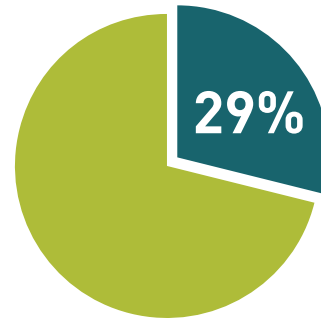
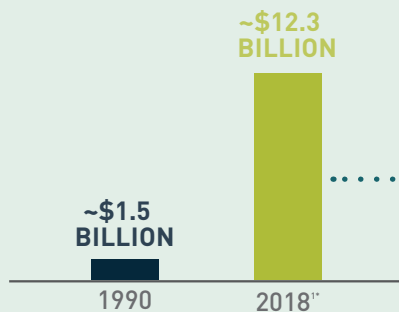


The **BIOLOGICS SAVINGS PARTNERSHIP™**

An innovative solution to the rising cost of drug-benefit plans






Over the past decades, employer-sponsored drug benefit plans have witnessed an increase in prescription drugs spending:

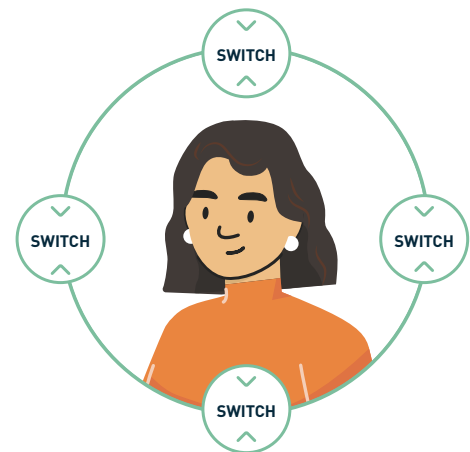


29% of the overall spending on prescription drugs in private insurance plans is on specialty drugs, including biologics and biosimilars.²

Consider this: Patients may require **MULTIPLE BRAND NAME BIOLOGICS AND BIOSIMILARS** over the course of their disease

Treatment failure often results in patients switching treatments.^{3,4} This can result from patients:

-  Failing to respond to treatment or having an inadequate response (“primary failure”)
-  Losing response to treatment over time (“secondary failure”)
-  Developing an adverse event



After treatment failure, patients may be switched to another treatment with a different mechanism of action.⁴

Implementing a **Biosimilar First approach** to cut costs could mean that savings only apply to new bio-naïve patients.



Consider the

BIOLOGICS SAVINGS Partnership™



A product listing agreement (PLA) introduced by Janssen Inc.


A Product Listing Agreement is an agreement between drug manufacturers and insurance companies.

DID YOU KNOW?

With the BIOLOGICS SAVINGS PARTNERSHIP™, brand name biologics are included at a similar price as biosimilars

STRATEGIES TO HELP CUT COSTS:⁵

An actuarial firm called RSM conducted a risk-adjusted analysis based on a probabilistic model to calculate the cost savings that both Biosimilar First and BSP strategies can provide.[†]

SCENARIO	HOW IT WORKS	ESTIMATED SAVINGS OVER 3 YEARS (% DIFFERENCE FROM BASELINE) [†]
Biosimilar First Strategy	<ul style="list-style-type: none">• Bio-naïve patients are placed on biosimilars when available• Bio-experienced patients continue as before <p>Cost savings only apply to new bio-naïve patients</p>	Savings: \$184 MILLION (3.2%)
 + Biosimilar First Strategy	<ul style="list-style-type: none">• Cost savings from the current use of biosimilars continue• Cost for bio-naïve and bio-experienced patients on biologics is discounted• Annual cost of each biologic is comparable to the annual cost of a biosimilar <p>Patients have equal choice between biologics and biosimilars</p>	Savings: \$1.864 BILLION (32.0%)

Visit BIOLOGICSAVINGSPARTNERSHIP.COM to get the full story



Janssen's Biologics Savings Partnership™ is one example of a PLA with a biologics manufacturer that makes the cost of biologics similar to that of biosimilars. RSM analyzed the financial impact of the Biologics Savings Partnership™ as well as modelled the financial impact of similar PLAs with all biologics manufacturers.

* Measured from 2009–2018.

† RSM used IQVIA private insurance claims data provided by Janssen Inc., which consisted of product-level claims costs and modelled retention rates to estimate the cost of biologics and biosimilars. Dispensing fees and confidential rebates were not considered. Biologics and biosimilars included in the analysis were restricted to the following major indications for which the drug products are authorized in Canada: Inflammatory bowel disease (Crohn's disease and ulcerative colitis), rheumatoid and psoriatic arthritis, and plaque psoriasis. Twenty-four biologics and biosimilars were included in the analysis: Actemra, Orencia, Brenzys (biosimilar), Otezla, Cimzia, Remicade, Cosentyx, Renflexis (biosimilar), Enbrel, Rituxan, Entyvio, Siliq, Erelzi (biosimilar), Simponi, Humira, Skyrizi, Inflectra (biosimilar), Stelara, Kevzara, Taltz, Kineret, Tremfya, Olumiant, Xeljanz. Cost savings included forecasting the biologic and biosimilar spending in the Canadian private insurance market based on product-level, historical claims data gathered by IQVIA and provided by Janssen from January 2016 to July 2019 (Analysis Period).

‡ No cost savings strategy applied at baseline; and all scenarios are compared against baseline to establish cost savings.

References: 1. Canadian Institute for Health Information. National Health Expenditure Trends, 1975 to 2019: Data tables – Series G. Available at: <https://www.cihi.ca/en/national-health-expenditure-trends-1975-to-2019>. Accessed August 7, 2020. 2. 2019 TELUS Health Drug Data Trends & National Benchmarks. 3. Strand V, et al. Immunogenicity of biologics in chronic inflammatory diseases: A systematic review. *BioDrugs* 2017;31:299–316. 4. Smolen JS, et al. EULAR recommendations for the management of rheumatoid arthritis with synthetic and biological disease-modifying antirheumatic drugs: 2019 update. *Ann Rheum Dis* 2020;0:1–15. doi:10.1136/annrheumdis-2019-216655. 5. Lepage S. What to do about BIOSIMILARS? Plan sponsors have new options for cost savings but switching from reference biologics remains a significant concern. Benefits Canada, January 17, 2017. Accessed November 12, 2020. <https://www.benefitscanada.com/news/what-to-do-about-biosimilars-92284>.

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