NATIONAL INFUSION CENTER ASSOCIATION

July 23, 2021

Steve Miller, MD
Chief Medical Officer
Cigna
900 Cottage Grove Road
Bloomfield, CT 6002

Re: "Shared Savings Program" offering patients $500 one-time incentive for switching to a biosimilar

Dear Dr. Miller,

The National Infusion Center Association (NICA) has yet again received concerned reports from providers regarding Cigna's "Shared Savings Program." [1] This time, the policy notice informed infusion providers that Cigna is offering $500 debit cards to patients who switch from Remicade to a preferred alternative, either Avsola or Inflectra. NICA has always held that non-medical switching is a dangerous practice that devalues a provider's medical expertise, and with the addition of a financial payment, NICA is deeply concerned with how this policy will impact health outcomes, quality of life, and non-drug healthcare consumption. We understand that Cigna has an interest in reducing healthcare and prescription drug costs for their customers and clients, but we respectfully ask that Cigna reconsider the "Shared Savings Program" as a solution.

NICA is a nonprofit trade association and the nation's voice for non-hospital, community-based infusion providers that offer a safe and cost-effective alternative to hospital care settings for provider-administered medications. Our goal is to help key decision-makers in the healthcare space, like Cigna, understand the value and cost-savings associated with patients receiving provider-administered medications in non-hospital care settings. We understand that medical benefit drugs present unique challenges to providers, patients, and insurers. We hope that by recognizing the importance and value of this care setting, we can identify all-win solutions.

Biologics are some of the most innovative and life-changing medications developed in the last decade, but, as you noted in the article, "Cigna Continues Efforts to Lower Prescription Drug Costs by Promoting Biosimilars," these medications are also very expensive. The article states, "[b]ased on Cigna claims data, an average regimen costs $30,000 annually, **but may be much higher depending on site of administration[2]**." In the latter half of the statement, Cigna points to a solution for both payors and patients - access to more affordable sites of drug administration. We agree, insurers and beneficiaries could tremendously reduce costs with better informed site of care selection. While we support incentives to transition patients from HOPDs to lower cost, office-based

[1] Miller, S. (n.d.). Cigna Continues Efforts to Lower Prescription Drug Costs by Promoting Biosimilars. Cigna Continues Efforts to Lower Prescription Drug Costs by Promoting Biosimilars | Cigna Newsroom. https://www.cigna.com/about-us/newsroom/innovation/cigna-continues-efforts-to-lower-prescription-drug-cost.

[2] MIller

settings, we vehemently oppose efforts to drive medication changes for reasons unrelated to health or safety, incentive-based or otherwise.[3]

First, let's consider the plight of chronically-ill patients. On their long and arduous journey to clinical stability, patients are subjected to stress, disease flare, ineffective medications, side effects, loss of hope, doctor visits, financial worry, and more. These chronic disease patients and insurers are strongly aligned behind a common goal: manage disease as efficiently and cost-effectively as feasible by consuming the least amount of healthcare services possible.

For patients on Remicade specifically, they are dealing with serious and rare conditions including ankylosing spondylitis (AS), Crohn's disease, rheumatoid arthritis (RA), plaque psoriasis, psoriatic arthritis and ulcerative colitis. When a patient is dealing with one of the aforementioned conditions, identifying the right treatment plan based on their health and life factors is imperative to mitigating the burdens of their disease, and it can actually reduce a patient's consumption of other high-cost medical services. In January 2020, Avalere conducted an analysis of the difference in per patient per month costs between undermanaged RA patients (a condition treated with Remicade) and effectively managed RA patients. The study found that the patients with undermanaged RA had 121% higher medical costs than all other RA patients. Avalere identified greater utilization of hospital (240% increase) and physician services (124% increase) as the main drivers behind these higher costs for under-managed disease.[4] Policies that implement short-term cost containment strategies for autoimmune patients, such as incentivizing patients with a one-time $500 debit card offer to switch from their prescribed medication to an insurer-preferred medication, often results in greater annual spend on members as disruption in care pivots them from wellness management with a medical benefit drug in a low-cost care setting to disease flare management with high-cost services in the Emergency Department and inpatient settings.

Separately, an online study published in March 2020, pointed to the same phenomenon of patients consuming more healthcare services when their medical stability was disrupted through non-medical switching. Over 400 specialist physicians who treat complex patients (including cardiologists, endocrinologists, gastroenterologists, oncologists and rheumatologists) were asked about their perceptions of non-medical switching and the impact on their patients. The majority of physicians surveyed reported frequent or very frequent increases in non-office visit contacts and increased calls with pharmacies following non-medical switches. In fact, 43.9% of rheumatologists noted frequent or very frequent increase in additional medications needed as a result. In a separate survey of 297 physicians who prescribe biologics, 84% of respondents did not want stable patients undergoing a non-medical switch to a biosimilar. The majority of respondents also anticipated a negative impact on

[3]UnitedHealth Group. Administering Specialty Drugs Outside Hospitals Can Improve Care and Reduce Costs by $4 Billion Each Year. September 2019. Accessed on December 16, 2019. https://www.unitedhealthgroup.com/content/dam/UHG/PDF/2019/UHG-Administered-Specialty-Drugs.pdf

[4]Cole, M., Vidulich, A., Francis, M., & Amodeo, K. (2020). Patients with undermanaged RA have higher medicare costs than other RA patients. In Insights & Analysis. Avalere Health. https://avalere.com/insights/patients-with-undermanaged-ra-have-higher-medicare-costs-than-other-ra-patients

patient mental health (59%), treatment efficacy (57%), patient safety (53%), and physician office management (60%)[5][6]. Tinkering with your beneficiaries' clinical stability will only lead to poorer health outcomes and greater consumption of medical services that will cost both Cigna and your enrollees.

