Managed Care Survey Reveals Trends in Dermatology

The relationship between dermatologists and managed care continues to improve; however, according to a new report, concerns such as the best way to handle difficult conditions (eg, psoriasis) and the costly biologic drugs used to treat these conditions remain.[1]

In the spring of 2006, the National Association of Managed Care Physicians (NAMCP) and Galderma Laboratories, LP, surveyed 3500 medical directors, pharmacy directors, and other professionals in managed care organizations across the United States regarding policies, issues, and trends specific to dermatologic care. The NAMCP and the American College of Occupational and Environmental Medicine also sent surveys to a sample of employer representatives involved in making decisions concerning benefit coverage for corporate employees.

Researchers also surveyed dermatologists across the country regarding the characteristics of their practices and their relationships with managed care. Additionally, researchers used a database that included actual claims information from more than 200,000 patients to analyze how US physicians currently treat acne, ranging from prescriber preferences and patterns to treatment costs. In this editorial, we summarize the selected findings from these survey responses, which were published in the *Galderma Quality Report for Dermatology & Managed Care*. This editorial also contains a review of recent medical literature related to acne and its treatment.

Managed Care Organization Survey Findings

The NAMCP research found that 68% of plans surveyed carve out the management of the prescription benefit from the medical benefit.[1] The NAMCP survey also addressed the use and coverage of dermatologic prescriptions, including biologics and injectable medications. Additionally, participants were surveyed about their organizations' medical benefits for dermatologic care, usage and coverage of lifestyle or cosmetic drugs, and trends in the treatment of specific dermatologic conditions such as psoriasis and acne vulgaris.

Dermatologic Medications on Formulary

A review of which tiers dermatologic medications occupy appears in Tables 1 and 2. These results indicate that some dermatologic products, most likely injectables, appear on tier 4 of those managed care organizations (MCOs) that have 4-tiered formularies. In fact, the Galderma report revealed that since its first edition in 2004, MCOs' use of 4-tiered formularies to manage biologic drug costs has risen more than 20%.[1]

Tier 4 of a formulary is reserved for specialty drugs such as dermatologic products, especially biologics or injectables such as etanercept, infliximab, and alefacept, as well as cosmetic products. Because of their high cost, MCOs have placed dermatologic products on tier 4 in order to encourage members to try other, more cost-effective therapies first, which requires members to invest financially in their treatment. Survey respondents ranked efficacy first and cost second as the most important factors influencing inclusion of a drug on formulary.

The Honolulu-based Hawaii Medical Service Association (HMSA), featured in the Galderma report, uses a 3-tiered formulary consisting of $5, $20, and $55 copayments for its commercial population (John T. Berthiaume, MD, oral communication, February 2007). In its Medicare Part D plan, the HMSA includes additional fourth and fifth tiers with 20% coinsurance.

Because biologic drugs in commercial plans fall into the medical bucket, 3 tiers have proven to be sufficient on the commercial side. Conversely, the extra tiers for Medicare Part D provide a way to keep biologics under the pharmacy benefit (John T. Berthiaume, MD, oral communication, February 2007).

The HMSA manages dermatologic biologics through precertification and outlines these criteria on its Web site. Like many other insurers, the HMSA requires that psoriasis cover more than 10% of a patient's body surface area to qualify for biologic coverage. The HMSA does not have any formal guidelines for psoriasis, but bases its precertification criteria on studies that led to the approval of the product by the US Food and Drug Administration. The HMSA's goal is to ensure that the use of biologics is appropriate (John T. Berthiaume, MD, oral communication, February 2007).

The HMSA also covers oral isotretinoin, but requires a condition code. Providers must use the Ninth Revision, International Classification of Diseases code for acne

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vulgaris because the drug will not be covered for use on wrinkles. The HMSA does not cover oral isotretinoin for cosmetic purposes.

Going forward, a major concern for the HMSA is the high cost of specialty drugs, some of which are perceived as truly miraculous, while others do not provide sufficient value. The solution to this problem is going to be changes in benefit design and more cost sharing. The HMSA also foresees a trend toward developing formularies for specialty drugs, which will move many

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of these drugs over to the pharamacy benefit, thereby offering more data and better rebates from manufacturers (John T. Berthiaume, MD, oral communication, February 2007).

