

A Case Study

Going Beyond Generics with DatabaseRX Therapeutic Interchange

How health plans and members benefit by switching to lower cost medications

COVID19 has dramatically changed healthcare delivery and the economic impact of the virus on healthcare spending is still not fully known. The prices of almost 500 prescription drugs have risen in 2020, with an average increase of 5%. Prices started rising when the first cases of COVID19 occurred in the U.S and have not stopped since.

In addition, the subsequent rise in unemployment resulting from the pandemic, coupled with high prescription drug prices, has led to the decline in the purchasing power of Americans.

In this case study, we harness the power of therapeutic interchange technology to show how health plan members can get back some of their purchasing power and put money back in their own pockets and how health plans not only save on medications but on overall healthcare costs as well.

Magnitude of potential savings in switching

DatabaseRX is ConnectureDRX's therapeutic interchange solution, offering extraordinary savings potential. Through an opportunity analysis on more than 8.7 million prescriptions in the CMS Formulary Reference File over the past year, the DatabaseRX analytics engine combed through claims data and evaluated the potential savings according to each drug's therapeutic class.

If all the 8.7 million prescriptions were switched to the lowest cost options, the savings would amount to \$219 million or 37% of the original prescription value of \$1.2 billion.

If even a fraction of members switched to lower cost drug options, the savings would still be substantial for both health plans and members.

Let's dive deeper to see why...

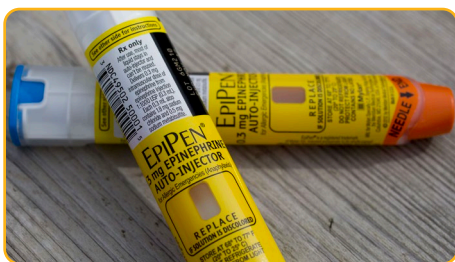
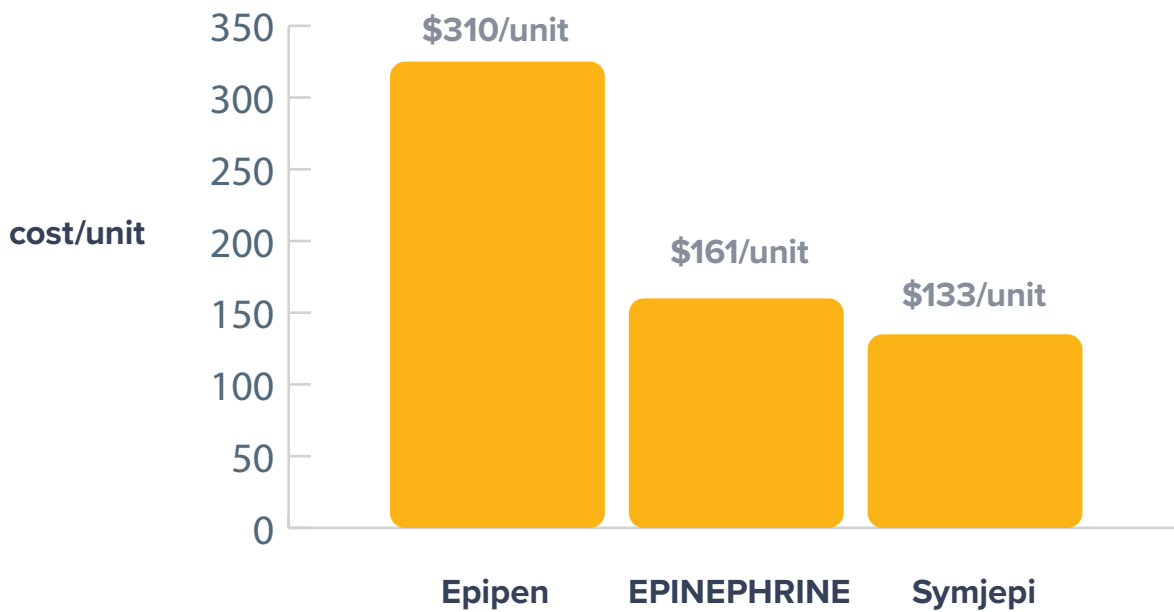
Direct generic drugs do not always offer the best savings

A direct generic is a drug identical to the original brand drug in chemical composition and, as such, does not require a new prescription to make the switch. However, just because a brand drug has a direct generic does not mean that is the lowest possible cost, so we look to therapeutic interchange options, such as those offered in DatabaseRX.

