

Health-System Strategies Addressing High Cost Drugs

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Speakers have nothing to disclose

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Learning Objectives

- Pharmacists
 1. Identify high-cost medications requiring focused evaluation.
 2. List information needed to determine feasibility and appropriateness of high-cost drug therapy.
 3. Discuss a drug evaluation process that is efficient and provides the best patient outcome at the lowest cost to patients and healthcare facilities
- Pharmacy Technicians
 1. Identify high-cost medications requiring focused evaluation.
 2. Discuss a drug evaluation process that is efficient and provides the best patient outcome at the lowest cost to patients and healthcare facilities.

*PCSK9 inhibitors: Not Cost-effective at Current Price: ICER Review. Medscape. Sep 08, 2015.

Price Hikes Due to Mergers/Acquisitions

- Turing
 - Purchased the rights to Pyrimetamine (Daraprim®) in Aug. 2015 & immediately raised the price by 5,455%
 - \$13.50 to \$750.00 per pill
- Valeant
 - Raised prices frequently and steeply on Sodium nitroprusside (Nitropress®) (310%); Isoproterenol (Isuprel®) (718%); Phytonadione (Mephyton®) (527%); & Ethacrynic acid (Edecrin®) (879%)

Very Expensive Specialty Treatments

- Sofosbuvir (Sovaldi®)
 - \$84,000 dollars in US
 - \$900 in Egypt
- PCSK9 inhibitors
 - \$14,000/year per patient in US
 - Treatment needs to be \$2,400/year to be cost-effective²
 - 2.6M US patients will qualify for treatment in the next 5 years with a total impact of \$109 Billion

*PCSK9 inhibitors: Not Cost-effective at Current Price: ICER Review. Medscape. Sep 08, 2015.

How Much Does Pharma Spend on R&D vs. Marketing

- “We need to raise cost so we can invest in R&D”
 - Valeant
 - R&D = 3% of sales
 - Pharma
 - R&D = 15% of sales
 - Marketing = 20-25%
 - Claims \$500M per new drug but actually \$51-71M after taxes¹

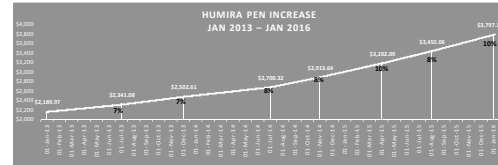
¹Greenhill.com, Pharma is Picking Out at the Public Trough, April 12, 2016, Mythesis Hall

Brand Drug Prices Have More Than Doubled Since 2008

Source: Express Scripts 2015 Drug Trend Report. Available at <http://lab.express-scripts.com/lab/drug-trend-report>

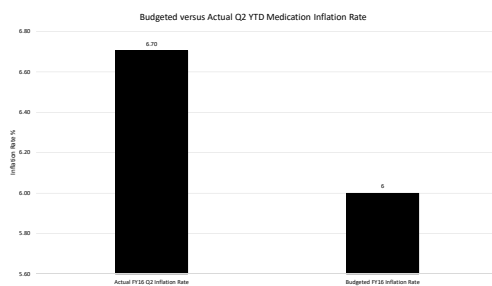
What's Under the Radar...

- Limited visibility to smaller % increases but impact is significant
 - Remicade® 10% increase on \$5M = \$3,000,000 / year
 - Humira® Pen 18% YOY (\$1M)



Source: Northwestern Medicine

Medication Inflation



Source: Northwestern Medicine

Potential Solutions

- Transparency
 - Require details of cost prior to FDA approval; require annual reporting of price increases; disclose R&D/DTC costs
- Competition
 - Speed up generic approval process; incentivize competition for sole source off-patent drugs; strengthen post-market clinical surveillance; fix exclusivity laws; curb misuse of REMS; promote biosimilars
- Value
 - Increase funding for research; require drug makers to compare cost & outcomes

Recommendations from the Coalition for Sustainable Rx Pricing (CSR&P)

High Return Pharmacy Investment

Potential Solutions, Continued

- Establish an internal retail pharmacy with bedside prescription delivery
- Establish an internal specialty pharmacy
- Embed pharmacists in primary care and specialty clinics as part of the interdisciplinary team
- Implement a pharmacist post discharge telephone follow up program for complex patients to avoid adverse effects

What is the best way to focus efforts on medication expense?

- Budget drug inflation annual
- Budget usual price increases for high cost and high volume items
- Do not consider Biosimilars
- A and B

Rolla Sweis, Pharm.D, M.A., BCPS

Executive Director – Multisite and Specialty Pharmacy
Advocate Health Care

Advocate Health Care

- Advocate is the largest health system in Illinois.
- Advocate has the largest emergency and Level I Trauma network in Illinois.
- Advocate treats more pediatric patients than any other hospital or system in the state
- Advocate offers nearly 400 sites of care, with 12 acute care hospitals, including a children's hospital with two campuses and the state's largest integrated children's care network.


