

# S.92 - An act relating to interchangeable biological products

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House Committee on Health Care

April 3, 2018

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# BCBSVT's Drug Cost Trend

- Specialty drugs is the fastest growing segment of BCBSVT's pharmacy cost trends
- 50.3% of BCBSVT's pharmacy costs are now for specialty drugs (only 1% of scripts)
- Main driver of specialty drug trend is price increases by the manufacturers

	BCBSVT 2017 Drug Trend
Non-Specialty Drugs	4.1%
<u>Specialty Drugs</u>	<u>21.2%</u>
Total	12.1%

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# Drugs with Biosimilar Equivalents

Drug	Condition
Humira	Inflammatory Conditions
Enbrel	Inflammatory Conditions
Avastin	Oncology
Neupogen	Oncology
Remicade	Inflammatory Conditions
Herceptin	Oncology
Rituxin	Oncology
Neulasta	Oncology
Epogen/Procrit	Oncology/Anemia

- None of the biosimilars have been deemed “interchangeable by the FDA and some are being challenged in the courts by the manufacturer of the innovator brand version

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# Potential Savings

- Biosimilars are about 15%-30% less expensive than the innovator brand version

	<b>Claim Count</b>	<b>BCBSVT 2017 Cost</b>
Drugs with biosimilar	9,042	\$41,048,730
Drugs w biosimilar in the pipeline	787	\$5,809,258
<b>Total</b>	<b>9,829</b>	<b>\$46,857,988</b>

<b>15% Savings</b>	\$7,028,698
<b>30% Savings</b>	\$14,057,396

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# History of Generic Substitution Law

- Vermont passed the mandatory generic substitution law in 2001
- Only 35% of drug claims were for generic drugs in 2001
- Generic drugs became more prevalent in late 2000's
- 87% of BCBSVT's drug claims are now for generic drugs
- Each 1% increase in the generic dispensing rate lowers pharmacy cost by about \$3M

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