

ASHP BEST PRACTICES AWARD

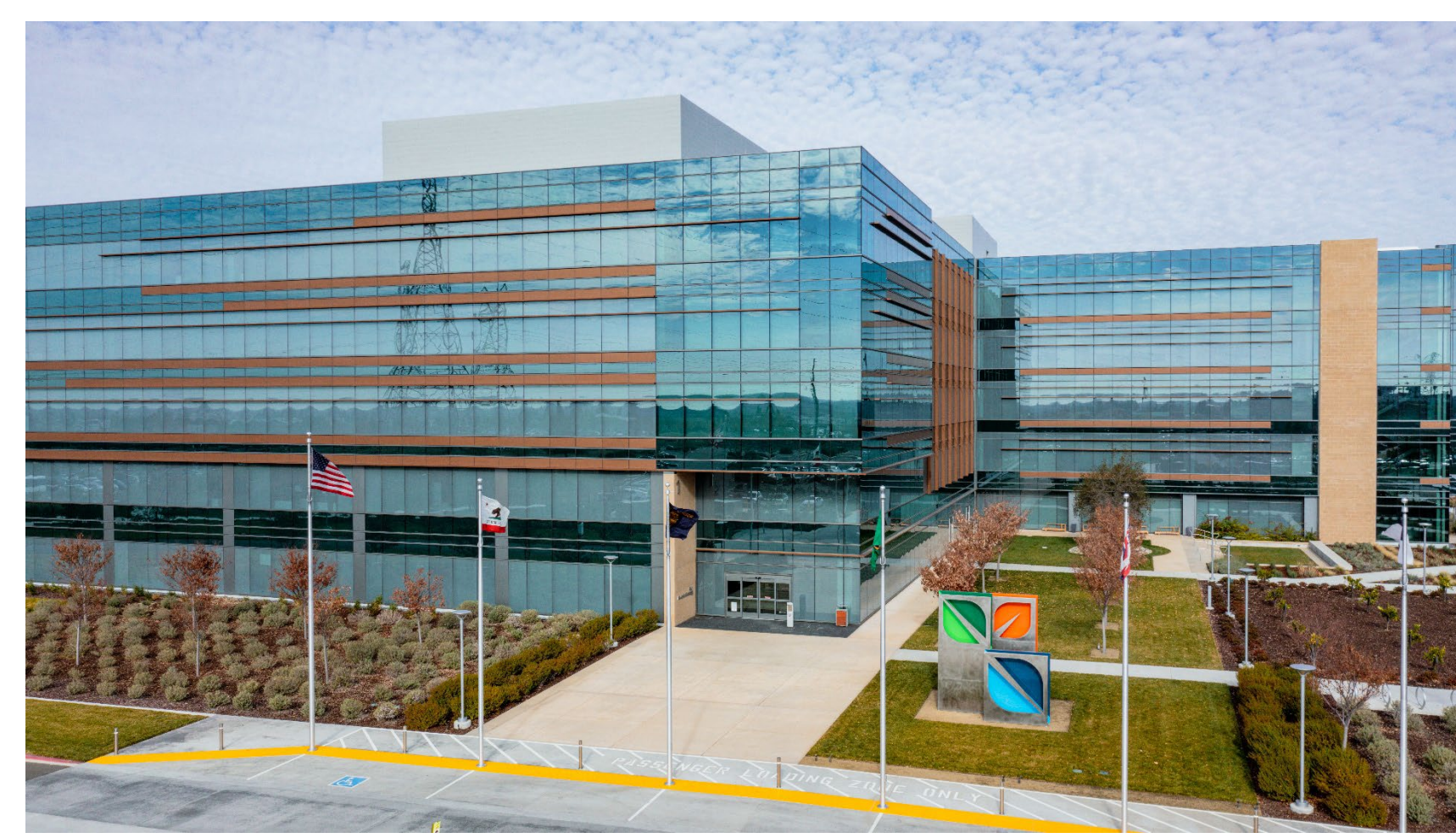
Health System Biosimilar Selection Strategy Driven By Payor Specific Reimbursement

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Introduction

Health System

- Adventist Health is a faith based, non-profit, integrated health system serving > 80 communities on the West Coast with over 400 sites of care.
- Mission: Living God's love by inspiring health, wholeness and hope.
- Currently, we have 13 hospital-based infusion centers located in California, Hawaii, and Oregon.