Additionally, there is an overwhelmingly negative association with non-medical switching across the healthcare provider community. We have already heard from multiple infusion providers who are extremely alarmed by this new mandate and concerned about the impact offering a $500 debit card to patients will have on their health. Only 39% of Americans can afford a $1,000 emergency medical expense, six out of every 10 Americans cannot, so $500 Shared Savings Program payment could be coercive to patients navigating a chronic or autoimmune disease[7]. The ongoing pandemic can make even a one-time $500 offering more enticing than one's own long-term health. Surely it was not CIgna's intention to capitalize on vulnerable patients during a particularly difficult time as we begin to recover from the pandemic.

For providers who work with their patients tirelessly to identify the right medication at the right time, this policy can come across as an insurance company superseding a provider's prescribing authority. Should healthcare facilities decide that treating Cigna enrollees is too onerous, providers could very well decide to no longer accept patients covered by Cigna, forcing patients into more expensive sites of care (i.e., hospitals), if they can afford the increased cost, or back onto ineffective medications--counteracting any cost-savings Cigna realized from consumption of medical benefit drugs in non-hospital care settings.[8]

In place of Cigna's "Shared Savings Program," NICA encourages Cigna to consider the potential savings associated with site of care optimization. The Employee Benefit Research Institute (EBRI) recently examined 25 health care services—including eight non-oncology, infused specialty medications—for 10.9 million adults between the ages of 18 and 64, who enrolled in employer-sponsored insurance in 2018. EBRI found that, "In the aggregate, employers and workers would collectively save $112 billion if the price differentials between HOPDs and other sites of treatment

[5]A. Teeple, L.A. Ellis, L. Huff, C. Reynolds, S. Ginsburg, L. Howard, D. Walls & J. R. Curtis (2019) Physician attitudes about non-medical switching to biosimilars: results from an online physician survey in the United States, Current Medical Research and Opinion, 35:4, 611-617, DOI: 10.1080/03007995.2019.1571296 6 http://allianceforpatientaccess.org/wp-content/uploads/2019/02/AfPA_Qualitative-Impact-of-Non-Medical- Switching_Report_Feb-2019.pdf

[6]Alliance for Patient Access. "A Study of the Qualitative Impact of Non-Medical Switching." A Study of the Qualitative Impact of Non-Medical Switching, Alliance for Patient Access, 2019, admin.allianceforpatientaccess.org/wp-content/uploads/2020/02/AfPA_Qualitative-Impact-of-Non-Medical-Switching_Report_Feb-2019.pdf.

[7]Ostrowski, Jeff. "Fewer Than 4 In 10 Americans Could Pay A Surprise $1,000 Expense From Savings, Survey Finds." Bankrate, 10 June 2021, www.bankrate.com/banking/savings/financial-security-january-2021.

[8]UnitedHealth Group. Administering Specialty Drugs Outside Hospitals Can Improve Care and Reduce Costs by $4 Billion Each Year, UnitedHealth Group, 2019, www.unitedhealthgroup.com.

were eliminated. If site-of-treatment price differentials for specialty medications were eliminated, employers and workers would save as much as 36 percent, depending on the medication."[9] UnitedHealth Group confirmed that administering specialty medications outside of hospital-affiliated settings creates significant per capita savings. For example, $37,000 in savings over 4 months of treatments per member with multiple sclerosis; $32,000 in per capita savings over 6 months of treatments per member with immune deficiency; $28,000 in per capita savings over 5 months of treatment per member with rheumatoid arthritis; $21,000 in per capita savings over 5 months of treatment per member with inflammatory bowel disease; and, $16,000 in per capita savings over 4 months of treatment per member with cancer chemotherapy.[10] The bottom line is that non-hospital care settings are already administering these medications more efficiently and more economically than hospitals.

We do not question Cigna's intentions to lower drug costs for their beneficiaries, but rather the efficacy of the "Shared Savings Program" in achieving this goal. For this reason, on behalf of the providers who furnish infusion medications in non-hospital care settings, we implore Cigna to reconsider this program and explore alternative options for lowering drug spend, specifically ones that do not jeopardize patient health and undermine providers' ability to treat patients with the right medications at the right time. One such solution could be encouraging patients to seek treatment in the most efficient and lowest-cost delivery channel for infusion treatments - non-hospital, community-based infusion centers. NICA would be happy to have a conversation with Cigna to discuss a potential strategy for accomplishing this, like leveraging NICA's Infusion Center Locator tool that displays over 6,000 non-hospital infusion centers across all 50 states, D.C., and Puerto Rico.

Should you have any questions, comments, or require additional information, please feel free to contact me directly at kindyl.boyer@infusioncenter.org or 512-402-6955.

Sincerely,

Kindyl Boyer

Kindyl Boyer
Director of Advocacy
National Infusion Center Association

[10]UnitedHealth Group. Administering Specialty Drugs Outside Hospitals Can Improve Care and Reduce Costs by $4 Billion Each Year, UnitedHealth Group, 2019, www.unitedhealthgroup.com.