



Agenda Item 8

December 17, 2013

ITEM NAME: Considerations in Generic Step Therapy Programs

PROGRAM: Health Benefits

ITEM TYPE: Information

EXECUTIVE SUMMARY

In order to curb pharmaceutical expenditures, step therapy programs have been widely implemented throughout the US. Step therapy programs require that a generic alternative is tried before brands are covered. Results from a critical review of step therapy program evaluations show that four therapy classes provide significant drug savings. More research is recommended for other drug therapy classes.

STRATEGIC PLAN

This informational item supports Strategic Plan Goal A: "Improve long-term pension and health benefit sustainability." Generic step therapy could reduce costs and increase adherence.

BACKGROUND

In order to curb pharmaceutical expenditures, step therapy programs have been widely implemented throughout the US. Generic step therapy requires a member to try a generic alternative first prior to receiving coverage for a second-line agent, usually a branded product. Approximately 60 percent of commercial payers reported having one or more step therapy programs in 2010. Although step therapy is one of the most popular pharmacy benefit management tools, few reviews of these programs exist. The purpose of this agenda item is to present information from an extensive and critical review of step therapy program evaluations, including the economic value and clinical outcomes of these programs.

ANALYSIS

As of 2011, 14 evaluations of step therapy programs have been published. Five therapy classes were evaluated, including antidepressants, antihypertensives, antipsychotics, nonsteroidal anti-inflammatory drugs and proton pump inhibitors. Research demonstrates that step therapy programs for all therapy classes but antipsychotics can provide significant drug savings. The drug cost savings result from greater use of generics, and to a lesser extent, a decrease in use of medications. In addition, findings conclude that step therapy programs did not impact utilization of hospitals and emergency rooms. Further research to evaluate the impact of step therapy programs on cost savings and clinical outcomes is recommended for other drug therapy classes.

ATTACHMENTS

Overview of Generic Step Therapy

DAVID COWLING, Chief
Center for Innovation

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning