ACCESS TO MULTIPLE SCLEROSIS MEDICINES IN EXCHANGE PLANS

Multiple sclerosis (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. Medicines are a critical component of long-term management of MS and prevention of the disease's progression. This fact sheet offers insight into access to these medicines in the new health insurance exchanges. Key findings are primarily based on an analysis of 84 plans in the 15 states with the highest expected exchange enrollment for 2014.[1]

COVERAGE AND ACCESS FOR MS MEDICINES

On average, exchange plans cover the majority of single-source brand MS medicines,[2] however cost-sharing is very high and could be a barrier to access for many patients.

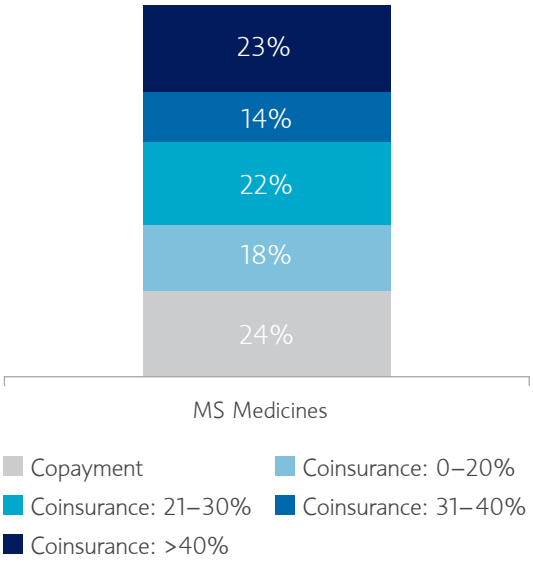
Formulary Coverage: Coverage of MS medicines in exchange plans is less generous than coverage in employer plans.[3]

- Exchange plans in the analysis cover 72% of single-source medicines available on the market, compared to employer plans in the analysis, which cover 84% of single-source brand medicines (defined as medicines for which a generic equivalent is not available).
  - In exchange plans, coverage is comparable across all subcategories of MS medicines, including both injectable and oral formulations.

Cost-Sharing: Medicines to treat MS are often subject to high coinsurance.

- In silver plans in exchanges, MS medicines are subject to coinsurance about three-quarters of the time, at an average level of 34%. Under this level of coinsurance, a patient could face out-of-pocket costs of $250 to $1,700[4] for a one-month supply of a single MS medicine. For patients with high deductibles, filling even a single prescription could be a significant financial burden.
- Unlike most employer plans,[5] many plans in exchanges have a global deductible for all coverage, including medicines. These deductibles average about $2,500 in silver and $4,300 in bronze plans.[6]
- These cost-sharing details do not reflect subsidies for enrollees with incomes below 250% of poverty; however, exchange plans have flexibility in implementing cost-sharing reductions and are not required to apply reductions to medicines.

Frequency of Copayment vs. Coinsurance by Amount for MS Medicines

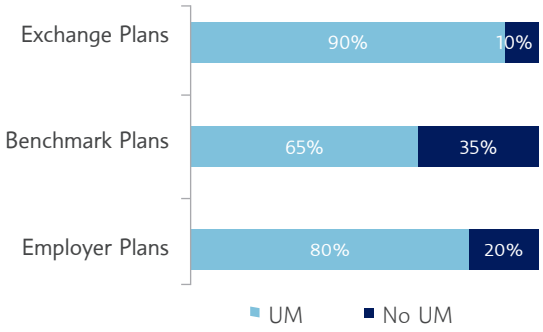


Analytics by Avalere Health. Developed by PhRMA.

Access Limits: Medicines are more likely to be subject to step therapy or prior authorization in exchange plans than in employer or benchmark plans.

- Utilization management is extremely frequent for single-source MS medicines, occurring 90% of the time in exchange plans and 80% of the time in employer plans when these medicines are covered.
  - Utilization management of oral MS medicines is nearly universal in exchange plans, occurring at a rate of 96%.
- An analysis of 2014 version of essential health benefit benchmark formularies in 12 states found that these benchmark formularies were less likely to require utilization management for MS medicines compared to exchange plans (65% compared to 90% for single-source MS medicines, when listed on the formulary).

Utilization Management of MS Medicines



VARIATION ACROSS STATES

Access to single-source MS medicines in exchange plans varies widely by state.

- Exchange plans in Georgia and New York cover just over half (50–60%) of the single-source MS medicines on the market, and plans in California, Wisconsin, and Virginia cover 60–70% of these medicines, raising potential concerns for patients in those states who may experience disruptions in therapy when transitioning to exchange plans.
- Exchange plans in select states often impose coinsurance of 30% or greater for single-source MS medicines. In Pennsylvania and New Jersey, for example, single-source MS medicines require coinsurance of 30% or more over 60% of the time. As a result, patients living in adjacent states could have very different experiences trying to access the same critical medicines.

[1] Silver plans in AR, CA, FL, GA, IL, IN, MI, NC, NJ, NY, OH, PA, TX, VA, WI
[2] Based on USP Classification of Multiple Sclerosis medicines; excludes intravenously-administered medicines
[3] Employer-sponsored insurance (ESI) data based on 2013 formularies from the following plans: the largest federal employee health plan (FEHBP); a large public, non-governmental, self-insured employer plan; a large, self-insured employer plan; a national carrier plan sponsored by a large employer; and a national carrier plan sponsored by a mid-size employer.
[4] Single-source multiple sclerosis medicines covered under the pharmacy benefit
[5] Kaiser/HRET Survey of Employer Sponsored Health Benefits 2013.
[6] Avalere Health PlanScape,™ a proprietary analysis of exchange plan features. Data as of October 31, 2013.