

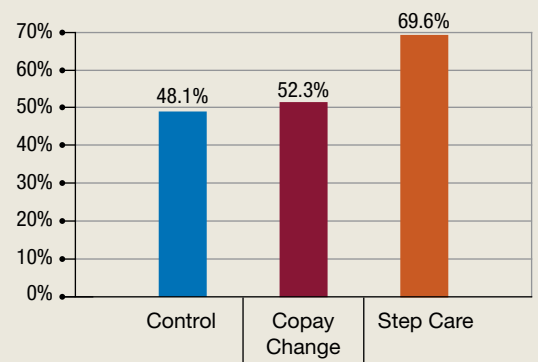
Case Study

Moving Brands to the Third Tier: A Comparison With Step Care Therapy

Results at a Glance

- A select group of clients who implemented the Walgreens Health Initiatives Nonsedating Antihistamines (NSA) Step Care Therapy Program and a client who adopted a copay change in this class both achieved savings that surpassed those of a control group, which did not implement any changes.
- Total NSA per member per year (PMPY) costs for the client who made the copay change decreased 52.3 percent, substantially less than the 69.6 percent cost savings realized by clients using our step care therapy program.
- Total PMPY savings attributable to NSA step care in this study were \$16.20. For a group with 100,000 covered lives, this represents a savings of \$1.62 million per year. In comparison, total PMPY savings resulting from the copay change were \$8.04.

Total PMPY NSA Cost Savings



Business Challenge

Walgreens Health Initiatives advises clients that step care therapy programs are a high-yield approach to managing costs and utilization in a wide array of drug classes, including NSAs. (NSAs are widely prescribed for treatment of allergy symptoms such as sneezing, itching, watery eyes and runny nose.) However, the client profiled in this case study preferred a different approach to managing NSA costs. Due to concerns about potential member disruption associated with step care, the client chose to implement a plan design change to move all brands in the NSA class to the third tier. After this change was made, the copay for brand medications in this class was \$50 or \$65 for a 30-day supply at retail, depending on whether or not the prescription was filled at a network pharmacy. (Several widely utilized generic prescription and over-the-counter NSA products are available for \$15 or less for a 30-day supply at many retail pharmacies.)

Walgreens Health Initiatives provided benchmarking data to the client who made the copay change to determine whether the copay change increased generic dispensing rate (GDR) and reduced costs to target levels. We compared deidentified NSA prescription claims data for the client who made the copay change with those of a control group and a select group of step care clients.

Our Solution

This study supports the impact of Walgreens Health Initiatives step care therapy programs. Step care therapy requires that one or more prerequisite medications be tried before a “step therapy” drug will be covered, unless medical exception authorization is received. This approach has been highly successful in managing prescription costs and utilization for Walgreens Health Initiatives clients.

Our Results

Our benchmarking data confirm that step care therapy in this drug class remains the best option for cost savings.

- Total PMPY NSA costs for the client who made the copay change decreased 52.3 percent, substantially less than the 69.6 percent cost savings realized by the clients using the Walgreens Health Initiatives NSA Step Care Therapy Program but more than the 48.1 percent savings in the control group. The control group savings are attributable in part to the availability of generic Zyrtec® (cetirizine) starting in January 2008.
- Total PMPY savings attributable to NSA step care in this study were \$16.20. For a group with 100,000 covered lives, this represents \$1.62 million in savings per year. In comparison, total PMPY savings resulting from the copay change were \$8.04, the equivalent of \$804,000 annually for a group with 100,000 covered lives.

Benefits of Step Care Therapy

- Offers a clinical solution to help ensure appropriate use of prescription medications
- Helps reduce prescription expenses for clients
- Helps maintain appropriate cost sharing between plans and members
- Encourages the use of cost-effective generic medications

A Note on Methodology

The client who made the copay change described in this case study implemented this plan design change on January 1, 2008. The client had 12,000 covered lives as compared with 24,000 lives in the control group, and 12,000 lives in the step care group. Deidentified NSA prescription claims data were obtained for all clients for one year prior to implementation and one year afterward. Estimated savings do not include rebates.

A forecasting model is available to estimate Walgreens Health Initiatives NSA Step Care Therapy Program cost savings based on your utilization and benefit design. Call 800-926-6779, email whi@walgreens.com or visit us at WalgreensHealth.com/pbmcs.