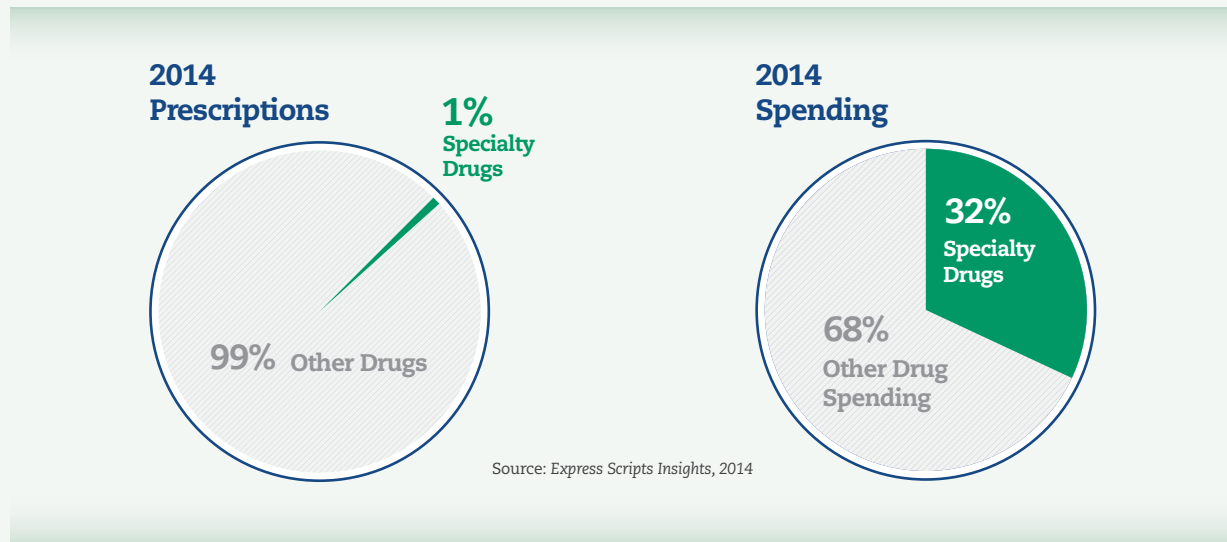


Pharmasense – The Proven Prescription for Rising Drug Costs

As the graphic illustrates, specialty drugs accounted for just one percent of prescriptions written in 2014, but some 32% of total drug spending – meaning that specialty drugs were 32 times more expensive, on average, than others. Many experts cite concerns with patient adherence, tolerance and monitoring, special storage or handling requirements and treatment of complex or rare patient conditions as contributing factors.



Pre-Authorization: The Key to Cost Control

When health plans allow hospitals or pharmacy benefit management (PBM) companies to review authorizations for specialty drugs being dispensed by their own pharmacy, no independent review process is involved. The same is true when medical providers submit specialty drug prescriptions as claims under the medical plan rather than the prescription drug benefit plan.

To make sure the self-funded employer groups we serve avoid these potential conflicts, Diversified's Pharmasense program provides prior authorization or pre-certification of all specialty drug prescriptions. By considering a number of factors including the patient's condition and clinical evidence related to the drug, the Pharmasense program has delivered tremendous cost savings and better outcomes for the patients involved.

Here are four recent examples...

CASE #1:

On behalf of a very ill patient with Chronic Obstructive Pulmonary Disease (COPD) and Chronic Respiratory Failure, we received a pre-certification call (as a result of the required pre-certification noted on the member's ID card) from a big name Pharmacy that wanted a prior authorization on OFEV (nintedanib) – a kinase inhibitor used solely to treat idiopathic pulmonary fibrosis (IPF). In the pre-certification process, our specialty nurses obtained all the pertinent doctor notes, clinical records and information around the member's actual diagnosis needed to perform a complete review including medical necessity and appropriateness prior to the drug being dispensed.

