

Quick Reference Guide to High-Cost Medications & Therapies

November 2019

Working to Contain Costs through Awareness

Awareness is essential to smart claims management. With new high-cost drugs and therapies entering the market regularly, it's important to know which ones are influencing claim costs most significantly as you're engaging in conversations with self-funded clients, their plan administrators and the Stop Loss carrier protecting their plans. Being on the same page helps to optimize results. In this document, we're sharing what HM Insurance Group (HM) views as having a noteworthy influence on catastrophic claim costs as well as what we anticipate having an impact in the future.

Keep in mind, the costs of the medications and therapies that are used in an effort to treat, cure or manage a disease are always patient-specific. Many medications are specific to the recipient's size or weight. This means actual costs vary due to the differences in dosing levels. Many drugs also are FDA-approved for more than one disease state, requiring different regimens, strengths and lengths of therapy based on diagnosis.

What follows is a cross-sectional view of some of the more frequently seen, highest cost medications identified in 2019 as well as those in the pipeline.

Cost Assumptions: Costs listed within this document are for the medications or therapies only. They are general and point-in-time. They reflect a dose for an "average" patient and do not take into consideration dosing variances based on a patient's size or weight. They do not reflect any treatment expansions that may have been approved following this publication or the costs related to that expanded use. Costs shown are to be viewed as a basic guide.

\$1 Million Medications Per Plan Year in Adults*

(Based on average adult. Not every medication may be used on an ongoing basis every time.)

| Billed to Prescription Benefits | | |
|---------------------------------|---|-------------------|
| Drug/Therapy | Disease | Cost |
| Advate® | Hemophilia | \$80,000 / month |
| Alprolix® | Hemophilia | \$90,000 / month |
| Cholbam® | Bile Acid Disorders | \$110,000 / month |
| Cinryze® | Hereditary Angioedema (HAE) – Prophylaxis | \$65,000 / dose |
| Eloctate® | Hemophilia | \$95,000 / month |
| Firazyr® | Hereditary Angioedema (HAE) – Acute Attacks | \$35,000 / dose |
| Gattex® | Short Bowel Syndrome | \$80,000 / month |
| Orenitram® | Pulmonary Arterial Hypertension (PAH) | \$80,000 / month |
| Pomalyst® | Cancer | \$70,000 / month |
| Ravicti® | Urea Cycle Disorder | \$100,000 / month |
| Ruconest® | Hereditary Angioedema (HAE) – acute attacks | \$190,000 / dose |
| Strensiq® | Hypophosphatasia (HPP) | \$135,000 / month |

| Billed to Medical Benefits | | |
|----------------------------|--|--------------------|
| Drug/Therapy | Disease | Cost |
| Acthar Gel® | Various | \$60,000 / dose |
| Asceniv® | Primary Humoral Immunodeficiency Syndromes | \$95,000 / dose |
| Coagadex® | Hemophilia | \$70,000 / month |
| Hemlibra® | Hemophilia | \$50,000 / month |
| Herceptin® | Cancer | \$70,000 / dose |
| High dose Herceptin® | Cancer | >\$100,000 / dose |
| Idelvion® | Hemophilia | \$75,000 / month |
| Kadcyla® | Cancer | \$67,000 / dose |
| Luxturna® | Rare Type of Blindness | \$850,000 / once |
| Yervoy® | Cancer | >\$60,000 / dose |
| High dose Yervoy® | Cancer | >\$200,000 / dose |
| Zolgensma®† | Spinal Muscular Atrophy (SMA) | \$2,125,000 / once |

Continued ...

**\$500,000 to \$1 Million Medications
Per Plan Year in Adults***

(Based on average adult. Not every medication may be used on an ongoing basis every time.)

| Billed to Prescription Benefits | | |
|---------------------------------|---|--------------------------------------|
| Drug/Therapy | Disease | Cost |
| Actimmune® | Chronic Granulomatous Disease (CGD) / Severe Osteoporosis | \$78,000 / month (>\$900,000 / year) |
| Cuprimine® | Wilson's or Rheumatoid Arthritis | \$50,000 / month |
| Firazyr® | Hereditary Angioedema (HAE) – Acute Attacks | \$35,000 / dose |
| Haegarda® | Hereditary Angioedema (HAE) – Prophylaxis | \$40,000 / month |
| Korlym® | Cushing's (without surgery) | \$25,000 / month |
| Orkambi® | Cystic Fibrosis | \$23,000 / month |
| Sabril® (and generics) | Seizures | \$30,000 / dose |
| Symdeko® | Cystic Fibrosis | \$23,000 / month |
| Takhyzo® | Hereditary Angioedema (HAE) – Prophylaxis | \$45,000 / dose |
| Uptravi® | Pulmonary Arterial Hypertension (PAH) | \$30,000 / month |
| Vitrakvi® | Cancer | \$35,000 / dose |

| Billed to Medical Benefits | | |
|----------------------------|---|--|
| Drug/Therapy | Disease | Cost |
| Adcetris® | Cancer | \$35,000 / dose |
| Cyramza® | Cancer | \$50,000 / dose |
| Kymriah® | Cancer | \$400,000+ once |
| Oncaspar® | Cancer | \$35,000 / dose |
| Perjeta® | Cancer | \$50,000 / dose |
| Privigen® (IVIg) | Various | \$30,000 / month |
| Soliris® | Paroxysmal Nocturnal Hemoglobinuria (PNH) / Atypical Hemolytic Uremic Syndrome (aHUS) / Myasthenia Gravis | \$60,000 / month (\$720,000 / plan year) |
| Spinraza® | Spinal Muscular Atrophy | \$130,000 / dose |
| Vectibix® | Cancer | \$30,000 / month |
| Yescarta® | Cancer | \$400,000+ once |

