

# Biosimilar management option

*As pressures on benefit plans continue to rise, Alberta Blue Cross is committed to providing options for plan sponsors that promote drug plan sustainability.*

Biologics are injectable drugs that are large, complicated molecules manufactured in living cells and are used to treat a variety of medical conditions. Biologic drugs are generally higher cost treatment options used after failure of traditional medications.

Biosimilars are biologic drugs that have entered the market subsequent to an innovator biologic (that is, the first biologic to market) and have demonstrated similarity to the innovator biologic. As biosimilars cost less, they can offer savings for plan members and sponsors. If a member is prescribed an innovator biologic, a new prescription is required to facilitate a switch to the biosimilar as a pharmacist cannot automatically make that substitution. According to Health Canada, if a patient is to switch between an innovator biologic and a biosimilar there is no expected difference in safety or efficacy following the change.

Early on, many government-sponsored drug plans were only requiring patients who were **new** starts on the drug to use the biosimilar instead of the innovator biologic. They did not require **existing** patients on the innovator biologic to switch to the biosimilar. However, as more biosimilar products enter the Canadian market and the medical evidence grows supporting their safety and efficacy, as well as the ability to effectively switch from innovator biologics to their biosimilars, we are seeing more government sponsored drug plans adopting biosimilar switching policies for **all** patients.




With this changing landscape of biologic/biosimilar evidence and government drug coverage policies, Alberta Blue Cross is now offering plan sponsors an option to apply maximum allowable cost (MAC) pricing on their drug plan for innovator biologics and their biosimilars.

## HOW DOES MAC PRICING WORK?

For many medical conditions, there are a variety of medications that can be used to treat the condition; however, the more expensive medications may not work any better than lower priced alternatives. MAC pricing is an approach that builds on this concept, encouraging the use of the lower priced medications within a therapeutic class by establishing a cost maximum. This drug management strategy can also be applied to biologics and their biosimilars, as demonstrated by the example below:

THERAPEUTIC CATEGORY	UNIT PRICE
Innovator biologic	\$1,000
Biosimilar	\$500 ← Maximum allowable cost

If members are claiming a drug at or below the maximum allowable cost, there will be no change to how they are covered. If they are claiming for a drug that costs above the maximum, the following three options are available to the member:

<p><b>OPTION 1</b></p> <p>1</p>		<p>The member can choose to pay the cost difference out of pocket.</p>
<p><b>OPTION 2</b></p> <p>2</p>		<p>The prescriber may change the prescription to a drug at or below the maximum allowable cost (after discussion with member).</p>
<p><b>OPTION 3</b></p> <p>3</p>		<p>The prescriber may submit a special authorization request for coverage of the prescribed drug, if there is an exceptional clinical reason the member is unable to use the lower cost drug in that therapeutic category.</p>

## MAC PRICING FOR INNOVATOR BIOLOGICS AND THEIR BIOSIMILARS

Alberta Blue Cross offers two categories that MAC pricing for biologic drugs can be applied to, which is detailed as follows.

### 1. BIOLOGICS THAT REQUIRE SPECIAL AUTHORIZATION

If you have a managed drug formulary, some biologic drugs are currently managed through our special authorization process. Your members will still be required to go through this process prior to approval of the biologics listed below, however if MAC pricing is applied, the plan would only cover the cost of the biosimilar.

CHEMICAL NAME	INNOVATOR BIOLOGIC	BIOSIMILAR (MAXIMUM ALLOWABLE COST)
Etanercept	Enbrel	Brenzys, Erelzi
Infliximab	Remicade	Inflectra, Renflexis
Pegfilgrastim	Neulasta	Lapelga
Filgrastim	Neupogen	Grastofil
Glatiramer <sup>1</sup>	Copaxone	Glatect

### 2. BIOLOGICS THAT ARE REGULAR BENEFITS

Some biologic drugs are regular benefits on both our managed and open formularies. Therefore, we are offering another category where the plan would only cover the cost of the biosimilar. This category currently contains only one biologic, as noted below:

CHEMICAL NAME	INNOVATOR BIOLOGIC	BIOSIMILAR (MAXIMUM ALLOWABLE COST)
Insulin glargine	Lantus	Basaglar

As new biologics and biosimilars enter the Canadian market, the drugs covered in each of the above categories will grow and change.

<sup>1</sup> Glatiramer is a non-biologic complex drug.

# MAC PRICING FOR TRADITIONAL DRUGS

In addition to the new MAC categories for biologics and biosimilars, we will continue to have MAC pricing available for several categories of traditional oral drugs. These additional categories are as follows:

MEDICAL CONDITION TREATED	THERAPEUTIC CATEGORIES OF DRUGS
Stomach acidity (for example, heartburn, stomach ulcers)	<ul style="list-style-type: none"><li>• Proton pump inhibitors (PPIs)</li></ul>
Blood pressure	<ul style="list-style-type: none"><li>• Angiotensin-Converting Enzyme Inhibitors (ACEIs) – single entity products</li><li>• ACEI combination products</li><li>• Calcium channel blockers (CCBs)</li></ul>
Cholesterol	<ul style="list-style-type: none"><li>• HMG-COA Reductase Inhibitors (statins)</li></ul>

## QUESTIONS?

We will continue to monitor the evolving drug benefit landscape to ensure optimal management/savings for our drug plans. If you have any questions about this topic, please contact your Alberta Blue Cross representative.



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