Background

- Biosimilar selection within inpatient and outpatient settings differ significantly.
- In the outpatient setting, selection is shifting towards identifying the payor preferred reference or biosimilar product.
- As biosimilar approvals continue to inundate the market, a more sophisticated approach to product selection is essential to meet the demands of commercial payor coverage.
- Adventist Health implemented a robust biosimilar selection strategy to maximize profit margins by analyzing acquisition costs and reimbursement rates and leveraged application of a Biosimilar Selection Matrix amongst their multidisciplinary outpatient infusion team.

Description of the Program

- To optimize biosimilar utilization, our health system formed a core work team to evaluate various datasets to determine preferred biosimilar/reference product selection which included purchase data, reimbursement rates, acquisition costs, and both commercial and government payor fee schedules.
- We examined acquisition cost data and fee schedules of our top 12 payors which encompassed 90% of all patient claims by gross charge.
- Excluding operational costs, the highest drug profit products were selected using the following equation:

$$\text{Drug Profit} = \text{Reimbursement Rate} - \text{Acquisition Cost}$$

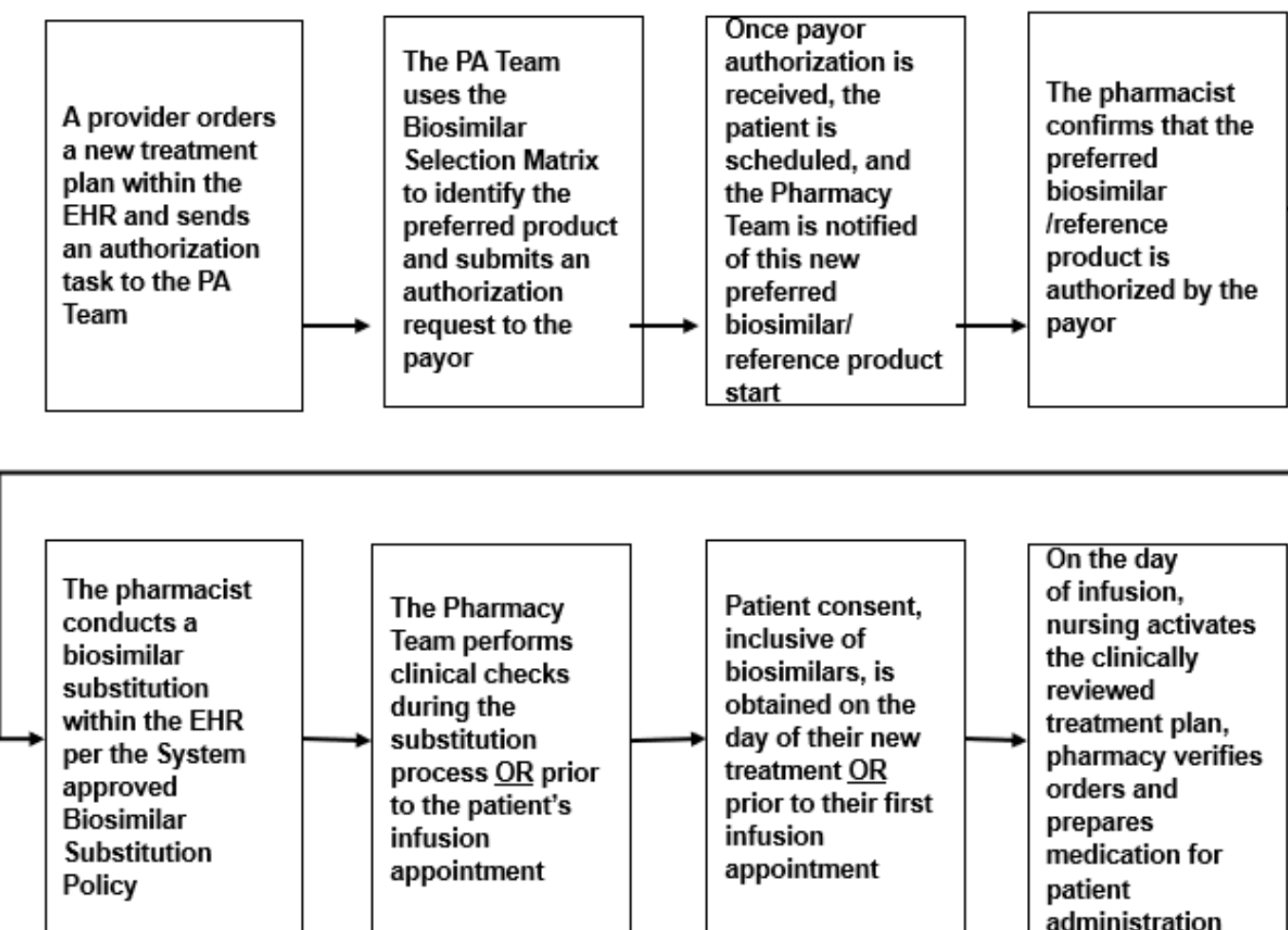
- We created a Biosimilar Selection Matrix for each hospital type (disproportionate share vs. critical access) which identified the highest profit margin product for each of our top payors.

