

ACCESS TO MULTIPLE SCLEROSIS MEDICINES IN EXCHANGE PLANS

Medicines are a critical component of long-term management of multiple sclerosis (MS) and prevention of the disease's progression. MS is an autoimmune inflammatory disease of the central nervous system that is a leading cause of disability in young adults. MS disrupts the ability of parts of the nervous system to communicate. MS can take several forms, with new symptoms either occurring in isolated attacks (relapsing forms) or building up over time (progressive forms). Between attacks, symptoms may go away completely; however, permanent neurological problems often occur, especially as the disease advances. The results presented below provide insights into how plans in the 2015 health insurance exchanges cover innovator multiple sclerosis agents.ⁱ Findings are primarily based on an analysis of silver plans available in all states nationwide in 2015;ⁱⁱ accordingly, discussion of exchange plans below refers to these silver plans.

COVERAGE & ACCESS FOR MULTIPLE SCLEROSIS MEDICINES

MS medicines are often subject to high cost sharing in exchange plans and tight utilization management, both of which could be barriers to access for many patients

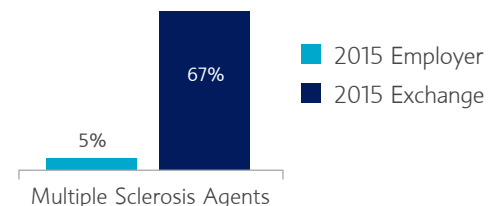
MS patients in exchange plans face barriers to access, including placement on high-cost formulary tiers, prior authorization requirements, and step therapy requirements. Formulary tier placement affects patient access to medicines because higher tiers generally have higher levels of cost sharing. Additionally, unlike most employer plans,ⁱⁱⁱ many exchange plans subject both prescription medicines and other items and services to a single global, also known as combined, deductible. Those deductibles average about \$2,700 among exchange plans in 2015.^{iv}

Formulary Coverage: 2015 exchange plans cover many innovator MS medications; however they are often placed on the specialty tier

In 2015, exchange plans cover MS innovators 83% of the time. Employer plans in 2015 cover these medications considerably more often than exchange plans—93% of the time in 2015.

Though MS medications often are covered by exchange plans, these medicines are frequently placed on specialty tiers, whereas employer plans are far more likely to place them on the preferred or non-preferred brand tiers. Among 2015 exchange plans, innovator MS medications are on a specialty tier 67% of the time. In contrast, employer plans place these medications on a specialty tier only 5% of the time.

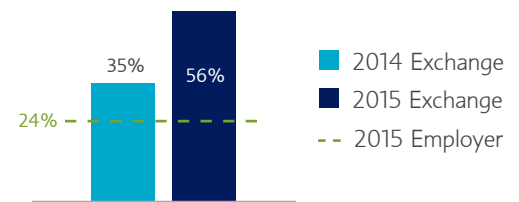
Percent of the Time MS Medications Are on a Specialty Tier



Access Limits: Use of utilization management grew substantially from 2014 to 2015

Utilization management (UM) occurs much more often in exchange plans in 2015 than it did in 2014 for innovator MS medications. Prior authorization, step therapy, or both occur 56% of the time for innovator MS medications in exchange plans in 2015, compared to 35% of the time in 2014. This 2015 percentage is higher than in many other therapeutic areas and could make access to MS medications difficult for some patients. It is also substantially higher than UM in employer plans, which require UM only 24% of the time for innovator MS medicines in 2015.

Use of UM for Innovator MS Medicines in Exchange and Employer Plans

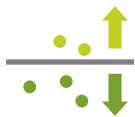


Cost Sharing: Consumers are much more likely to pay coinsurance rather than a copayment for MS medications

For innovator MS medications, exchange plans in 2015 use coinsurance two-thirds (66%) of the time. Coinsurance requires patients to pay a share of the total cost of the covered medicine, after any applicable deductible. When coinsurance applies, the average coinsurance for innovator MS medications in 2015 is 36%. Based on the costs of MS medications, this translates to monthly cost sharing for a single innovator MS medication that could range anywhere from about \$350 to \$2,400, depending on the medicine.

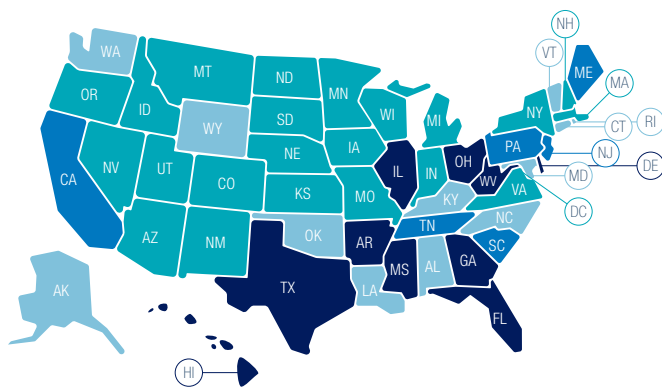
These cost-sharing details do not reflect cost-sharing subsidies for exchange plan enrollees with incomes below 250% of the federal poverty level; however, exchange plans have flexibility in how they implement cost-sharing reductions and are not required to apply reductions to medicines.

EXCHANGE PLAN COVERAGE AND COST-SHARING FOR MULTIPLE SCLEROSIS PRODUCTS VARY ACROSS STATES

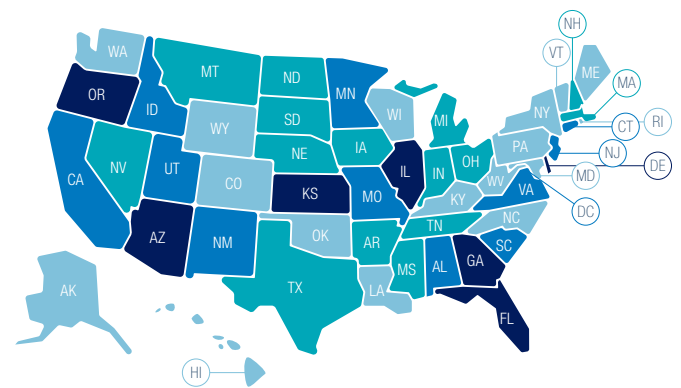


There is wide variation across states for 2015 coverage and specialty tier placement for MS medicines, potentially making access to these medicines difficult for some patients.

Percent of the Time Innovator MS Medicines are on Formulary



Percent of Plans with All MS Medicines on Specialty Tier



50–77%
78–86%

87–93%
94–100%

0–25%
26–50%

51–65%
66–100%

¹ Innovator medications are brand-name medications that have no generic alternative. Includes the following innovator multiple sclerosis agents: Ampyra, Aubagio, Avonex, Avonex Pen, Betaseron, Copaxone, Extavia, Gilenya, Lemtrada, Plegridy, Rebif, Tecfidera, and Tysabri.

² Avalere Health PlanScape®, a proprietary analysis of exchange plan features, March 2015. This analysis is based on data collected by Managed Markets Insight & Technology, LLC.

³ Kaiser/HRET Survey of Employer Sponsored Health Benefits 2014.

⁴ Avalere PlanScape®, a proprietary analysis of exchange plan features, December 2014. Avalere analyzed data from the FFM Individual Landscape File released November 2014 and the California and New York state exchange websites.