AMERICAN COLLEGE of RHEUMATOLOGY
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October 30, 2024

Alexander Lesko, MD, MBA
Executive Medical Director
HCSC
300 E Randolph Street
Chicago, IL 60601

Dear Dr. Lesko,

On behalf of the more than 7,700 U.S. rheumatologists and rheumatology health professionals represented by the American College of Rheumatology (ACR), I am writing regarding an upcoming change in formulary requirements that would leave rheumatology practices underwater when treating Health Care Services Corporation (HCSC) patients with rheumatic diseases.

The ACR was recently made aware that, as of January 1, 2025, HCSC BCBS plans in Illinois, Montana, New Mexico, Oklahoma and Texas will require patients on infliximab to use either of the biosimilars infliximab-axxq (Avsola) or infliximab-dyyb (Inflectra). Unfortunately, reimbursement for both products has fallen below the acquisition cost at many rheumatology practices. Practices that infuse these drugs are doing so at a loss and risking their financial solvency. As you can understand, this situation is not tenable. Unless this situation is rectified immediately, practices will be obliged to send these patients to a hospital outpatient infusion center, where treatment is more expensive, travel distance is farther, wait times are longer and out-of-pocket fees are higher.

Biologics, like infliximab, are vitally important therapeutic options for patients with rheumatic diseases. An established body of evidence indicates that, in addition to reducing pain and dysfunction related to inflammatory diseases, these medications reduce costly disease-related complications including a cardiovascular disease, metabolic syndrome, and expensive procedures and surgeries. Use of biologics in rheumatic conditions also reduces costs by preventing missed work, improving work performance, and avoiding long-term disability.

While they are highly effective, biologics require significant established infrastructure to administer them to patients because of their complex molecular structure, storage requirements and potential to cause serious adverse events. Like many other complex biologics, infliximab is administered intravenously and may result in infusion reactions that range in severity from a mild rash and myalgia to hypertension, shortness of breath, headaches, and life-threatening anaphylaxis. For this reason, it is essential that administration occur in a monitored health care setting with onsite supervision by a provider with appropriate training in biologic infusions, ideally one who is actively involved with the patient's care and with access to their medical record. If payer policies and reimbursement rates remain financially prohibitive for providing

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biologic therapies in office, then patients will be sent to a hospital setting where their safety can be assured.

The ACR recognizes that biologic drugs are costly; however, given their high value in achieving disease remission and overall wellness, it is critical that health plans ensure patients have continued access. We are encouraged to see the overall impact of biosimilars on reducing drug costs and continue to strongly support their use. As an example, the average sales price (ASP) of infliximab (Remicade) in q4 2016, the last quarter it had market exclusivity, was $828.72, while in q4 2023 its ASP is $326.37. This represents over a 60% reduction in cost. The problem our practices are facing relates to market instability in the pricing of these drugs and the support (or lack thereof) the manufacturers give to ASP – allowing ASP to fall below acquisition cost and creating the current situation where the two versions of infliximab are underwater. This problem is being compounded by HCSC and other payer formularies requiring use of the underwater drugs. This unfairly shifts the burden of drug costs on to physicians and creates an untenable situation for rheumatology practices. As evidenced above, the branded version of infliximab (Remicade) has had a massive drop in sales price in the past 7 years and offers a significant cost savings when compared to other biologics on the market today. We feel strongly that our practices should be appropriately reimbursed for using ANY version of the most cost effective infusible biologic drug.

We appreciate your consideration of these concerns and ask that HCSC reconsider formulary requirements for infliximab products and ensure appropriate reimbursement rates. We would also appreciate the opportunity to speak with you regarding this issue. Please contact Meredith Strozier, ACR Director of Practice Advocacy at mstrozier@rheumatology.org or (404)633-3777 with any questions or to arrange a conference call.

Sincerely,

Rebecca Shepherd, MD
Chair, ACR Insurance Subcommittee