Biosimilars FORUM

Saving Billions on Healthcare Costs with Biosimilars

With near universal support for lowered drug prices, **biosimilars** are safe, effective treatment options that can lower the price of prescription drugs and help close significant equity gaps within our healthcare system. Biosimilars are a bipartisan, politically-popular solution to prescription drug costs.

What is a biosimilar?

A biosimilar is a lower-cost biologic that is FDA-approved as safe and effective as the reference product. Just as generics have proven to be safe, effective and sold at a lower cost, so have biosimilars. Over 30 biosimilars have been approved by the FDA since the first biosimilar was approved in 2015.

Biosimilars treat a range of diseases with a big impact on patients' lives, including cancer, arthritis, Crohn's disease, kidney disease, eye disease and others.

Biosimilars address equity issues within the healthcare system

Women, low-income Americans and seniors are also more likely to benefit from biosimilars.

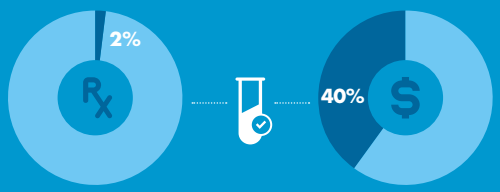
66% patients in the U.S. being treated with biologics are women.

42% of patients in the U.S. are either poor or low-income patients.

U.S. households led by someone who is 65 or older spend an average of $6,668 a year on health care, which translates to about 14% of all spending by seniors. Biosimilars can help bring those costs for seniors down.

Biosimilars save money on prescription drug costs

Biosimilars save money because they are less expensive than the reference biologics and they provide competition that leads to lower costs of the brand-name treatments.



Biologics are the single biggest driver of rising drug prices in the United States – representing 2% of all U.S. prescriptions but nearly 40% of net drug spending.[1]

Biosimilars cost about 30% less than their reference biologics and provide the same benefits.[2]

[1] Avik R. Biologic Medicines: The Biggest Driver Of Rising Drug Prices. Forbes. https://www.forbes.com/sites/theapothecary/2019/03/08/biologic-medicines-the-biggest-driver-of-rising-drug-prices/?sh=153e44d418b0. Published March 8, 2019. Accessed April 2022.

[2] The U.S. Generic & Biosimilar Medicines Savings Report. Association for Accessible Medicines. https://accessiblemeds.org/sites/default/files/2021-10/AAM-2021-US-Generic-Biosimilar-Medicines-Savings-Report-web.pdf. Published October 2021. Accessed March 2022.

Supporting biosimilars helps make our healthcare system more equitable and affordable for all

Increasing access to biosimilars begins with education. There are major information barriers affecting biosimilars – many Americans just don't know what they are, what they do, or their relationship to reference biologics. These numbers are very significant:

54% of participants in an international autoimmune disorder study had never heard of biosimilars (65% of participants were women)

Cost savings from biosimilar medicines can be used to treat 1.2M more patients[2] and have the potential to save the US healthcare system up to more than $133 billion by 2025[2], increasing access and affordability.

A recent HHS OIG report highlights biosimilars as a commonsense bipartisan solution to drive down prescription drug costs. The report notes that "Medicare Part D and its beneficiaries could realize significant spending reductions if biosimilar use becomes more widespread, but the lack of biosimilar coverage on Part D formularies may limit increased utilization.[3]"

Increasing access also may require legislation. There is some momentum at the national and state levels, but biosimilars need more policy support to achieve their cost-savings potential.

Last year, the Biosimilars Forum, in partnership with the Pacific Research Institute (PRI), released a report and interactive tool highlighting the billions of dollars that biosimilars can save states. States should look at biosimilar use for their state employees and retirees to realize these savings.[4]

Californians could save more than $1 billion annually with a 75 percent biosimilar market share.

Similarly, **Floridians** could **save more than $960 million**.

Texans and **New Yorkers** could **save more than $820 million**.

What can policy makers do?

Ensure level playing field for biosimilars and interchangeable products by:

- Including biosimilars in step therapy legislation protocols
- Including biosimilars on formularies. When needed, amend legislation related to mid-year formulary changes and non-medical switching
- These amendments are simple, friendly amendments, to address the oversight of leaving off an entire class of drug products that should be included
- The Forum is not seeking to amend state dispensing requirements for interchangeable products

[3] HHS Inspector General Report: Biosimilars Could Generate Significant Medicare Part D Savings. Biosimilars Forum. https://biosimilarsforum.org/2022/03/31/hhs-inspector-general-report-biosimilars-could-generate-significant-medicare-part-d-savings/. Published March 31, 2022. Accessed April 1, 2022.

[4] New Report Finds Biosimilars Could Save States Billions of Dollars Annually. Biosimilars Forum. https://biosimilarsforum.org/2021/10/13/new-report-finds-biosimilars-could-save-states-billions-of-dollars-annually/. Published October 13, 2021. Accessed April 2022.

Support is needed.

State level

Legislation may limit formulary access of existing products and pipeline products and potentially limits patient and provider access to the over 30 biosimilar choices currently on the market as an alternative to reference products. This legislation should leave patients and providers with only the choice of an interchangeable product currently on the market.

Patients and healthcare providers can be confident in the safety and effectiveness of biosimilar products, just as they would for the reference product. Once available in the U.S., states may permit a pharmacist to substitute an interchangeable product for the reference product without consulting the prescriber.

Federal level

Reducing Out-of-Pocket Costs for Biosimilars in Medicare Part B legislation would lower out-of-pocket costs for patients under Medicare part B for a biosimilar product.

Increase the ASP add-on payment for a biosimilar to plus 6% of the biologic price to plus 8%. This policy will help to fix misaligned incentives for providers, increasing biosimilar uptake.

The Increasing Access to Biosimilars Act will direct CMS to implement a "shared savings" program whereby Medicare savings associated with prescribing a biosimilar would be shared with physicians, incentivizing their use.

For more information on the Biosimilars Forum's work to increase access to lower-cost biosimilars, visit **www.biosimilarsforum.org**.