Advocate Health Care


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Advocate Health Care and Aurora Health Care combined would be one of the biggest regional health systems

By Alex Kisch | December 9, 2017

The Advocate Health Care and Aurora Health Care merger would create a \$10.7 billion cross-state system that would continue the trend of providers realigning into regional hubs.

CRAIERS

Home | Chicago & Illinois | Special Reports | Press Releases | Analytics & Research | Profiles on the Move | Education Features | News » » State Government and several groups will make a public case. But there are also.

LEADERS, NOT FOLLOWERS  **ADVOCATE HEALTH CARE**

May 19, 2017

Advocate plans \$200 million cuts

By [Name] | Healthcare | Finance | 2:58 PM | Tags: [Tag], [Tag], [Tag], [Tag], [Tag], [Tag]

Developing Leaders Northwestern University 

f +

Advocate Health Care to make \$200 million in cuts

Healthcare Headlines Hospital Review ASC Review Spine Review Infusion Center Health IT CDO CFO Dental Review 1,800,417,205 Email Up

Hospital CFO Report Search...

Advocate Health Care to make \$200M in cuts amid financial pressure

(Editorial by our chief writer) May 19, 2017 Print | Email

Downers Grove, Ill.-based Advocate Health Care will make \$200 million in cuts, as the 11-hospital system faces declining reimbursement rates from payers and payment delays caused by operating in a state with significant budget challenges.

Pharmacy Response

- Focus was on expenses to minimize impact on labor
 - Pharmacy- cut drug costs and save staff positions
- System approach for initiatives

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Approach to High Cost Drugs

- Utilize P&T- and empower pharmacist practice
 - IV to PO as much as you can
 - Restrictions- all high cost drugs
 - Guidelines
 - Compounding
- Storage on units (automated dispensing cabinets)
 - Trim inventory down
 - Vasopressin

Drug Shortages

- Source now of high costs
- Major operational implications
- Antibiotics- moved to PO or IVP where possible
- Assess practice and avoid waste (IVF, calcium, etc)
- Assess overuse- opiates

Managing drug shortages

- Weekly huddles/meetings with pharmacy leadership
 - Purchasers
 - Managers
 - Clinicians
- Make decisions, discuss options, discuss roll out and communication
- If part of a system- need to share
 - Set up weekly system huddle

Some more tips for high cost drugs....

- Push 'outpatient' drugs to outpatient only
 - Humira, Remicade
 - MS Drugs, etc.
- Chemotherapy
 - Guidelines for inpatient vs outpatient

Some more tips for high cost drugs....

- High cost drugs
 - Nitroprusside
 - Neostigmine
 - Vasopressin
- Extreme costs
 - Specialty drugs (for example: nusinersen)
 - Specialty P&T Committee

What are some approaches to managing high cost drugs?

- A. Ignore it, wait until the drug decreases in price
- B. Implement guidelines
- C. Implement restrictions
- D. B and C

Decision Team

- SFMC Pharmacy Leadership
- P&T Leadership
- Financial Analyst
- CFO
- Ethics



<https://openclipart.org/detail/215499/users>

Final Steps

- Approval by email
- Follow up discussion with provider
- Team meeting with provider



<https://openclipart.org/detail/284838/perplexed-male>

Nusinersen (Spinraza®)

- Used for spinal muscular atrophy
- Dose: 12 mg once every 14 days for 3 doses, then 12 mg once 30 days after the third dose. Maintenance dose: 12 mg once every 4 months
- \$150,000 per 12 mg dose

Liposomal Daunorubicin/cytarabine (Vyxeos®)

- Used for acute myeloid leukemia
- Dose (induction): Daunorubicin 44 mg/m² and cytarabine 100 mg/m² days 1,3, and 5
- \$9300/vial (each vial contains 44 mg daunorubicin and 100 mg cytarabine)

Who is included in the Decision Team within the High Cost Non-Formulary Process at OSF SFMC?

- A. Nursing leadership
- B. Ethics
- C. Staff pharmacists
- D. Finance
- E. A and C

Non-Formulary Treatment Clinical Review

Medication (completed by Pharmacy):

Cost per dose (completed by Pharmacy):

Number of doses:

Is inpatient status required to begin treatment?

Can any part of the treatment cycle be administered outpatient infusion &/or home care? If so, at what point?