Psoriasis

Survey responses revealed much interest in the cost-effectiveness and efficacy of psoriasis treatments. Step therapy is commonplace in determining the treatment of patients with psoriasis. The use of systemic agents, phototherapy, or both is recommended prior to the use of biologics.[1]

Additionally, it remains to be seen whether biologic therapies will eventually be used more often than phototherapy in treating psoriasis. More than 20% of respondents believed that phototherapy can cost health plans more than biologic agents, and 70% of respondents believed that the use of biologics will continue to increase.[1]

Opinion Research

Researchers also asked managed care professionals to agree or disagree with various opinion statements. For example, 59% of respondents agreed (50%) or strongly agreed (9%) that there is an urgent need for nationally recognized consensus guidelines for treating psoriasis; 24% responded neutrally. Sixty-one percent of respondents either agreed (53%) or strongly agreed (8%) that biologics for the treatment of moderate to severe psoriasis have an appropriate risk-benefit ratio; 28% responded neutrally. Ninety-two percent of respondents either agreed (33%) or strongly agreed (59%) that generic steroids are equally as efficacious as branded steroids regardless of the delivery vehicle. Fifty-seven percent of respondents either agreed (53%) or strongly agreed (4%) that a dermatology product's vehicle may be as important as the active ingredient in some cases; 30% responded neutrally. Lastly, 45% of respondants either agreed (34%) or strongly agreed (11%) that biologic therapy is as expensive as phototherapy for MCOs; 32% responded neutrally, and 22% disagreed that biologic therapy is as expensive as phototherapy.[1]

Formulary Prescription: Acne Treatments

To understand why medications should be on an MCO's formulary, consider the following information. Acne is the most common reason for a visit to a dermatologist and accounts for most dermatologic prescriptions in the United States.[2] Acne also has a profound impact on people's lives. For example, unemployment is higher in patients with severe acne.[3] The social and economic consequences of acne are substantial and also affect a patient's ability to perform on the job and in tertiary (undergraduate or postgraduate) education.[4]

What Makes for Successful Acne Treatment?

Fleischer et al[2] studied the use of acne medications and services and found that 70% of patients used some type of medication for acne. Furthermore, acne-related medication accounted for approximately 36% of the total acne-related annual health care costs, with an average of 2 annual acne prescription refills per patient.[2] Additionally, an increased

number of refills of acne-related medications was associated with an improvement in health status. Fleischer et al[2] noted that adherence to acne medications is an important component of better health status and that pharmacologic treatment of acne does not significantly add to acne-related annual health care costs. Increased physician office–based visits were the only predictors of higher acne-related annual health care costs.

Treatments for Mild Acne

According to Zaenglein and Thiboutot,[5] a topical retinoid should be the foundation of treatment for most patients with mild to moderate acne because retinoids target the microcomedone, the precursor to all acne lesions. Retinoids also are comedolytic and have intrinsic anti-inflammatory effects; thus, they target 2 pathogenic factors in acne. Furthermore, combining a topical retinoid with an antimicrobial agent targets 3 pathogenic factors, and clinical trials have shown that combination therapy results in significantly faster and greater clearing versus antimicrobial therapy alone.[5] It is also clear that benzoyl peroxide is a key treatment for acne and is likely the single most cost-effective and useful treatment for acne; however, it can be irritating, thus complicating compliance.[6]

Moderate and Severe Acne: Oral Isotretinoin

Oral isotretinoin is a highly effective and expensive treatment for moderate and severe acne, and its value only becomes apparent over the course of several years. Observational studies of clinical and patient-assessed outcomes suggest that oral isotretinoin is much more effective than available alternatives. Although the cost of treatment with isotretinoin is greater in the first year, substantial cost savings accrue in subsequent years.[7] The sooner oral isotretinoin is prescribed, the more cost-effective and clinically effective it becomes.[8] In 2007, Oprica et al[9] noted that although antibiotic treatment was found to be a satisfactory alternative to oral isotretinoin regardless of the presence of antibiotic-resistant *Propionibacterium acnes*, oral isotretinoin was more effective, with prolonged remission after treatment. This study found that in managing oral isotretinoin, health plans must enforce the iPLEDGE risk management program, which requires physicians to enter information on a monthly basis for female patients of childbearing age in order for the medication to be approved for dispensing.[9]

