Will Outcomes-Based Payments Hit COPD Drugs?

November 29, 2018, Managed Healthcare Executive Magazine
Michele Meyer
In these arrangements, drug companies must partially reimburse insurers if the drug fails to earn its keep. Will COPD drugs be included in such arrangements?


Ballreich


Wise

Outcomes-based payments, also known as risk- or value-based agreements, are arrangements in which drug companies must partially reimburse insurers if the drug fails to earn its keep by improving chosen health outcomes, such as lowering the number of patient emergency room visits or hospitalizations for acute exacerbations.

“It’s like a money-back guarantee,” says Jeromie Ballreich, PhD, MHS,. “Insurers get a rebate that takes a bite into their high cost of hospital care.”

While these agreements are a “very hot topic” in the drug price arena, they have yet to catch on for COPD medications, says Ballreich.

That’s because these arrangements occur typically for expensive cardiovascular and oncology drugs that face competition from branded drugs and generics.

That’s not the case for COPD. But that may change with the advent of new combination drugs, Ballreich says.

Current state of COPD payment approaches

Ballreich knows of just one outcomes-based arrangement for COPD. It is between Highmark and Astrazeneca’s combination-inhaled budesonide/formoterol (Symbicort).

Symbicort is a relatively new drug battling well-established drugs for good placement in formularies, says Ballreich. “AstraZeneca had to have a creative solution to get Highmark to place it on a preferred drug tier.”

In return for that placement, AstraZeneca will reimburse Highmark an agreed-upon amount of money if patients have bad outcomes taking Symbicort, Ballreich says.

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Ballreich believes drug companies and insurers will take a wait-and-see approach before making other risk-based agreements for COPD medications. “Not every drug and disease is amenable to such agreements,” he says.

The ultimate objective is a drug that patients will buy and use. “Outcomes need to matter to the manufacturer and the insurer,” Ballreich says.
With a complicated disease such as COPD, the hitch may be measuring or agreeing upon adverse outcomes. These are not as easy to define as with cardiovascular drugs (strokes and heart attacks) or cancer drugs. “There’s potential,” Ballreich says. “But as the old saying goes, the devil is in the details.”

COPD 2019 formulary news

Express Scripts slashed 48 drugs, including long-acting beta agonist nebulized arformoterol (Brovana) and pulmonary anti-inflammatory ciclesonide (Alvesco), from its 2019 formulary. CVS Caremark dropped 23 drugs, including anticholinergic aclidinium bromide inhalation powder (Tudorza PressAir), while adding other drugs, including combination drugs such as outcomes-based Symbicort.

Since patients may belong to a variety of Medicare Part D or insurance plans, pulmonary specialists often rely on EHRs such as Epic when determining if a drug is on formulary.

But EHRs aren’t always up to date, and sometimes say a drug isn’t covered when it is-or the reverse, says Robert A. Wise, MD, professor of medicine at Johns Hopkins University

School of Medicine. “We’re playing roulette trying to prescribe something that’s effective and affordable.”

COPD patients may choose their Medicare Part D plan based on the drugs they take, Wise says. “Then the formulary changes-and suddenly they cannot have the drugs that work for them or have to pay an inordinately high price for them.”

Even accepted lower-tier drugs may cost $300 or more monthly for COPD patients, many of whom need multiple drugs for that disease and other ailments they suffer, says Stephen Clum, MD, PhD, assistant professor of medicine and pulmonary care specialist at University of South Florida in Tampa.

“You’d have to be wealthy to be able to afford all the drugs COPD patients need,” Clum says.