Payor Name	Bevacizumab	Infliximab	Pegfilgrastim	Rituximab	Trastuzumab
Medicare	Reference Product	Biosimilar A	Biosimilar B	Biosimilar B	Biosimilar D
Managed Medicaid	Biosimilar B	Biosimilar A	Biosimilar D	Biosimilar C	Biosimilar A
Commercial Payor 1	Biosimilar B	Biosimilar B	Biosimilar D	Reference Product	Biosimilar C
Commercial Payor 2	Biosimilar B	Reference Product	Reference Product	Biosimilar C	Biosimilar E
Commercial Payor 3	Biosimilar A	Biosimilar C	Biosimilar C	Biosimilar B	Biosimilar B

- While payor fee schedules are updated quarterly, to minimize operational workflow disruption, this matrix is updated on a biannual basis and ONLY applies to NEW treatment starts.
- Over the course of this project, our core work team met regularly and subsequently formed a multidisciplinary sub team of stakeholders to execute this initiative.

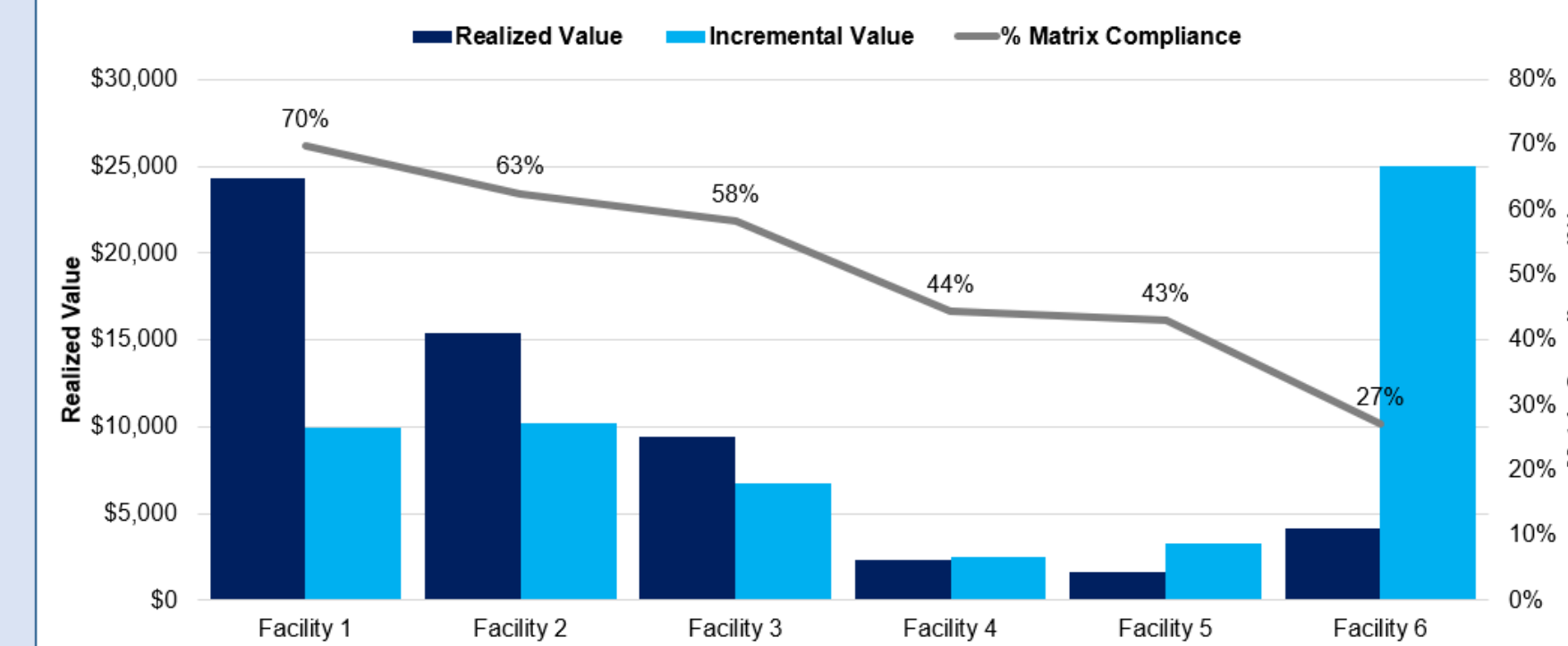
Stakeholder Group	Stakeholder	Implementation Role	Ongoing Role
System Pharmacy Services Executive Director, Pharmacy (Procurement and Contracting)	System Pharmacy Services Executive Director	Operated as project sponsor; communicated with executive team and served as escalation resource if needed	Overses operational and financial success
	System Pharmacy Services Executive Director	Coordinated with the pharmacy directors and buyers, worked with wholesalers to ensure product availability, and provided acquisition costs and purchase data	Reviews biosimilar procurement monthly, provides updated acquisition costs for bi-annual updates
	System Pharmacy Services Executive Director	Owned project management, data collection, analysis, and creation of Biosimilar Selection Matrix template	Overses biosimilar procurement and performance accountability
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Core Work Team	Manager, System Clinical Pharmacy	Oversaw System Oncology Pharmacy Specialist and advanced strategy importance with system and site-specific providers	Overses bi-annual Biosimilar Selection Matrix updates, serves as a PA and primary resource for all related questions, conducts monthly meetings to evaluate site specific program/ongoing training
	System Oncology Pharmacy Specialist	Developed Biosimilar Substitution Policy, worked with relevant stakeholders to create and vet new outpatient workflow, led site kickoff meetings/training, developed relevant job aids	Evaluates site specific program/ongoing training
