

Variation in health plan specialty drug coverage: An empirical analysis

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BACKGROUND

- A patients' access to specialty drugs is determined in part by their health plan.
- Because health plans develop their own drug coverage policies, coverage of specialty drugs can vary,¹ which in turn may affect plan members' access to care.

OBJECTIVE

- To examine variation in how commercial health plans cover specialty drugs.

METHODS

Data Source

- The Tufts Medical Center Specialty Drug Evidence and Coverage Database (SPEC)
 - Includes specialty drug coverage decisions issued by 17 of the largest US commercial plans.
 - Contains 484 drug-indication pairs corresponding to 6,139 coverage decisions as of December 2018.

Coverage Restrictiveness

- For each drug-indication pair, we compared the health plans' publicly available coverage policies with the drug's FDA label. We categorized coverage as follows:
 - Covered without restrictions: The plan did not apply any restrictions on coverage beyond the FDA label.
 - Coverage with restrictions: The plan applied restrictions on coverage beyond the FDA label, e.g., step edits or patient subgroup restrictions.
 - Not covered: The plan did not cover the drug.

Restriction Types

- We considered a coverage decision to be more restrictive than the drug's FDA label if a plan applied one or more of the following restriction types:
 - Step edit protocol: Plan required the patient to first fail an alternative treatment before gaining access to the drug.

Restriction Types (continued)

- Patient subgroup restrictions: Plan required the patient to suffer from symptoms of particular severity or duration.
- Prescriber restrictions: Plan required a certain type of physician (e.g., a neurologist) to prescribe the drug.
- Other restrictions: Plan required any other types of coverage restrictions.
- We examined the consistency in coverage of the drug-indication pairs across the included health plans.

Figure 1. Coverage restrictiveness (n=6,139 coverage decisions)

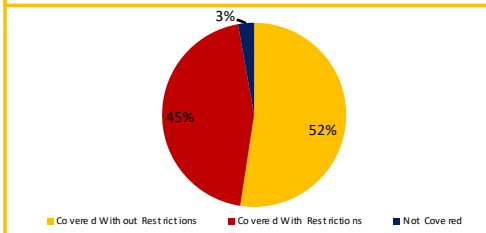


Figure 2. Variation in health plan specialty drug coverage (n=6,139 coverage decisions)

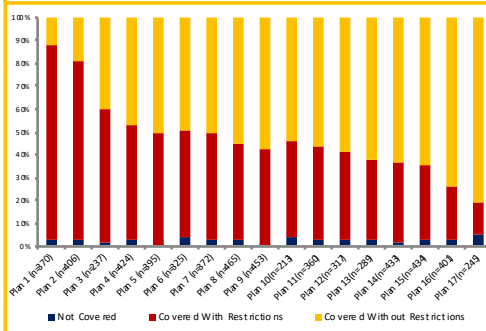


Figure 3. Restriction type frequency (n=2,748 coverage decisions with ≥1 restriction)

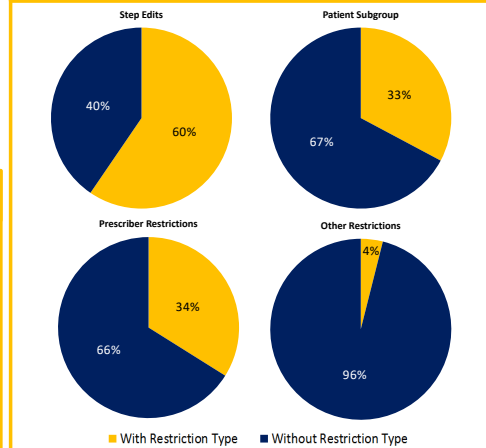
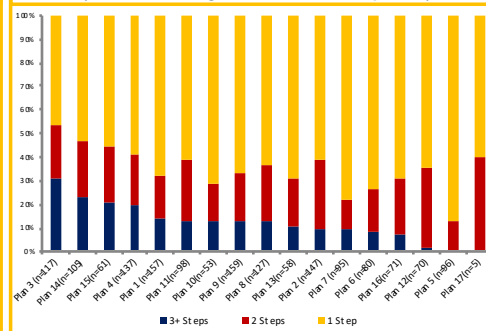


Figure 4. Variation in health plan application of step edits (n=1,636 coverage decisions with step edits)



RESULTS

- The included health plans covered only 5% of the included drug-indication pairs the same way. In other words, health plans varied in how they covered 95% of drug-indication pairs in our sample.
- Overall, health plans applied restrictions in 45% of the included coverage decisions (2,748/6,139). Health plans did not cover specialty drugs in 3% of coverage decisions (Figure 1.).
- We found substantial variation in the restrictiveness of health plans' coverage decisions, with the proportion of a plan's coverage decisions including restrictions ranging from 14% to 85% (Figure 2).
- Among restricted decisions (n=2,748), plans applied step edits in 60% of decisions, prescriber restrictions in 34%, patient subgroup in 33%, and other restriction types in 4% (Figure 3).
- Plans applied multiple restrictions in 27% (732/2,748) of restricted decisions.
- In coverage decisions with step edits, some plans tended to require patients to step through more alternative treatments than others. Four plans required patients to step through at least three alternative drugs in 20% of decisions, while two plans did not require more than two steps in any of their decisions (Figure 4).

CONCLUSION

- Overall, health plans applied restrictions in roughly half of their specialty drug coverage decisions.
- We found notable variation in the frequency that health plans applied restrictions in their coverage decisions.
- We also found notable variation in the frequency that health plans applied different types of restrictions in their coverage decisions.
- Few drug-indication pairs were covered the same way by all included plans.

REFERENCES

1. Chambers JD, Kim DD, Pope EF, Graff JS, Wilkinson CL, Neumann PJ. Specialty Drug Coverage Varies Across Commercial Health Plans In The US. Health Aff (Millwood). 2018 Jul;37(7):1041-1047.

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