PBMs to remove Humira from formularies in 2025 by focusing on biosimilars

Market Event Summary

Lalita Raja and Ayshi Ganguly| October 2024

Major PBMs to remove Humira from certain preferred drug lists

Event summary

- Several major PBMs will discontinue coverage of AbbVie's Humira on select formularies effective in 2025. The decision is part of a strategic shift toward promoting more affordable biosimilars, following industry trends to reduce drug costs.
- The companies plan to advocate for biosimilars such as Boehringer Ingelheim's Cyltezo, Teva's Simlandi, and Sandoz's unbranded version of Hyrimoz as cost-effective alternatives.

Implementation

- The transition to biosimilars will take effect in 2025, marking a significant change in the formulary options available to patients covered by the PBMs' plans.

Background and context

- The FDA has approved seven biosimilars for Humira, including one interchangeable biosimilar, and there is a growing industry trend of promoting more affordable biosimilar alternatives to reduce drug costs for patients and plan sponsors.
- PBMs are increasingly adopting biosimilars to enhance patient access and affordability. In 2024, CVS Caremark replaced Humira with Sandoz's Hyrimoz on its national formularies. Optum Rx is expected to follow, while Express Scripts continues to prioritize biosimilars for enhanced patient affordability and access.
- Express Scripts' strategy aligns with actions taken by CVS Caremark and Optum, which favor biosimilars over Humira to enhance affordability and access. This shift addresses the need for cost containment amid rising healthcare expenses and scrutiny on drug pricing transparency.

Stakeholder impact

Pharma

The shift will pressure companies to innovate and compete on price and efficacy, potentially leading to more affordable treatments.

PBMs

PBMs could enhance its negotiating power with manufacturers, potentially lowering costs for plan sponsors. However, heightened regulatory scrutiny may increase pressure on PBMs to justify formulary decisions. The transition may also affect stakeholder relationships as PBMs balance cost containment and access to medications.

Payers

These changes may enhance cost management strategies for insurers and employers, potentially resulting in lower premiums and out-of-pocket expenses for patients. However, payers will need to monitor the transition closely to ensure that access to effective treatments is maintained while managing overall healthcare expenditures.

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Open questions

Industry norm

How will pharmacies adapt inventory and counseling practices for biosimilars, given major PBM formulary changes such as the removal of Humira? How will pharmacies balance patient education on biosimilars with pricing strategies and payer relationships to optimize savings and access?

PBM and payer impact

How will the increased adoption of biosimilars influence PBMs' formulary strategies and cost management practices in the coming years? How might the introduction of interchangeable biosimilars affect payer policies regarding prior authorization and therapeutic interchange practices?

Pharma impact

What strategies are pharmaceutical companies employing to compete with the influx of biosimilars entering the market, particularly for high-revenue biologics? How are partnerships between branded and generic manufacturers shaping the development and marketing landscape for biosimilars?

Patient behavior

How does patient awareness and understanding of biosimilars influence their willingness to switch from branded biologics to lower-cost alternatives? How might changes in insurance coverage for biosimilars affect patients' out-of-pocket costs, and what implications does this have for their access to necessary treatments?

Strategic implications

- Market shift and cost reduction: The coordinated move to biosimilars signals a significant market shift, likely driving down costs and reshaping the competitive landscape for autoimmune treatments, benefiting both payers and patients.
- Supply chain and formulary restructuring: The biosimilar shift requires comprehensive restructuring of supply chains and formularies, necessitating new partnerships, distribution network revamps, and formulary redesigns.
- Data analytics and outcomes monitoring: The transition enables leveraging advanced analytics to monitor outcomes, adherence, and cost-savings, allowing real-time strategy refinement and demonstrating biosimilar value to stakeholders.

Factors for consideration

- While the shift toward biosimilars promises financial benefits, it raises concerns about patient access and continuity of care for those currently using Humira. Major PBMs must ensure effective communication and support during this transition.
- The market response from pharmaceutical companies and regulatory bodies will be crucial in shaping the success of this initiative, as it impacts pricing strategies and stakeholder relationships.

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Author bio

Lalita Raja is a Healthcare Research and Data Analyst with more than four years of experience and currently works with Clarivate's Market Access Insights team. She has conducted research on numerous topics but is especially passionate about analyzing key markets and trends in the U.S. health insurance industry. Lalita contributes to various reports like Health Plan Profiles, state Medicaid reports, Health Plan Analysis, and PowerProfiles. She has a bachelor's degree in biomedical science and an MBA in healthcare management.

Did you know?

She previously worked with Clarivate's Healthcare Business Insights team, where she worked on syndicated projects like best practice reports, featured researches, and custom analyst advisories for the Cost and Quality academy.

