

ACCESS TO ONCOLOGY MEDICINES IN EXCHANGE PLANS

Medicines are central to the treatment of most forms of cancer. Cancer treatment has evolved tremendously over the past decade.ⁱ New targeted therapies attack cancer cells based on their molecular or genetic characteristics. Because targeted therapies specifically zero in on cancer cells, they cause less damage to non-cancer cells than older treatments, thus often producing fewer severe side effects and better outcomes than other kinds of treatments. Access to a broad array of medicines in these cutting-edge classes ensures that individuals with cancer are not discouraged from enrolling on the basis of their individual health needs. The results presented below provide insights into how plans in the 2015 health insurance exchanges cover five classes of innovative oncology medicines.ⁱⁱ Findings are primarily based on an analysis of silver plans available in all states nationwide in 2015;ⁱⁱⁱ accordingly, discussion of exchange plans below refers to these silver plans.

COVERAGE & ACCESS FOR ONCOLOGY MEDICINES



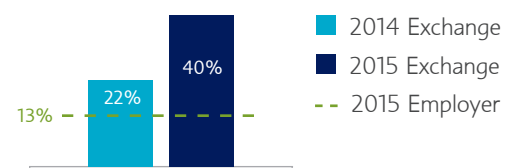
Oncology medicines are often subject to high cost sharing in exchange plans and tight utilization management, both of which could be barriers to access for many patients

Cancer 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,^{iv} many exchange plans subject both prescription medicines and other items and services to a single global deductible. Those deductibles average about \$2,700 among exchange plans in 2015.^v

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. Prior authorization, step therapy, or both occur 40% of the time for innovator oncology medications in exchange plans in 2015, compared to 22% of the time in 2014. This 2015 percentage is higher than in many other therapeutic areas and could make access to oncology medications difficult for some patients. It is also substantially higher than UM in employer plans, which use UM only 13% of the time for oncology medicines in 2015.

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



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

For oncology medications, exchange plans in 2015 use coinsurance more than half (59%) of the time. Coinsurance requires patients to pay a share of the total cost of the medicine after a patient reaches the deductible. The average coinsurance for oncology medications in 2015 is 36%. Based on the costs of oncology medications, this translates to monthly cost sharing for a single innovator cancer medication that could range anywhere from about \$575 to \$6,600, which is the maximum total amount an individual can be required to pay out of pocket in the 2015 plan year.

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.

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

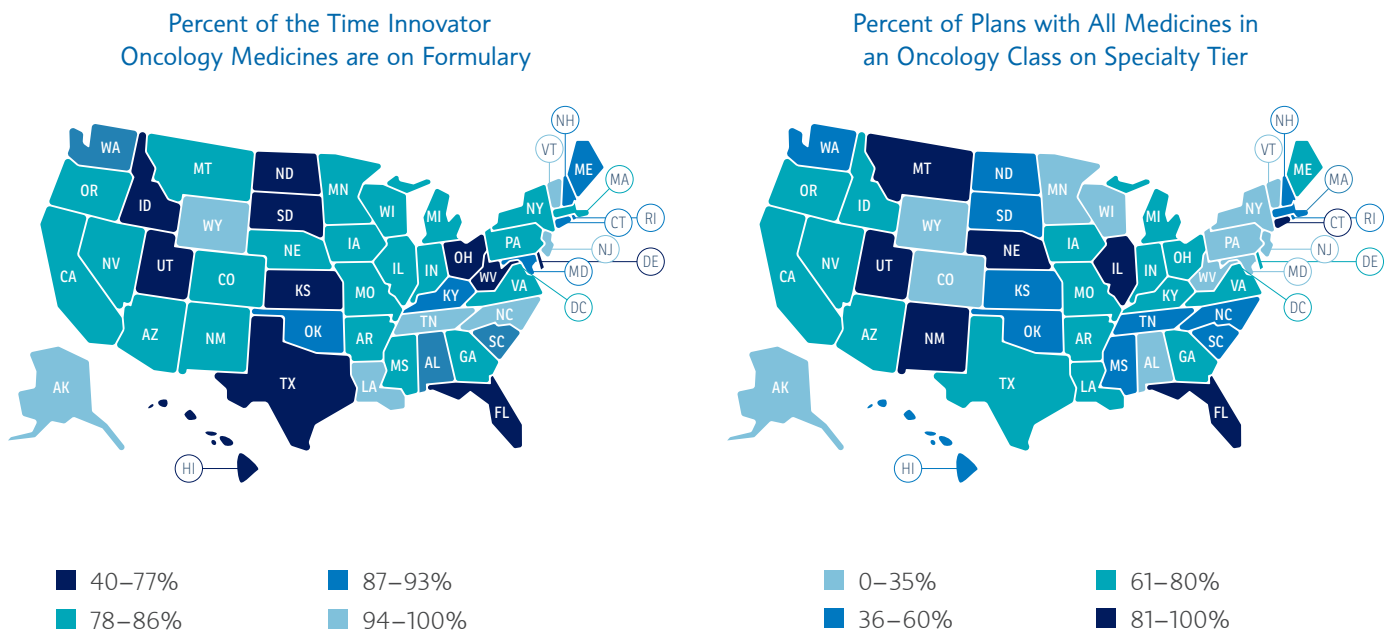
In 2015, across five classes of oncology medicines, exchange plans cover innovators 82% of the time. Employer plans in 2015 cover oncology innovators substantially more often than exchange plans—94% of the time in 2015.

Though cancer 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. In 2015, among exchange plans, innovator oncology medications are on a specialty tier 45% of the time. In contrast, employer plans place these medications on a specialty tier only 4% of the time. About 60% of exchange plans place all medicines in one particular oncology class on the specialty tier. Use of the specialty tier varies by type of cancer medication. The highest use of specialty tiers by exchange plans is for antiangiogenics and molecular target inhibitors, which were placed on a specialty tier 67% of the time and 64% of the time respectively in 2015.

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



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



¹ The History of Cancer, American Cancer Society, June 2014, <http://www.cancer.org/acs/groups/cid/documents/webcontent/002048-pdf.pdf>

² Innovator medications are brand-name medications that have no generic alternative. Includes medicines from the following 5 USP classes: Antiangiogenic agents, Alkylating agents, Antimetabolites, Emetogenic Therapy Adjuncts, Molecular Target Inhibitors.

³ 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.

⁴ Kaiser/HRET Survey of Employer Sponsored Health Benefits 2014.

⁵ 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.