



# How Access to Biosimilar Drugs Could Boost Healthcare Equity

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Access. Affordability. Health Equity. These are more than just industry buzzwords; they have real world implications which have a tremendous impact on patients' lives.

For instance, in 2018, racial health disparities were linked to \$93 billion in excess medical costs.<sup>1</sup> More recently, in 2021 the U.S. Department of Health and Human Services delivered a report which measured healthcare quality, access, and disparity. It concluded that "compared with white groups, the number of measures that were worse exceeded

the number of measures that were better for all racial and ethnic minority groups except Asian groups.”<sup>2</sup>

Addressing inequities in healthcare could lead to significant cost savings and healthier communities.<sup>2</sup> One of many opportunities to achieve this lies with biosimilars.

“It’s no secret that there are significant equity gaps within our healthcare system, including access to medically-necessary prescription drugs,” says Julie Reed, Executive Director at The Biosimilars Forum. “Biosimilars are a ready-made solution that can address current healthcare pressures and provide equitable healthcare for patients.”

## **What Are Biosimilars?**

Biosimilar medicines are used to treat complex diseases and autoimmune conditions.<sup>3</sup> According to The U.S. Food and Drug Administration (FDA), a biosimilar is a "biological product that is highly similar to and has no clinically meaningful differences from an existing FDA-approved reference product...in terms of safety, purity, and potency."<sup>4</sup> The first FDA-approved biosimilar came to market in 2015; 38 biosimilars had been approved in the U.S. as of August 2022.<sup>5</sup>

Developing biosimilars requires rigorous analysis to demonstrate their equivalence to the reference product and ensure there are no clinically meaningful differences in terms of their safety, efficacy and purity.<sup>3</sup>

For many people, the biggest difference between a biologic and a biosimilar may be the cost. Patients can receive the same benefits from biosimilars as biologics potentially at less cost to them or their insurance company. Access to biosimilar drugs to treat a complex disease or autoimmune conditions does more than provide patients critical access to life-saving medication; it also helps achieve more equitable health outcomes.<sup>6,7</sup>

## **Biosimilars Improve Access to Medicine**

In 2017, a survey found that 94% of patients who made less than \$25,000 per year said they didn't fill or pick up prescriptions because they cost too much, with 12% saying the cost is what led them to stop taking a medication before their provider recommended it.<sup>8</sup>

For groups with unequal access to healthcare, such as some older adults, low-income individuals, rural populations, and indigenous people and people of color (BIPOC), having greater access to biosimilars could provide better quality healthcare, improved outcomes,

and cost savings. Research shows that biosimilar drugs could reduce spending on biologics by \$38.4 billion between 2021 and 2025.<sup>9</sup> In fact, the U.S. healthcare system saved \$338 billion because of biosimilar and generic drugs in 2020 alone.<sup>10</sup>

Biosimilars have the potential to change healthcare in fundamental ways: providing patients with access to more affordable, equally effective treatments and offering doctors more treatment options. And, as a result, healthcare systems may be able to funnel the long-term savings into overall improvements for patient care.<sup>7</sup>

## **The Barriers to Accessing Biosimilars**

Despite their potential benefits, the use of biosimilar drugs remains low in the U.S. compared to Europe. As of January 2021, 55 of 65 the biosimilar medications that have been developed are on the market in Europe while, in the U.S., approximately 50% of FDA-approved biosimilars had been commercialized.<sup>11</sup>

Nationwide, doctors have “major knowledge gaps” about biosimilar medications, which often means that the cost-saving options of safe, effective, less expensive drugs for complex diseases and autoimmune conditions might not be prescribed to patients who could benefit the most.<sup>12</sup> Efforts are underway to increase patient access to biosimilars that could improve their health and improve healthcare equity.

## **Policy Change That Promotes Biosimilars Can Improve Health Equity**

“To help create a thriving biosimilars market and ensure patient access, policymakers can take steps to reduce or eliminate out-of-pocket costs for biosimilars and incentivize doctors to prescribe biosimilars,” says Diego Sacristan, U.S. Oncology Lead at Pfizer.

This can be accomplished in the Medicare program through new policies that temporarily increase physician reimbursement for biosimilars, or pilot programs that test a “shared savings” model, he says. This way Medicare savings associated with prescribing a biosimilar would be shared with physicians. Congress could also act to reduce or eliminate out-of-pocket costs for Medicare patients taking a biosimilar through a “zero dollar co-pay policy,” he explains. In fact, in 2021, Cigna offered a shared savings program in which each patient would receive \$500 for switching from a biologic to its equivalent biosimilars.<sup>13</sup>

Alongside these federal changes, states can take action to contribute to improving access to cost-saving biosimilars. Pfizer encourages state-regulated health plans to prioritize

coverage of biosimilar drugs, just as was previously done for generic medications. The Association for Accessible Medicines (AAM) urges states to distribute FDA's biosimilar materials and help raise awareness about the use of biosimilar medicines.<sup>14</sup>

These moves would make it easier for providers to prescribe more affordable medications. Additionally, the AAM has recommended removing pharmacy benefit manager rebate walls to pave the way for increased access to lower cost biosimilars.<sup>15</sup>

Biosimilars have the potential to expand treatment options and boost health equity. At the same time, they can potentially save individual patients and healthcare systems money. With the help of legislative and advocacy efforts, as well as future initiatives, access to these effective medications can expand to fundamentally change healthcare for patients who need these drugs.

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