Preauthorization

Feldman et al[10] noted that prior authorization for topical tretinoin is of no great benefit to insurers. As the use of prior authorization decreases, the cost of requiring prior authorization increases. Eliminating prior authorization altogether would result in, at most, a small increase in costs and would be balanced by the benefits to both patients and physicians.[10]

Dermatologist Survey: Prescribing Acne Treatments

In the Galderma report's brand-level analysis, the top 5 most commonly prescribed acne treatments were (in order): BenzaClin (clindamycin/benzoyl peroxide), Differin Gel (adapalene), Retin-A Micro Gel (tretinoin), Duac Gel (clindamycin/benzoyl peroxide), and Differin Cream (clindamycin/benzoyl peroxide). Within this grouping, physicians appeared most likely to use Differin Cream and BenzaClin as monotherapies, although switching or combining treatments after 90 or 180 days was common.[1] The use of these medications is not surprising because it correlates with the recommendation of Zaenglein and Thiboutot.[5]

Employer Ennui

The Galderma report's employer survey revealed that, for a variety of reasons, employers presently pay little attention to dermatologic conditions. On the whole, employers are driven by business issues, such as the direct costs of health care, prescription, and disability benefits, as well as indirect costs, such as the impact of health problems on productivity and employee morale. Typically, dermatologic conditions are not perceived as having a significant impact on the key drivers of business success.[1]

The Galderma report's employer survey, which was completed by 84 individuals who play a role in making decisions regarding benefit coverage for their corporations, further revealed that the impact of conditions, including psoriasis and acne, on overall costs and productivity loss are not seen as significant enough to drive employer action through benefit program design or workplace intervention. In fact, the only dermatologic condition that rises to any level of concern is melanoma, most likely because of its associated mortality.[1]

Nevertheless, the report notes that employers play a key, but often overlooked, role in shaping policies and pricing for the treatment of many medical conditions. Through the design of workplace benefit plans, their use of care management services, and the wellness programs they offer, employers influence both employee behavior and attitudes toward health conditions in the workplace.

Indeed, the time appears ripe for heightened efforts to educate health care consumers about dermatologic

conditions and how they are treated. Although consumer-directed health care has been slow in reaching the workplace, it has the potential to raise the profile of dermatologic issues in the eyes of employers. In turn, employers and managed care plans might pay more attention to these issues, which can impact employees' quality of life and self-esteem, when employees themselves play a larger role in determining how their health care dollars are spent.

Pharmaceutical companies and MCOs must do much more to educate employers regarding the cost impact of dermatologic care if they wish to raise the profile of dermatology.[1] Education is the key to raising employers' awareness regarding dermatologic conditions and their impact on patient health, well-being, and productivity. Going forward, managed care companies and pharmaceutical manufacturers must increase their efforts to educate employers concerning a host of issues.[1] These efforts include the availability of pharmacologic and other treatment options, standards of dermatologic care, and the effect of dermatologic disorders on absenteeism, presenteeism (when workers are on the job but not fully functioning because of medical conditions), and customer relations, especially in retail and service-oriented businesses.

Conclusion

Dermatologic care has a substantial impact on patients' lives but usually does not notably influence the mortality of patients or the budgets of MCOs, likely accounting for its small footprint on the managed care formulary scene. This might change, however, as more sophisticated analyses demonstrate the importance of skin care for patients as employees and employers take notice. The Galderma report compiled crucial data on this issue regarding the place of dermatology in the world of managed care, as well as the issues that occupy the dermatology community. Thus, this report is a key source for understanding the issues that will occupy patients, prescribers, and those who establish formularies for years to come.

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