QUESTION & ANSWER

Biosimilars: How to prepare for your future

Biosimilar products have a similar therapeutic value and potency as their biologic counterparts but at a different price point. These new emerging therapies are important to health system customers because of their ability to help manage chronic conditions at lower costs to patients and providers.*

QUESTION	ANSWER
What does the future of Biosimilars in Health Systems look like?	Biosimilars will continue to come to market. Adoption of biosimilars by providers, payers, pharmacies, and patients will require a delicate balance of cost, therapeutics, and reimbursement. As more products emerge, costs will become more competitive. Health systems will need to be aware of reimbursement by the payer, and pharmacy leadership needs to leverage relationships with their managed care teams to learn which items are preferred, manage margin, and work closely with Pharmacy and Therapeutics Committees to evaluate each therapeutic's efficacy.
What potential challenges or obstacles do you envision health systems facing?	Knowledge is key. Health Systems will have to better manage the complete cycle of clinical need through purchase and reimbursement.

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What key areas should a health system consider when adopting biosimilars?	When considering a biosimilar option, there are clinical, operational, and economic challenges to consider. For example, a health system will have to consider how a biosimilar's efficacy and safety profile compare to that of the reference product. Also, is the biosimilar approved for all the same indications as its counterpart? Which payer covers this biosimilar and is prior authorization needed? Is there a patient assistance program for the drug? How does the cost and reimbursement of the biosimilar compare to the reference product?
What are the best practices for adopting biosimilars?	Take a multidisciplinary approach and include all team members in the decision-making process; it helps all stakeholders to understand how your health system will go about adopting these new products. Standardizing the meeting cadence will ensure compliance as more options come to market and more decisions need to be made. • Appoint one member of the team to lead the conversion process • Understand both the effect the biosimilars will have on your patients and also how your primary payers will reimburse these products; it's important to check their formularies to see if biosimilars are included • Educate your staff on biosimilars*
What is the cost-benefit of using biosimilars in health systems?	The use of biosimilar drugs can save money for both patients and providers. The affordability of biosimilars can have a meaningful impact on the healthcare system, and it's estimated that their use can improve access to these therapies for around 1.2 million patients. Adoption of biosimilars could potentially save patients and providers approximately $100 billion in the aggregate over five years. Increased use of biosimilar products will potentially have significant economic impact. According to an article in Rand Health Quarterly, it's estimated that use of biosimilars (as opposed to biologics) will save patients and providers around $54 billion between 2017 and 2026.*
How can the McKesson RxO Utilization Analytics tool help health system customers with their biosimilar strategies?	Utilization Analytics is a reporting tool offered through McKesson that not only looks at health system purchases and reimbursement, but can also support the complex analysis health systems need to complete before making formulary decisions.
Does Utilization Analytics only focus on biosimilars?	No. Utilization Analytics provides comparative analysis across purchases, drug class, drug entity, diagnosis, provider, and reimbursement. It is a powerful analytics tool that provides a level of detail not found in other analytics tools.

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What increases the adoption of biosimilars?	Interchangeability of biosimilars increases adoption by providers and health systems. It also gives payers the ability to identify a preferred product. An example is Semglee Insulin Glargine being interchangeable with the reference product Lantus. Zarxio (filgrastim-sndz), Releuko (filgrastim-awyo) and Nivestym (filgrastim-aafi) are all biosimilars to Neupogen (filgrastim) and approved for most indications of Neupogen. Granix (tbo-filgrastim) is technically not a biosimilar to Neupogen because of how it filed with the FDA (health systems have made the decision to incorporate it as a formulary product).
How has a customer used Utilization Analytics to positively affect their Biosimilar Strategy?	A customer recently validated the economic feasibility of Remicade and Herceptin Biosimilars through Utilization Analytics. They were able to assess the utilization of the reference products as well as existing biosimilars and project future savings and reimbursement by payer. With the help of the UA support team, customer was able to see which payer was paying or denying which product. For example, from Jan 2021 to Dec 2021, UA support team analyzed the usage and reimbursement patterns for Herceptin and three biosimilars that were used during this time frame (I.e. Herzuma, Ogivri, Kanjinti), and identified that the reimbursement for Herceptin was below-cost reimbursement for Medicare, Medicaid, and two commercial payers. For Kanjinti, customer saw positive margin only from two commercial payers; but for Herzuma and Ogivri, positive margin resulted from most payers. With this information, the customer narrowed down the Herceptin biosimilar options to either Herzuma or Ogivri, and is continuing to review their projected costs and reimbursements considering the volume, payer mix, and prior authorization implications.

Learn how the McKesson RxO team can help you navigate the world of Biosimilars.

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Sources:

* https://mms.mckesson.com/resources/product-resources/what-are-biosimilars-how-biosimilars-differ-from-biologics-in-cost-benefits

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