider; PA: prior authorization; TA: therapeutic area

- Head-to-head data is overwhelmingly perceived as the most desired piece of evidence by payers (63% of payers); additional helpful data includes indirect comparative studies, cost-effectiveness & healthcare resource utilization, and safety

RESULTS (CONT'D)

- Payers primarily rely on guidelines & traditional RCT data to inform their management decisions for both oncology & rare diseases (Figure 6)

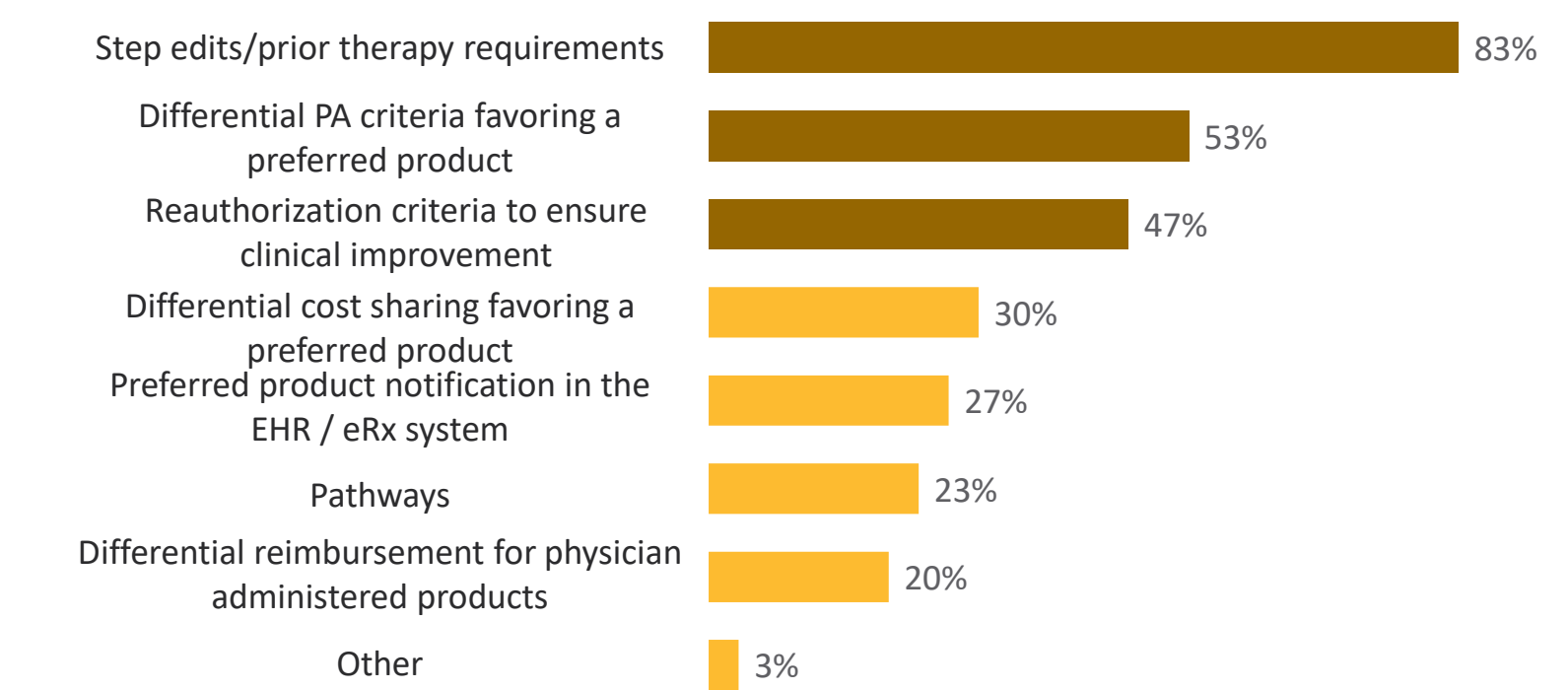
Figure 6. Key Information for Payer Management in Oncology vs. Rare Diseases (N=30)



RCT: randomized controlled trial

- Information gaps that could drive additional management in both areas include head-to-head data and an increased volume of evidence for rare diseases
- There is also willingness to manage rare diseases more aggressively than oncology; all payers anticipate product sequencing rather than outright product exclusions given the relative scarcity of options compare to non-orphan indications (Figure 7)

Figure 7. Payer Tactics for Future Management (N=26)



EHR: electronic health records; eRX: electronic prescribing; PA: prior authorization

CONCLUSIONS

- Despite current management strategies employed in oncology and rare diseases, MCOs desire to be more aggressive and designate preferred products through established mechanisms
- Thoughtful evidence generation plans that satisfy both regulatory and commercial stakeholders will provide MCOs with necessary information to make informed management decisions