

## Case Study

# Managing the cost of specialty drugs

Study finds limiting costly drug to its unique clinical use could have saved \$1 million

**BACKGROUND:** Today, H.P. Acthar® Gel injection may be recognized more for its price than its efficacy. Once relatively inexpensive, the cost of this biologic hormone therapy increased more than one-thousand percent in 2007.<sup>1</sup> With prices ranging from \$25,000 to \$35,000 per vial, its cost far exceeds that of any alternatives.<sup>2</sup>

### Excessive cost compared to alternatives

H.P. Acthar Gel is a highly purified preparation of adrenocorticotropic hormone, a pituitary hormone which stimulates the adrenal gland to make cortisol, a corticosteroid. It is FDA approved for a variety of conditions for which corticosteroids (such as prednisone) also work well. Acthar Gel costs 1,000 times more than other corticosteroids.<sup>2</sup> Yet studies comparing a corticosteroid and an earlier Acthar Gel formulation found corticosteroids to be equally safe and effective

for treatment of multiple sclerosis exacerbation.<sup>3</sup> The only condition for which Acthar Gel is the preferred treatment is infantile spasm, an extremely rare syndrome affecting less than 0.025 percent of the population.<sup>4,6</sup>

Clinicians at Prime Therapeutics (Prime) analyzed integrated medical and pharmacy claims to categorize Acthar Gel use and develop a strategy to better manage these costs.

### Analysis finds 96% of use unnecessary

Prime's analysis of 5.5 million members confirmed that Acthar Gel use is:

Limited	Infrequent	Expensive	Disunited
Out of 5.5 million, only 30 members were identified with an Acthar Gel claim.	Four of five members who used Acthar Gel had only one claim.	Total Acthar Gel drug cost for the 30 members identified was \$1,214,923 over six months.	Two-thirds of Acthar Gel claims were submitted as pharmacy claims; the rest were processed under the medical benefit.

Prime identified 30 members with Acthar Gel claims. Of these, only one (3.3%) had an infantile spasm diagnosis. This member accounted for \$146,595 (12.1%) of Acthar Gel expenditures.

While practice guidelines uphold Acthar Gel as the preferred treatment for infantile spasm, Prime's analysis confirms this condition is extremely rare.

If Acthar Gel had been limited to the treatment of infantile spasm—its sole unique use—the vast majority of claims in this analysis would not have been approved. This would have saved over \$1 million in just six months.

*continued*

## Evidence-based management recommendation

Given the dramatic difference in cost, corticosteroids should be first-line treatment for most conditions for which Acthar Gel is approved.<sup>6</sup> Members with conditions such as multiple sclerosis and adrenal

insufficiency should be guided to these safe, effective and more affordable treatments.

To support appropriate treatment while managing this costly form of therapy, Prime strongly recommends utilization management.

### Program options include:

Approve Acthar Gel only for individuals with an infantile spasm diagnosis.  
(estimated savings in this study: \$1,068,328)

**OR** Approve Acthar Gel for individuals with an infantile spasm diagnosis; and require individuals with other conditions to try a corticosteroid before approving Acthar Gel.  
(estimated savings in this study: \$549,483)

Prime's data showed one third of Acthar Gel claims processed through the medical benefit. Without the ability to apply utilization management at the point of sale, this Acthar Gel use—equivalent to about \$400,000 in this study—might go completely unmanaged. Shifting coverage to the pharmacy

benefit would enable more claims to be evaluated consistently. Prime Specialty Pharmacy is fully equipped to administer this program; this channel also offers strong discount savings and streamlined care integration opportunities with the health plan.

## What makes Prime's solution unique?

Where other pharmacy benefit managers are limited to a pharmacy-only view, Prime uses its connection with health plans to take a complete view of drug use and costs. This broader view allowed Prime to identify and evaluate the one-third of Acthar Gel use which was processed under the medical benefit.

Prime also leverages its health plan relationships to influence the best possible health outcomes for members. In this scenario, Prime would pass integrated pharmacy and medical data to the health plan's case managers to support a seamless care management experience for members—both those who are approved to receive Acthar Gel and those who are guided to an alternate therapy.

## Study methods

Population: 5.5 million members from five Blue Cross and Blue Shield Plans

Timeframe: January 1 through December 31, 2010; members were continuously enrolled



With a price tag of up to \$35,000 per vial, it is critical that Acthar Gel is used appropriately. Prime recommends integrating data and coordinating care management across health plan and PBM to support utilization management for Acthar Gel under the pharmacy benefit.

## References

- <sup>1</sup> Watson, R. "Drug Price Soars from \$1,650 to \$23,000 Per Vial To Treat Babies with Infantile Spasms: Parents and Physicians React." Available at: [http://professionals.epilepsy.com/page/ar\\_1189197304.html](http://professionals.epilepsy.com/page/ar_1189197304.html).
- <sup>2</sup> Internal analysis of average wholesale prices and acquisition costs across Prime's commercial book of business.
- <sup>3</sup> Thompson, A.J.; et al. "Relative efficacy of intravenous methylprednisolone and ACTH in the treatment of acute relapse in MS." *Neurology* 39 (1989): 969–971.
- <sup>4</sup> U.S. Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Bureau. Women's Health USA 2011. Rockville, Maryland: U.S. Department of Health and Human Services, 2011.
- <sup>5</sup> Epilepsy: A Comprehensive Textbook. Edited by J. Engel, Jr. and T.A. Pedley. Lippincott-Raven Publishers, Philadelphia, 1997.
- <sup>6</sup> Drug Topics Red Book, Pharmacy's Fundamental Resource, 2008 Edition. Montvale, NJ: Thomson Medical Economics; 2008.