Our Findings:

We found that while this patient was very ill, no documentation of IPF was available. Since OFEV only treats IPF, we consulted our physician advisors as well as the AMS Predict Rx program to verify our findings, all of which agreed that this drug should not be certified based on the circumstances surrounding this case.

Our Actions:

When we reached back out to the prescribing physician to confirm our findings, the physician confirmed that the patient did not have IPF. Treatment was denied before any drug was dispensed.

The Results:

Taking the wrong drug to treat this condition could have been life threatening – the member could have been injured or killed. In addition, the expected cost of OFEV, estimated at \$231,000 annually, was avoided by the health plan.

This patient is currently stable and based on appropriate treatment guidelines, is being medically managed with numerous nebulizers and oxygen 24 hours a day. Treatment costs are approximately 10% of the original OFEV prescription. No other requests have been made for a specialty medication and the member is active in Case Management should their condition or needs change.

CASE #2:

We received a required pre-certification call for Repatha, which is used in certain circumstances on patients with a type of high cholesterol that is not responding to routine medications.

Our Findings:

When our specialty pharmacy nurses called the provider to obtain the clinical data to review for medical necessity, the member's clinical information did not meet the criteria for Repatha.

Pre-Authorization Is the Key!

Our Actions:

The drug was not certified and the prescribing physician and the member were immediately notified. We received no appeal. The following week, we received a call from a specialty pharmacy requesting Repatha for the same member. We advised them of the status of the case and instructed them not to fill this prescription because no facts had changed.

The Results:

In this case, it appeared that the prescribing physician was trying to circumvent Pharmasense pre-certification requirements and obtain the drug once again. If Pharmasense had not blocked the second request, the script would have been filled at a local drug store or specialty pharmacy and the health plan would have incurred costs of \$31,000 per year and hundreds of thousands of dollars over the member's lifetime.





CASE #3:

In a self-funded case recently awarded to Diversified from an insurance carrier, we needed to address the needs of a member with Hemophilia factor VIII deficiency.

Our Findings:

Due to a lack of medical management and oversight, the annual treatment was costing \$675,000.

Our Actions:

By applying our Pharmasense programs to medically manage the case and apply direct-to-member service, care and oversight, we have been able to lower the annual claim cost from \$675,000 to \$475,000 – a savings of 30%.

CASE #4:

In a recent case, our specialty nurse was asked to certify a prescription for Stelera®, an adult medication used to treat psoriatic conditions, including moderate or severe plaque psoriasis or active psoriatic arthritis and moderate to severe Crohn's disease.

Our Findings:

When we reviewed clinical policy bulletins for Stelera and compared these with the patient's symptoms, our specialty nurse determined that the patient did not meet the criteria for this specialty medication.

Our Actions:

Rather than certifying the prescription for Stelera, Step Therapy was recommended as a way to test

other medications before certifying the far more costly specialty drug – in this case a drug costing \$18,000 to \$20,000 per month.

Step Therapy enables our Clinical Team to determine if less expensive options would be effective in treating the patient's psoriasis. In this case, the patient was directed to undergo three (3) months of phototherapy, followed by three months of a systemic DMARD (disease-modifying anti-rheumatic drug) such as methotrexate or cyclosporin.

Even Step Therapy Can Save Thousands!

The Results:

The patient is currently undergoing a 3-month prescription for phototherapy. If this fails, the physician will prescribe a systemic DMARD, which may be followed by a lower cost medication such as Humira or Enbrel.

If Step Therapy is completed without the patient experiencing the desired level of relief, all pre-certification requirements will have been met and the prescribing physician will prescribe Stelera or other appropriate specialty medication.

Though we will update our findings following the completion of Step Therapy, the Pharmasense pre-certification program and recommended Step Therapy have saved the health plan more than \$50,000 to date.

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369 North Main Street / PO Box 299 / Marlborough, CT 06447
ph 888-322-2524 / Visit us at dgb-online.com