	Clinical Operations Analyst	Created Pharmacy Biosimilar Information Center website	Uploads performance accountability chart, maintains Pharmacy Biosimilar Information Center website
Pharmacy Teams	Pharmacist SME	Provided industry expertise, created all relevant strategy frameworks (i.e., analysis, outpatient workflow, Biosimilar Substitution Policy, training)	Assists pharmacy team as needed
	Project Director	Oversaw Project Management/Analysis, communicated with executive team	Overses communication with executive team
	Project Manager/Data Analyst	Owned project management, data collection, analysis, and creation of Biosimilar Selection Matrix template	Overses realization tracking, data benchmarking, and Biosimilar Selection Matrix updates
	Pharmacists	Reviewed all policies and workflows and identified key concerns	Utilizes Biosimilar Selection Matrix and Biosimilar Substitution Policy, works with PA team to manage authorization questions, oversees biosimilar drug inventory
Infusion Management Team	Pharmacy Buyers	Purchased biosimilar and reference products based upon Biosimilar Selection Matrix and patient schedule	Communicates successes and failures of utilization of Biosimilar Selection Matrix
	Director/Manager, Infusion Center	Identified/assigned individuals to work with System Pharmacy Specialist	Provides updated commercial payor fee schedules for bi-annual updates
	Director, Managed Care	Provided and interpreted commercial payor fee schedules for analysis	Provides reimbursement data monthly for ongoing purchasing habits correction
Clinical Team	Pharmacy Analyst	Worked with System Pharmacy Specialist to create Biosimilar Substitution Policy	Prescribes biosimilars and provide authorization and feedback as needed
	Nurses/Clinic Leaders	Provided feedback on nursing workflow, assisted with clinic coordination to execute initiative, updated consent/consenting process to capture biosimilars	Administers biosimilars and obtain patient consent when needed, continuation of coordination of care
Front End Staff	Patent Access Representatives	Worked with System Pharmacy Specialist to update outpatient PA workflow	Authorizes product selection via Biosimilar Selection Matrix
	Schedulers	Worked with System Pharmacy Specialist to update outpatient scheduling workflow	Schedules patient for treatment, informs pharmacy team of upcoming new biosimilar starts
Clinical Leadership Council	System Med Exec Team	Approved Biosimilar Substitution Policy	Review Biosimilar Substitution Policy periodically

