

THE IMPACT OF NONMEDICAL SWITCHING ON HEALTH CARE COSTS

WHAT IS NONMEDICAL SWITCHING?

Nonmedical switching (NMS) occurs when a stable patient is switched to a less expensive medication (eg, biosimilar). The NMS occurs several different ways:







INCENTIVIZING THE PHARMACIST OR PHYSICIAN

However, this switch has no clinical rationale; it is purely a change for financial reasons.

DOES NMS REDUCE COSTS?

The primary goal of NMS is to move a patient to a lower cost alternative. However, does the switch reduce total health care spending? The Institute for Patient Access examined a subset of commercial claims data from 2011 to 2015. It determined that people switched to a lower cost alternative were more likely to switch multiple times and experience a higher per-member per-month (PMPM) cost for all chronic disease categories.

WHO IS TARGETED?

Generally, patients with chronic diseases are often targeted because chronic diseases account for most health care cost.

Some of the key chronic diseases impacted by NMS are shown in the table below.

	NO SWITCH	SWITCH TO LOWER COST	MULTIPLE SWITCHES
ASTHMA	\$975	\$1,035	\$1,425
COPD	\$1,307	\$2,316	\$3,171
CHRONIC PAIN	\$2,859	\$4,141	\$4,886
CROHN'S DISEASE	\$2,072	\$4,499	\$4,890
HYPERCHOLESTEROLEMIA	\$1,829	\$1,977	\$2,042
MULTIPLE SCLEROSIS	\$1,766	\$4,362	\$2,625
OSTEOPOROSIS	\$1,467	\$1,997	\$1,540
PSORIASIS	\$588	\$648	\$671
RHEUMATOID ARTHRITIS	\$1,474	\$1,894	\$1,714



IMPLICATIONS OF NMS FOR PATIENTS



- Experienced new and different side effects
- Increased doctor visits and/or hospitalization
- Limited future treatment options
- · Continued switching
- Repeated trial and error to achieve proper dosing
- · Increased anxiety

IMPLICATIONS OF NMS FOR PHYSICIANS



- Increased administrative burden (eg, prior authorizations and appeals)
- Loss of prescribing autonomy
- Increased frustration

IMPLICATIONS OF NMS FOR PAYERS



- Legislation could impact policies
- Possible increase in total health care spending
- Additional burden on notifying patients

NONMEDICAL SWITCHING CAN ALSO DECREASE THE PHYSICIAN'S AND THE PATIENTS' ABILITY TO HAVE FAITH IN THE PHARMACEUTICAL SUPPLY CHAIN AND INSURANCE COVERAGE FOR PATIENTS WITH CHRONIC ILLNESS.

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HOW SHOULD STATE LAWMAKERS HANDLE NMS?

State lawmakers can help minimize NMS by requiring health plans, to at the least, maintain coverage for stable patients. State lawmakers policies on NMS should:

- Reflect relevant, current data and analysis on the impact of NMS
- Preserve physicians' role in decision-making
- Demonstrate an understanding of long-term impact
- Require patient's consent

MANUFACTURERS MUST BE PREPARED FOR NONMEDICAL SWITCHING



Educate on the impact of nonmedical switching and biosimilars



Track current legislation by state (eg, biosimilar "switching", step-therapy, etc)



Build a cost calculator that highlights the financial impact of NMS



Define scenarios that address future entrants and their impact



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References: Institute for Patient Access. Cost-motivated treatment changes: implications for non-medical switching [health care analytics brief]. Washington, DC: IfPA; October 2016. http://allianceforpatientaccess.org/wp-content/uploads/2016/10/IfPA_Cost-Motivated-Treatment-Changes_October-2016.pdf. Accessed August 16, 2019. The Moran Company. Cost-Motivated Treatment Changes in Commercial Claims: Implications for Non-Medical Switching. Leawood KS: The Moran Company LLC; August 2017. http://jyh21u3cjptv3xjder1dco9mx5s-wpengine.netdna-ssl.com/wp-content/uploads/2013/08/Moran_Commercial-claims-analysis-report_Aug-2017.pdf. Accessed August 16, 2019. Institute for Patient Access. Cost-motivated treatment changes & non-medical switching: commercial health plans analysis [health care analytics brief]. Washington, DC: IfPA; August 2017. https://instituteforpatientaccess.org/wp-content/uploads/2018/05/IfPA_Non-Medical-Switching-Commercial-Claims-Analysis_Aug-2017.pdf. Accessed August 16, 2019. Global Alliance for Patient Access. GAfPA releases "Fast Facts" on non-medical switching. https://gafpa.org/non-medical-switching-fast-facts/. Posted January 30, 2017. Accessed August 16, 2019. Laday J. Concerns over nonmedical switching of biologics spur physician guidelines. https://www.healio.com/rheumatology/practic-management/news/online/%/7Be98c76f77-46ea-434d-b284-93fcbb250b54%f7D/concerns-over-nonmedical-switching-of-biologics-spur-physician-guidelines. Posted May 3, 2018. Accessed August 16, 2019.