Pipeline Therapies to Watch

| Drug/Therapy | Disease | What/When to Watch |
|--|---|--|
| Fidanacogene Elaparvovec (SPK-9001) | Severe Hemophilia type B without inhibitors | Experimental gene therapy; has received breakthrough therapy designation by the FDA |
| RVT-802 | Complete DiGeorge Syndrome (Athymia) | November/December 2019 |
| SPK-8011 | Severe Hemophilia type A without inhibitors | Investigational gene therapy; has been granted orphan drug designation and breakthrough therapy designation by the FDA |
| Valoctocogene Roxaparvovec (Valrox; BMN 270) | Severe Hemophilia type A without inhibitors | April 2020 |
| Voxelotor (GBT-440) | Sickle Cell Disease | Oral medication; uncertain of approval ability |
| Zolgensma® (AVXS-101) | Spinal Muscular Atrophy (SMA) | Alternative route and increase in the age threshold by 2020 |
| Zynteglo® (Lenti-Globin®; BB305) | Transfusion-dependent Beta-Thalassemia | April 2020 |

Assessing Outcomes of Recent Developments

A number of groundbreaking therapies have recently hit the market offering high hopes and high costs. While these do deliver new options for the management of life-threatening illnesses, they also come with extremely high price tags and additional potential risks for patients – both of which can significantly impact outcomes for self-funded employers. HM Insurance Group (HM) works to be a resource to our clients who want to gain more control of the costs associated with high-cost pharmaceutical therapies. See what we've learned.

Gene Therapies: What to Consider

Gene therapies come with very high costs. Things that can be done to assist in managing them include:

- Anticipating and identifying the potential risk prior to drug/therapy availability
- Working with HM to determine if possible risk may be reduced
- Notifying HM upon receipt of precertification/prior authorization requests
- Implementing cost containment strategies specific to what that manufacturer offers
- Knowing the availability of value-based contracts or outcomes-based contracts
- Understanding that not all gene therapies are “curative” or “one and done” and working to ensure the client’s plan document is reflective of such concepts

CAR T-Cell Therapy: A Retrospective

Kymriah® and Yescarta® were launched as gene-based, adoptive cell immunotherapies to target CD 19 T-cell receptors after a second relapse in patients with aggressive and hard to treat cancers in the forms of Acute Lymphoblastic Leukemia and Non-Hodgkin Lymphoma respectively. Additional clinical trials have been taking place with other CD receptor targets on T-cells in an effort to increase the ability to treat a wider range of diseases. The clinical trials also are looking at options to consider when the Kymriah® and Yescarta® do not achieve persistence (or are not working long enough to treat all of the cancer). Kymriah® is now being studied in treatment at a first relapse to potentially make it available earlier.

Since their introduction to the market, a number of high-cost interventions have been identified for management of adverse effects including chronic Intravenous Immunoglobulin Therapy (IVIG) or IG injections to combat/address hypogammaglobulinemia (which increases the risk of life-threatening infections) and stem cell transplants to decrease risk of cancer relapse or lack of persistence.

Zolgensma®: Things to Note in Managing Costs

Testing for Spinal Muscular Atrophy (SMA) is included in standard newborn panel tests in many states, so doctors may diagnose and treat patients very early if a child has SMA. Cost containment success has been seen by maximizing pathways offered by the manufacturer. When establishing cost management plans, it's also important to consider the adverse effects associated with use of gene therapies. Zolgensma® management may include recovery from serious liver injury, potential cardiac toxicity and thrombocytopenia. Since there is no data to evaluate the safety and efficacy of Zolgensma® and Spinraza® together, look for opportunities to define when/if both are covered.

Due to the nature of our business, we have become experts on the different opportunities for cost management in scenarios such as these, seeing many successes with our efforts. We also believe that cost containment opportunities begin with the plan document and recommend that groups give consideration to and prepare for not only for the actual gene therapy, but also the potential options in paying for it and the high cost (and often chronic management) of adverse effects.

About HM Insurance Group

HM Insurance Group (HM) works to protect businesses from the potential financial risk associated with catastrophic health care costs. The company provides reinsurance solutions that address risk situations confronting employers, providers and payers. A recognized leader in Employer Stop Loss, HM also offers Managed Care Reinsurance nationally.

HM Life Insurance Company and HM Life Insurance Company of New York are rated "A" (Excellent) by A.M. Best Company, one of the country's oldest and most respected rating agencies. Through its insurance companies, HM Insurance Group holds insurance licenses in 50 states and the District of Columbia and maintains sales offices across the country.

For more information, please contact HMPHarmacyServices@hmig.com

*Drug costs are derived from HM Insurance Group client paid data and/or from information obtained through the Advanced Medical Strategies (AMS) PredictRx tool, October 2019.

¹Zolgensma was FDA approved for patients who are less than 2 years of age; as such, the "per plan year in adults" description on the chart does not apply to this therapy.

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