- Given that most biosimilars do not have interchangeability status, a system-approved Biosimilar Substitution Policy was developed.
- System leadership collaborated with infusion staff to implement a modified outpatient workflow centered around application of the Biosimilar Selection Matrix.



- Because our infusion centers execute universal processes differently, workflow was customized to be minimally disruptive to current practices at each site.
- Three of our hospital-based 340B eligible infusion centers were initially selected to pilot this workflow.

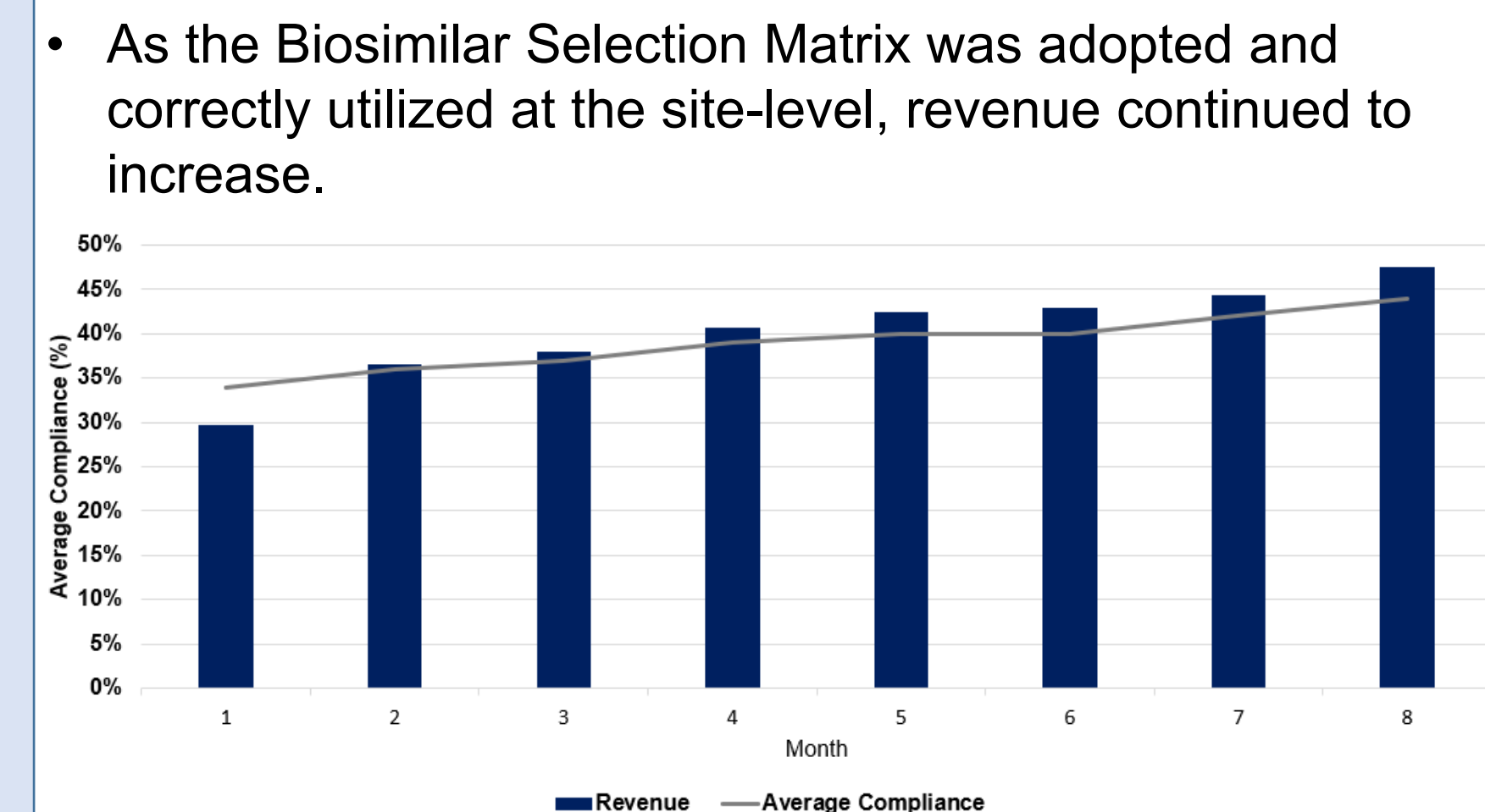
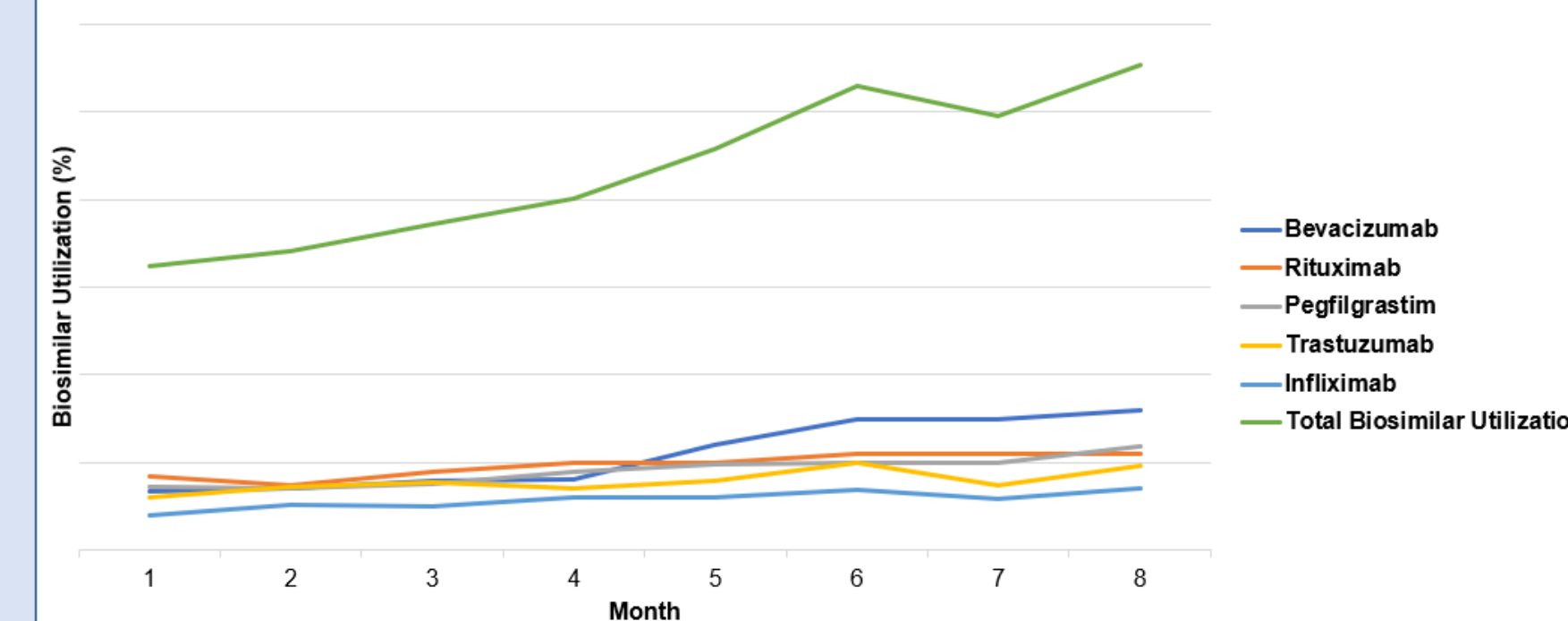
- Upon realizing immediate reimbursement value through successful application, this initiative was implemented at our remaining infusion centers on a rolling basis.
- To encourage Biosimilar Selection Matrix adoption and demonstrate its impact, we developed a monthly performance accountability chart based on real time purchases and reimbursement data to track realized value, incremental value, and the percentage of matrix compliance across all sites.