Here is an example of what health plans are paying for medications (portions of which are passed on to members as copays or coinsurance).

DatabaseRX offers medication options health plans and their members may be unaware of.

Example: Auto-injectable devices for severe allergic reactions



Brand
\$310/ unit



Generic
\$161/ unit



DatabaseRX
Therapeutic Option
\$133/ unit

What can health plans do armed with this information?

This example shows how important visibility into therapeutic interchange options can be for health plans and their members.

With claims data and health plan analytics provided by DatabaseRX, health plans can proactively connect with a member via text, email or phone and suggest they speak with their prescriber about switching from the Brand Epipen at \$310 a unit to Sympej at \$133 a unit.

A deeper dive into where the savings come from

Approximately **66% of the savings with therapeutic interchange options** come from the following 10 categories of conditions.

Category	Total Rx	Potential Savings
Rheumatoid Arthritis - Anti-TNF	30432	\$28,249,141
Diabetes: Insulin	100783	\$25,107,328
ADHD	293198	\$24,255,124
Multiple Sclerosis	9976	\$18,542,169
Antipsychotics	72172	\$14,893,485
Ulcerative Colitis (Aminosalicylates)	17789	\$8,708,372
Diabetes: SGLT2 Inhibitors	27257	\$7,624,672
Asthma/COPD: Combination Products	61540	\$7,329,874
Diabetes: DPP-4 Inhibitors	14118	\$4,955,758
Depression: SNRIs	143217	\$4,737,712
Total		\$144,403,635

Let's look at diabetes and rheumatoid arthritis to see the incredible savings potential for these two costly conditions.

What can be saved in switching medication for diabetes

Over 34 million people in the United States suffer from diabetes. Insulin prices have tripled in the past 10 years.

In our study, we looked at 550,000 units of prescribed Novolog at \$30 per unit. Admelog is a comparable brand but is priced at an average of \$13 per unit.

If the health plan in our study could get their members to switch from Novolog to Admelog, they would see a savings of over \$9.3 million dollars/year in retail costs. A simple \$17 per unit savings can add up quickly when matched with a commonly prescribed drug. Health plans can connect with members directly and encourage they speak with their prescribers about switching to the lower-cost therapeutic option which will help improve medication adherence. Medicare adherence directly impacts outcomes and is an important factor in Medicare Star Ratings for health plans.



Brand at \$30 per unit

Therapeutic interchange option at \$13 per unit



Rheumatoid Arthritis drug savings with less frequent dosing

Rheumatoid arthritis is a costly condition requiring consistent aggressive treatment for many years to control symptoms, manage pain and stop disease progression. RA is estimated to cost \$19 billion a year in the U.S. with many patients paying up to \$30,000 annually for medication costs alone. Those with insurance can still end up paying 30% or more of the total costs of certain medications.

In our study, Humira was prescribed approximately 21,000 times at an average cost per unit of \$2600.

Cimzia with similar efficacy, at a cost of \$4400 per unit, requires half the dosing of Humira. Switching all 21,000 units for Humira to Cimzia resulted in a savings of over \$8.4 million dollars.

This highlights the importance of having accurate dose-to-dose ratio information since Cimzia, while costing more per unit than Humira, is still more cost effective since members would be taking less of it.

Summary

Lower cost medication options offered by therapeutic interchange add up to significant savings for health plans and members. Through proactive outreach with DatabaseRX, health plans can connect directly to members regarding these therapeutic options. These cost savings can positively impact medication adherence and outcomes and ultimately lead to improved health plan-member engagement, plan performance and higher star ratings.

Look for additional information on how your health plan, PBM or pharmacy can benefit from ConnectureDRX's DatabaseRX at www.connecture.com.

Sources:

<https://www.rheumatoidarthritis.org/treatment/costs/>

<https://www.singlecare.com/blog/insulin-prices/>

<https://www.businessinsider.com/insulin-price-increased-last-decade-chart-2019-9#:~:text=In%202009%2C%20the%20list%20price,Today%2C%20it%20costs%20about%20%24290.>

<https://www.healthline.com/health-news/prescription-drug-prices-have-gone-up-this-year>



Contact Us

connecture.com | marketing@connecture.com | 800.379.9060

©2020 Connecture, Inc.