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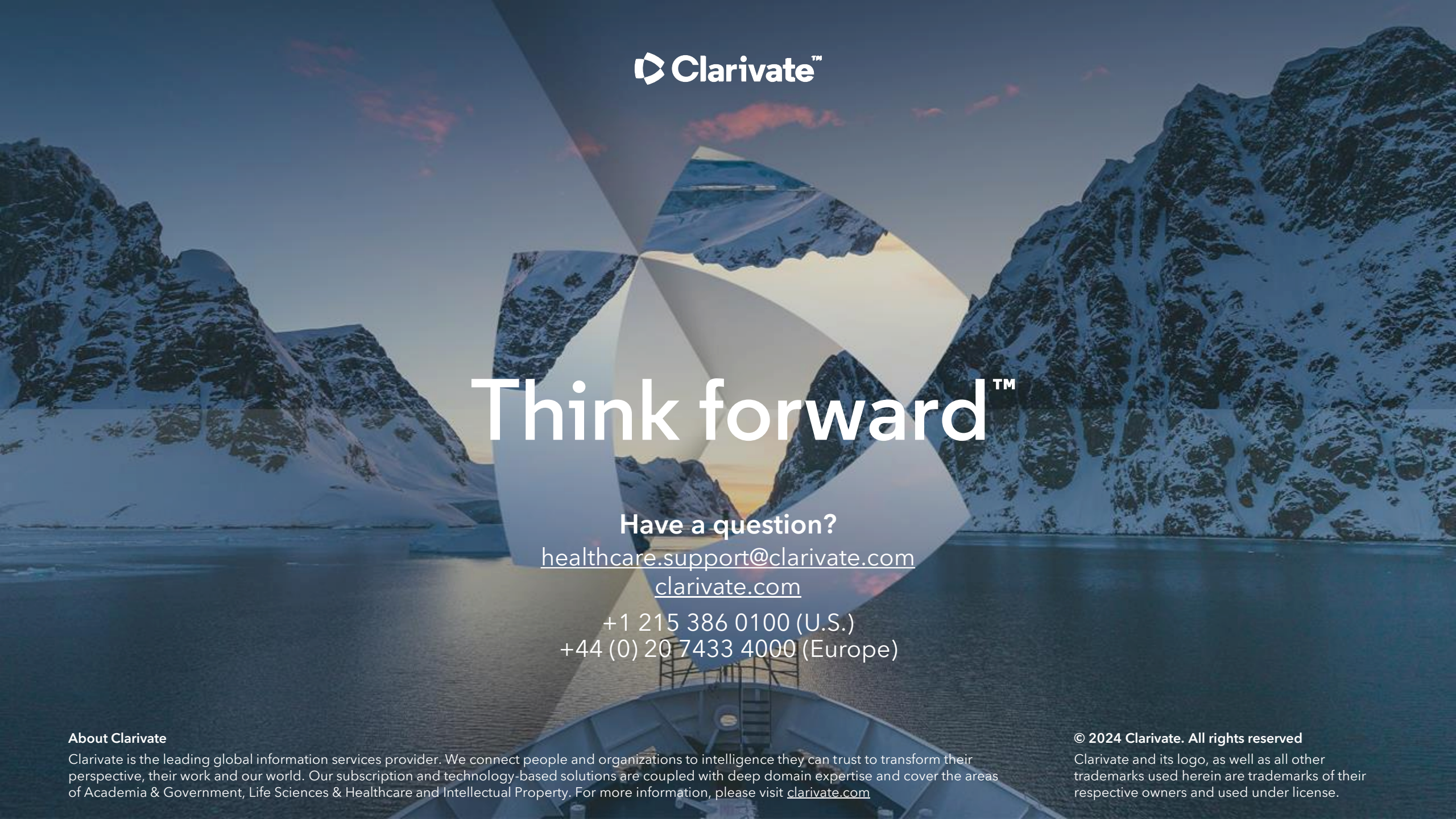
Author bio

Ayshi Ganguly is a Healthcare Research and Data Analyst with three years of experience, currently serving on Clarivate's Market Access Insights team, which she joined in late 2023. She has a diverse research portfolio, with a particular focus on key markets and trends within the U.S. health insurance industry. Her role involves tracking and analyzing various critical markets in the U.S. health insurance sector, contributing to products such as Health Plan Analysis, Health Plan Profiles, PBM, Medicaid Profiles, PowerProfiles, and Market Overviews. She has a bachelor's degree in zoology and a master's in biotechnology from the University of Calcutta.

Did you know?

Ayshi Ganguly previously worked as a production biologist trainee at Biological E. Limited, Hyderabad, focusing on COVID-19 vaccine R&D for six months. She then joined GlobalData, Hyderabad, where she worked on medical devices data covering APAC across 11 therapy areas. During her tenure, she authored over 50 press releases, garnering more than 150 news mentions worldwide.



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