VANDERBILT HEALTH | Specialty Pharmacy

Alternative Funding vs. Traditional Coverage: Implications for Specialty Medication Access

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CONCLUSIONS

- Alternative Funding Programs (AFPs) **significantly reduce the likelihood of accessing therapy, increase time to treatment**, and are associated with **more therapy gaps, adverse clinical outcomes, and resources** spent on the access process compared to traditional pharmacy benefits.
- AFPs misuse manufacturer patient financial assistance programs meant for uninsured/underinsured patients by frequently requiring insured patients to apply for PAP.

Alternative Funding Program (AFP) Background

- AFPs are third-party vendors contracted by self-funded employers and health plans that carve out high-cost medications as "non-essential health benefits"
- AFPs attempt to obtain medication from free or low-cost non-insurance alternative pathways
- Surveys suggest that up to 25% of employers and health plans are using or actively exploring AFPs; however, AFP processes may delay treatment and increase patient anxiety
- No studies currently compare AFPs to traditional pharmacy benefits

Methods

Study Design

Multisite, randomized, cohort study
1:2 matched randomization based on clinical area and referral status (new vs. continuing therapy)

Study Setting

12 Integrated Health System Specialty Pharmacies (HSSPs) from geographically diverse areas

Study Sample

Non-AFP Cohort	Patients with non-government insurance referred to the health system specialty pharmacy who are not enrolled in an AFP
AFP Cohort	All patients prescribed specialty medications from a health system identified as being enrolled in an AFP

Study Timeline

Study Period
January 2024 - December 2025

Enrollment Period
January 2024 - June 2025

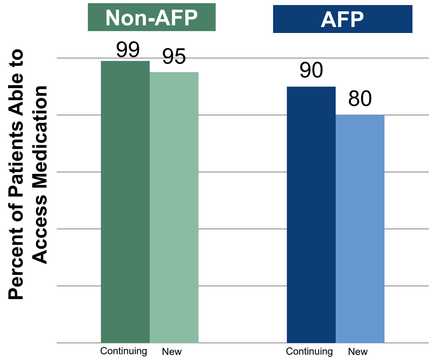
Abbreviations/Definitions: *AFP: Alternative Funding Program, PAP: patient assistance program, OR: odds ratio, HR: hazard ratio, IQR: interquartile range, US: United States, ED: Emergency Department; GI/IBD: gastrointestinal/inflammatory bowel disease; HSSP: health-system specialty pharmacy; "shell pharmacy": a pharmacy that is based in the US, but obtains medication internationally; "courtesy fill" is a one-time exception fill that is typically requested and approved by the health plan/insurer while awaiting other access requirements to be met*

Results

Table 1. Patient Characteristics

Characteristic	Non-AFP (n=547)	AFP (n=299)
Age, years, median (IQR)	53 (39, 63)	47 (35, 57)
Sex, Female	54%	63%
Race, White	82%	86%
Clinical Area		
Rheumatology	24%	22%
GI/IBD	19%	20%
Oncology/hematology	18%	18%
Dermatology	10%	10%
Other	30%	32%
Referral Status, New	43%	43%

Figure 1. Medication Access



Overall Access Rates

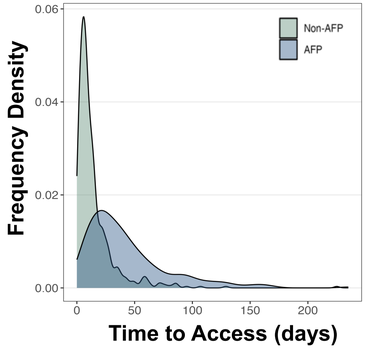
Non-AFP 97%

VS.

AFP 86%

AFP patients had **85%** lower odds of accessing prescribed therapy vs. non-AFP
(OR 0.15, 95% CI 0.08–0.28; p<0.001)

Figure 2. Time to Access



Median Time

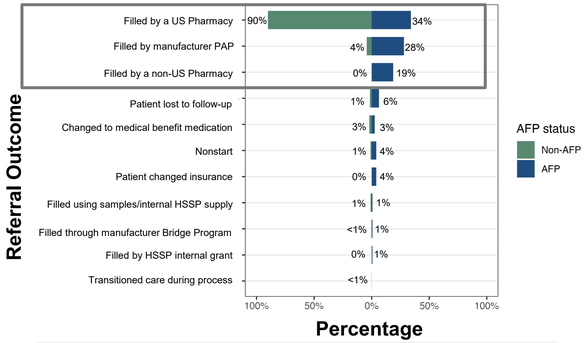
Non-AFP 9 days (IQR 5, 17)

VS.

AFP 33 days (IQR 19, 55)

AFP patients were **70%** less likely to access medication at any given time compared with non-AFP patients
(HR 0.30, 95% CI 0.25–0.35; p<0.001)

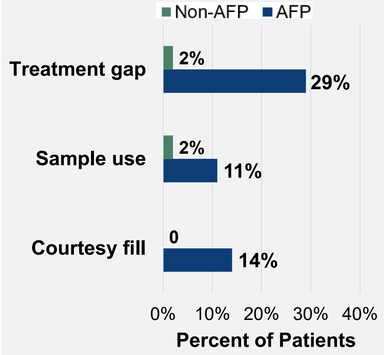
Figure 3. Referral Outcomes



Top 3 Referral Outcomes

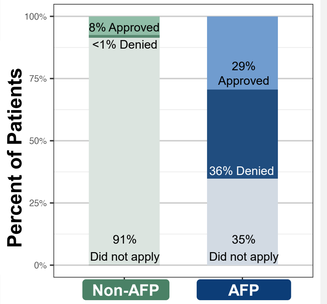
Non-AFP	AFP
1. US Pharmacy: 90%	1. AFP-preferred/"shell" US Pharmacy: 34%
2. Manufacturer PAP: 4%	2. Manufacturer PAP: 28%
3. Changed to Medical Benefit: 2%	3. Non-US Pharmacy: 19%

Figure 4. Gaps/Urgent Supply



AFP patients were **24x** more likely to have a treatment gap compared to non-AFP patients
(OR 24.2, 95% CI 9.9–59.5; p<0.001)

Figure 5. PAP Applications



Non-AFP

9% applied → 87% approved

VS.

AFP

65% applied → 45% approved

Figure 6. Poor Clinical Outcomes

Non-AFP 1% (n=7)

AFP 9% (n=27)

AFP patients were **8.2x** more likely to experience a poor clinical outcome during the access process
(OR 8.2, 95% CI: 3.6–19.0; p<0.001)

6% of AFP patients (n=18) communicated with their Human Resources Department about access

Figure 7. Pharmacists' Time

Non-AFP
Median (IQR): 1 (0.5, 2)
Range: 0-10

Hours

AFP
Median (IQR): 2 (1, 4)
Range: 0.5-30

Pharmacists were **17x** more likely to spend an additional hour helping AFP patients access therapy
(OR 16.9, 95% CI 12.3-23.2; p<0.001)