The following are to be completed by: Requesting Provider

Any questions or barriers to obtaining information, please contact Jennifer Ellison at 309-655-2286 or

jennifer.c.ellison@osfhealthcare.org

1. Patient Name:
2. Patient DOB:
3. Is this patient already admitted to SFMC?
 - a. If so, what room/bed number?
 - b. Approximate date of discharge?
4. MRN (if applicable):
5. Does the patient have Decisional Capacity? Please explain.
6. Does the patient have any Advanced Care Planning (ACP) Documents?
 - a. Power of Attorney for Health Care
 - b. Living Will
 - c. Other documents discussing DNR (do not resuscitate) orders, organ and tissue donation, dialysis, and blood transfusions.
7. If patient does not have ACP documents, has ACP be recommended to the patient?
 - a. Is the conversation regarding ACP recommendation documented in EMR?
8. Diagnosis:
Please answer 9-12 or fax/email most recent 'H&P' & most recent progress notes
9. Disease History:
10. Prognosis:
11. Co-morbidity:
12. Treatments/Medications that have been tried & failed:
13. **Name of Non-formulary Medication request:**
14. Treatment Course:
 - a. Dose
 - b. Frequency
 - c. Anticipated length of therapy
 - d. Will delay in treatment cause clinical significance? If so, why?
15. Any unique Risks/Side Effects to comment:
16. Appropriate care goals with treatment:
17. Will the medication be used in the way it is indicated? Please explain.

18. Success Rate of medication:
19. Alternatives (including no treatment &/or hospice):
20. Insurance Information (please provide front & back copy of card):
 - a. Company:
 - b. Identification #:
 - c. Group #:
 - d. Does insurance cover care at OSF-SFMC?
 - e. If out of network, are there institutions that are in-network for this patient?
 - i. If so, why is patient seeking care there?

If SFMC is the only feasible option for the patient but care is not covered at OSF-SFMC, provider may be contacted by SFMC to begin appeal process with insurance company.

21. Aware of any other Funding Available (i.e. Clinical trials, manufacturer benefits)?

Non-Formulary Treatment Financial Review

Completed by: SFMC Finance

1. Is SFMC in or out of network?
 - a. If out of network, why is patient seeking services at an out of network hospital?
2. Cost per dose:
3. Please fill in tables

Inpatient	
DRG reimbursement	\$
Add-on reimbursement for drug	\$
Cost of drug	\$

Outpatient	
Visit/APC reimbursement	\$
Add-on reimbursement for drug	\$
Cost of drug	\$

4. Financial assistance from drug manufacturer?
5. Other Patient Assistance programs available excluding OSF Financial Assistance?
7. What is the projected financial burden to patient?
8. What is projected financial burden to organization?
9. Is an ABN or commercial waiver necessary or prudent?
 - If so, please complete appropriate document & send with completed Financial Review.



Patient:
MRN
DOB
DOS
HAR

Non-Covered Services Authorization

Insurance does not pay for some or all services provided to patients. Even some care that you or your health care provider have good reason to think you need. We expect that your insurance provider may not pay for the services below.

Service(s)	Reason your Insurance May Not Pay:	Estimated Cost

WHAT YOU NEED TO DO NOW:

- Read this notice, so you can make an informed decision about your care.
- Ask us any questions that you may have after you finish reading.
- Choose an option below about whether to receive the services listed above.

OPTIONS: Check only one box. We cannot choose a box for you.

- ☐ **OPTION 1.** I want the services listed above. I may be asked to pay now, but I also want my insurance billed for an official decision on payment. I understand that if my insurance **does not pay**, I am responsible for payment.
- ☐ **OPTION 2.** I want the services listed above, but do not bill my insurance. I may be asked to pay now as I am responsible for payment.
- ☐ **OPTION 3.** I don't want the services listed above. I understand with this choice, I am **not** responsible for payment.

Additional Information:

This notification states an opinion, not an official decision from your insurance company.

Signing below means that you have received and understand this notice. A copy is provided to you.

Signature of Patient or Representative:	Date:
Signature of OSF Witness:	Date:

Ethical and Moral Questions

Completed by: OSF Decision Team

Ethics is concerned with compassionate and competent care of the patient.

1. Are the OSF Decision team and the requesting physician interacting in a cooperative, mutual, and open manner for the best outcome of the patient?
2. Is the patient engaged in his or her care, aware of her or his medical condition, and involved in developing goals of care?
3. How does this treatment align with the Mission?
4. How does this treatment align with our Moral Tradition?
5. Have morally legitimate treatment alternatives, including palliative care or hospice, been discussed?
6. Have all payers been identified?

Final Decision: