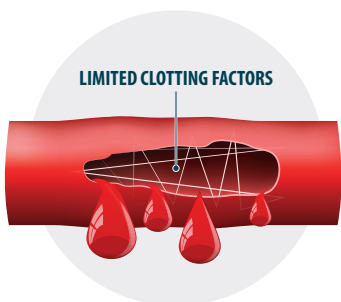


Specialty Pharmacy Watch: High-Cost Hemophilia Treatment



Hemophilia is a general term that describes a rare disorder in which a person's blood does not clot normally because it **lacks normal levels of blood-clotting proteins called clotting factors**. It is typically an inherited disorder, but it can sometimes develop through a spontaneous gene mutation.

Those with hemophilia can bleed for a long time after an injury, but a great health concern is internal bleeding within joints or life-threatening damage to internal organs and tissues.¹ And **therapies for treating hemophilia can come with a huge price tag.**



WHO IS AFFECTED?

- PREDOMINANTLY AFFECTS MALES
- ABOUT **1 IN EVERY 5,000** MALE BIRTHS
- CURRENTLY ABOUT **20,000** MALES IN THE U.S.²

"Most hemophilia therapies are billed under medical benefits as hospital outpatient visits. As a result, prices may triple that of pharmacy benefits. If charges are billable under pharmacy benefits or more predictable pricing structures, it could make a huge difference in cost."

— **Jamie Holowka**, senior pharmacist, HM Insurance Group



ALTHOUGH RARE, A CALIFORNIA BOY WAS **CHARGED \$21M IN A SINGLE YEAR** FOR HIS HEMOPHILIA TREATMENT.⁴



HOW IS HEMOPHILIA TREATED?

- **REPLACEMENT THERAPY**
(THE APPROPRIATE CLOTTING FACTORS ARE INFUSED INTO A VEIN)³
- **BLOOD FACTOR DRUGS** (BIOLOGICAL)
- CURRENTLY, **NO BIOSIMILARS ARE AVAILABLE**⁴



TREATMENT COSTS

- **\$270,000 PER YEAR AVERAGE**
- **COMPLICATIONS CAN LEAD TO COSTS EXCEEDING \$1 MILLION PER YEAR**
- THE HEMOPHILIA DRUG MARKET IS WORTH ABOUT **\$4.6 BILLION PER YEAR**⁴

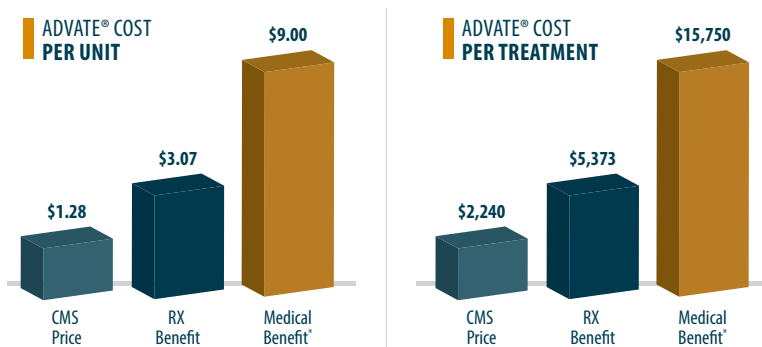
28 HEMOPHILIA DRUGS AVAILABLE NOW⁴ **24** HEMOPHILIA DRUGS IN DEVELOPMENT⁴



WHAT CONTRIBUTES TO THE HIGH COSTS?

- THERE IS **NO CURE**, AND MANAGEMENT IS **LIFE-LONG**
- THERE ARE **NO BIOSIMILAR DRUGS AVAILABLE**
- **COSTS RISE** IF THE PATIENT HAS AN **INJURY, REACTION OR COMPLICATION**⁴

MEDICAL VS. PRESCRIPTION COST VARIATIONS⁵



*Billed as hospital outpatient visits.



WHAT CAN YOU DO TO HELP CONTAIN COSTS?

- Develop **plan document language** that:
 - Requires **close monitoring of efficacy and appropriateness** per FDA guidelines
 - Assigns **use under prescription benefits** vs. medical benefits
- Incorporate **utilization management**:
 - Evaluate use of the **right therapy at the right time**
 - Determine if only **covered services** were provided
 - Verify treatment being administered through **FDA-approved criteria only**
 - Implement **step therapy** programs

DISEASES OF THE BLOOD WAS A TOP 3 DIAGNOSIS CATEGORY FOR LARGE CLAIMS AT HM IN 2017.⁶

Specialty Pharmacy Watch provides important information about pharmaceutical cost-drivers that can impact the growing claims trend in the self-funded insurance market. Awareness is the first step in working to better manage the impact of high cost pharmaceuticals and therapies, along with their associated administration.



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¹Mayo Clinic, "Hemophilia," <https://www.mayoclinic.org/diseases-conditions/hemophilia/symptoms-causes/syc-20373327>, accessed August 3, 2018; ²Centers for Disease Control and Prevention, "Basics about Hemophilia," <https://www.cdc.gov/ncbddd/hemophilia/facts.html>, accessed August 3, 2018; ³Hemophilia, National Heart, Lung and Blood Institute, <https://www.nhlbi.nih.gov/health-topics/hemophilia>, accessed August 7, 2018; ⁴"Miracle of Hemophilia Drugs Comes at a Steep Price," NPR, <https://www.npr.org/sections/health-shots/2018/03/05/589469361/miracle-of-hemophilia-drugs-comes-at-a-steep-price>; ⁵Advate, Advanced Medical Strategies, Client Portal, www.mdstrat.com, accessed March 2018; ⁶HM Insurance Group internal analysis as of 12/31/17 (underwriting year 2017 is immature and projected).