

Blue Cross Blue Shield of Michigan

House Health Policy Committee
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Manufacturer coupons encourage higher cost options

House Bill 4350: Limit use of coupon when a lower priced, equally effective generic is available.

House Bill 4353: Requires plans to count pharmaceutical manufacturer coupon values toward a patient's out-of-pocket maximum or other cost sharing requirements.

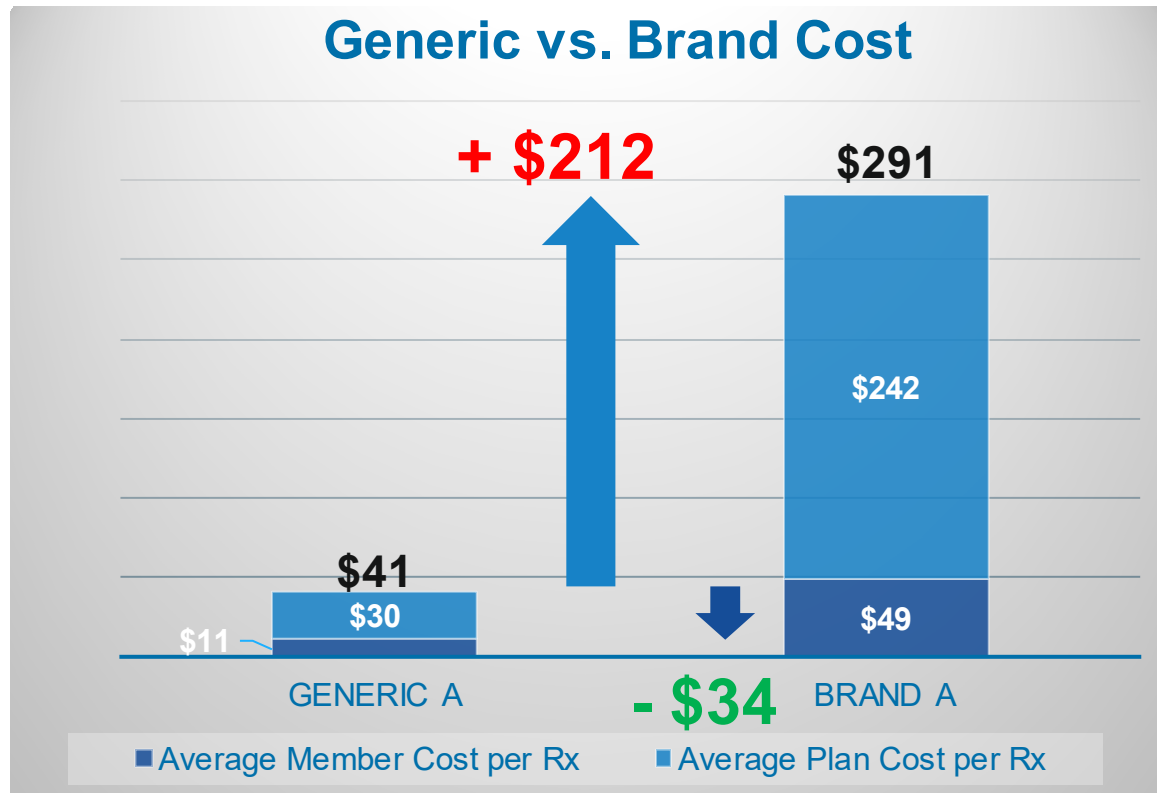
What is a coupon?

Coupons can encourage the use of higher cost brand-name drugs when equally effective, less costly generics are available – adding to the overall cost of health care.

Example:

Brand A Coupon reduces member cost from \$49 to \$15 (down \$34).

Increases health system costs by an additional \$212.