- During initial implementation, system leaders hosted monthly site-specific multidisciplinary meetings to share results and discuss improvement.
- By applying constructive feedback, we were able to meet daily infusion demands.

Experience with the Program

- In 2021, Adventist Health's biosimilar utilization comprised 11% of our total spend across five reference products.
- Eight months post implementation, biosimilar utilization increased by 55%, generating **greater than \$1,000,000** in additional revenue from drug profit across seven hospital-based infusion centers.



Discussion / Conclusion

- With the exponential growth of biosimilar FDA approvals and their insurance coverage nuances, there is a need for a more multidisciplinary approach to treatment to capture maximal reimbursement without compromising clinical efficacy.
- While the prior authorization team and pharmacy staff have historically had limited communication, new product approvals with unique J codes require increased collaboration, warranting optimized workflows within the infusion space.
- By creating a Biosimilar Selection Matrix, our health system was able to identify the preferred biosimilars of our top payors with the highest profit margins, thus maximizing payor reimbursement.
- To minimize prescriber intervention, creation of a Biosimilar Substitution Policy enhanced provider acceptance.
- Collaborating with local infusion staff to customize workflow was crucial to this initiative's success.
- As adoption of our modified outpatient workflow became standard of practice, this streamlined product selection, improved staff engagement, and increased revenue.
- Through application of dedicated resources, including key stakeholder buy-in, this payor-specific strategy can be executed within 6-months with the potential of generating an immediate financial gain.
- Successful implementation requires multidisciplinary collaboration, effective communication, robust data analytics, and engaged project management.

Acknowledgements

- Adventist Health System Leadership Team
- Pathstone Partners
- Adventist Health Infusion Team
- Adventist Health Managed Care Team

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