Biosimilars: The Next Frontier
PBGH & IBI Webinar Series Event

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Kaiser Permanente (KP) Facts

12.4 million members
8 States and the District of Columbia
714 Medical Offices
39 Hospitals
23,271 Physicians
63,306 Nurses
$84.5B 2019 Operating Revenue
$14 B 2019 Pharmacy Expenses
What problem are we trying to solve? 1 in 4 people in the US have a difficult time affording their medicine

Source: Kaiser Family Foundation Health Tracking Poll (conducted Aug 6-11, 2015)
Kaiser Permanente Process for Biosimilars

Note: Kaiser Permanente is an integrated health system, so some processes may be unique
What do patients & clinicians want to know about biosimilars?

- Is it just as effective?
- Is it just as safe?
- Are the presentations the same?
- Are there differences in patient-convenience?
- It is more cost-effective?
Currently there are 28 biosimilars approved by the FDA, with only 12 on the market.
Kaiser Permanente Success With Biosimilars

Currently using 6 biosimilars
80-95% Biosimilar market share
Estimated savings: ~$200M since inception

Higher/faster success rates with:
- Supportive care vs treatment
- Palliative vs curative
- Increasing familiarity with biosimilar concept
The entrance of biosimilars increases price competition

Competition drives down price

Lower prices increase patient access

The Impact of Biosimilar Competition in Europe - European Commission


May 8, 2017
Conclusions

• The US Biosimilars Market is at a critical juncture as uptake is improving but slower compared to Europe due to patent litigation amongst pharmaceutical companies, pay for delay, restricted access by PBMs/insurers, reimbursement mechanisms, and a lack of physician and patient education regarding availability and efficacy, and due to the FDA’s interchangeability requirement.

• This is despite the fact that there are substantial financial savings ($54 B from 2017-2026) per the Rand Corporation) to be gained through the use of biosimilars and improved access for patients to these medications.

• Biosimilar adoption provides a solution to the drug pricing and spending debate like generics did for brand name drugs.

• Additional policies need to be considered to help uptake and viability of the biosimilars market in the U.S.
Questions?