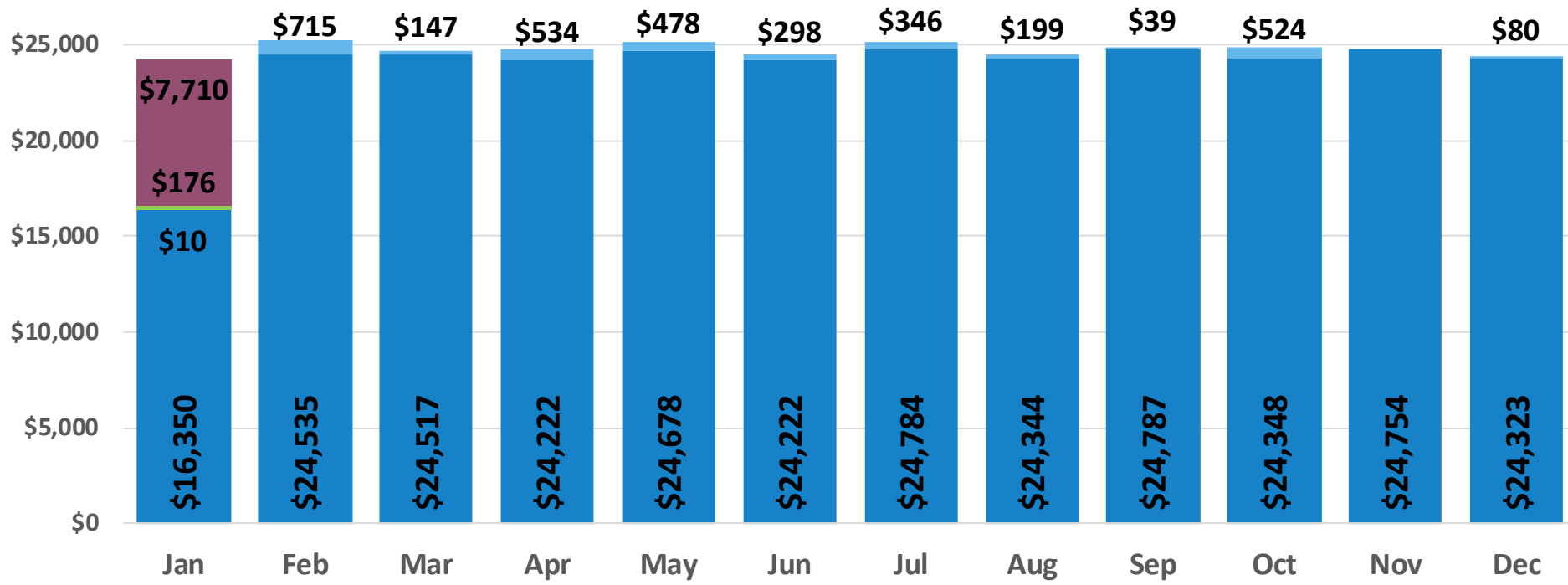


Manufacturer drug coupons

PPO Blue Cross® Premier PPO Bronze Saver

\$7,900 Deductible
 \$7,900 Out of Pocket Maximum
 0% Coinsurance

BCBSM Payments - \$289,223 (97.3%)
Manufacturer Coupon Payment - \$7,710 (2.5%)
Member Payment - \$186 (<0.01%)



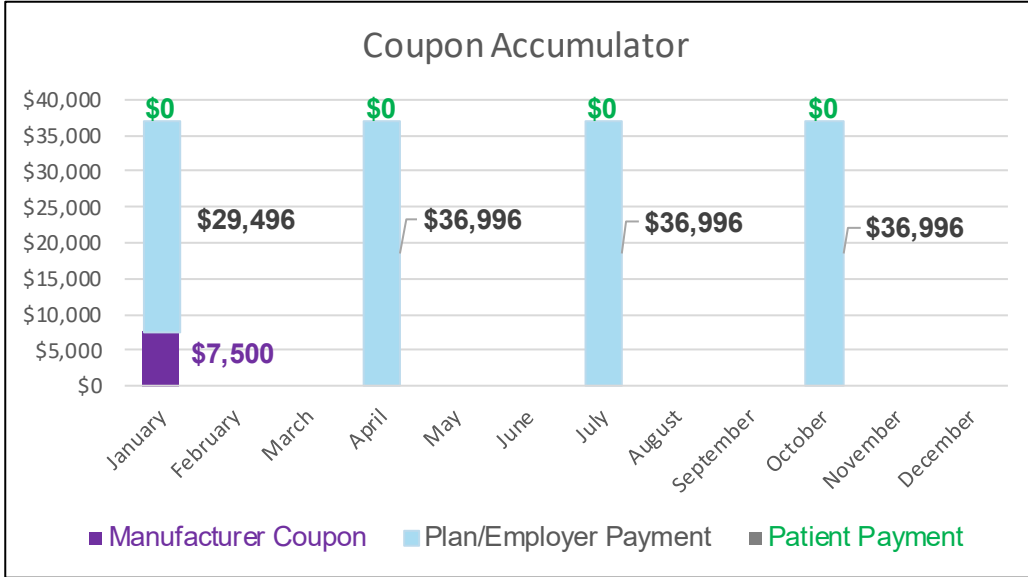
- BCBSM Payments Rx (Total = \$285,864)
- BCBSM Payments Medical (Total = \$3,359)
- Member Payments Rx (Total = \$10)
- Member Payments Medical (Total = \$176)
- Manufacturer Coupons (Total = \$7,710)

