

DRUG COST MANAGEMENT REPORT

Re-engineering Therapeutic Intervention Programs for Maximum Client Value

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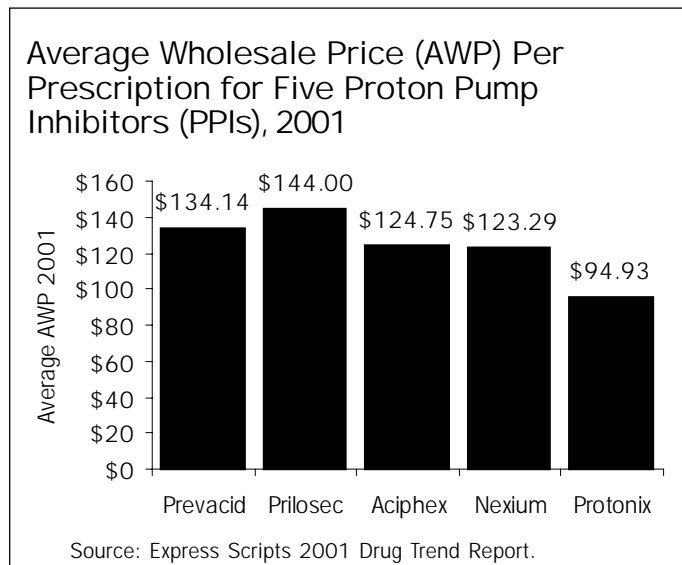
Therapeutic substitution is one of the most frequently deployed formulary compliance tools in the marketplace today. The goal of a therapeutic intervention program is to increase the market share of formulary products via aggressive telephone- or fax-based interventions. These programs are designed to “flag” prescriptions written for non-formulary brands, and to suggest preferred alternatives to providers via telephonic and/or fax-based communication.

The therapeutic intervention programs operated by many PBMs have been effective in improving formulary compliance. However, there is room to improve the value that these programs can provide.

Proton pump inhibitors (PPIs), used to treat ulcers and gastroesophageal reflux disease (GERD), are one of the most expensive therapeutic classes for many payers. In fact, this drug class is the second largest category of drug expenditures, representing more than 9% of total drug spending by PBMs (Figure 4, page 3).

In the example below, five PPIs are available, with wide variations in the average wholesale cost per prescription (figure 1).

A hypothetical PBM has selected Prevacid and Protonix as the “preferred” agents, and thus has “flagged” the other PPIs in the class for potential conversion. The conversion map for PPIs might look something like figure 2.



Therapeutic Class	Non-Formulary Drug Name	Preferred Drugs
Proton Pump Inhibitors	Prilosec®	Prevacid® Protonix®
	Aciphex®	Prevacid® Protonix®
	Nexium®	Prevacid® Protonix®

In this example, each of the non-preferred drugs is targeted for conversion to one of two preferred drug alternatives. In many of today’s therapeutic intervention programs, physicians are given the choice of converting a patient to either of the preferred products.

In this example, if a Prilosec prescription is converted to either Prevacid or Protonix, the client will receive the benefit of paying for a lower-cost alternative. However, switching patients from Aciphex or Nexium to Prevacid would not result in a direct financial benefit to the client, while a conversion to Protonix would. The practice of offering preferred alternatives on an “equal” playing field may result in conversion to a product that is more expensive on an ingredient-cost basis than is the non-preferred drug.

To maximize value, clients should conduct a detailed review of the therapeutic intervention programs offered by their PBMs. The review should include:

- ◆ An analysis of conversion protocols;
- ◆ Comparative pricing for preferred and non-preferred products (including rebates);
- ◆ Reporting available from the PBM regarding conversion success rates; and
- ◆ Detailed market-share information by therapeutic class.

This type of analysis will provide insight into how the program is being operated, and identify any potential areas of concern (e.g., potential switches to more expensive products).

As therapeutic intervention platforms evolve, their overall benefit to clients will increase. Program changes that would result in specific client benefits are described in figure 3, p. 3.

Implementing these program changes will be instrumental in improving the overall effectiveness of today’s therapeutic intervention programs, and will provide clients with more robust tools to monitor the outcomes associated with these important programs.

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