High-cost drug coupon examples

Drug Name	Manufacturer	Estimated Monthly Cost	Estimated Annual Treatment Cost	Coupon Available	Coupon Resource
Hemlibra™	Genentech	\$43,133	\$517,596	\$5 per month up to \$15,000 annually	Website
Vitrekvi®	Bayer	\$32,800	\$393,600	\$0 per month up to \$25,000 annually	Website
Pemazyre®	Incyte Corporation	\$17,000	\$204,000	\$5 per month up to \$15,000 annually	Website
Trodelvy™	Immunomedics	\$16,576	\$198,912	\$0 per month up to \$25,000 annually	Website
Tabrecta™	Novartis	\$20,289	\$243,4	\$0 per month up to \$15,000 annually	Website
Retevmo®	Lilly	\$20,600	\$247,200	\$0 per month up to \$25,000 annually	Website

Cost estimates are based on wholesale acquisition cost (WAC)

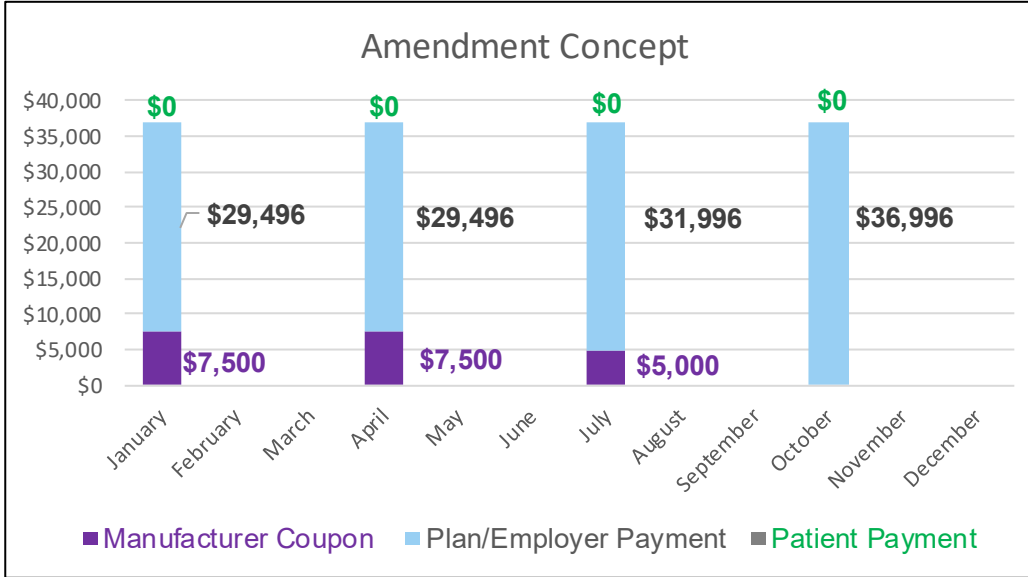
Manufacturer drug coupons



Example Drug – Dosed every 90 days

- List price is \$36,996 per 90 days
- Coupon reduces member cost to \$0 per dose capped at \$20,000 in value per year

Plan Employer Payment = \$140,484
Manufacturer Coupon = \$7,500
Patient Payment = \$0
Total Payment = \$140,484



Plan/Employer Payment = \$127,984
Manufacturer Coupon = \$20,000
Patient Payment = \$0
Total Payment = \$127,984

Patient's Health Plan Benefit

- \$3,700 Deductible
- \$7,500 Out of Pocket Maximum
- 25% Coinsurance

Questions?

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