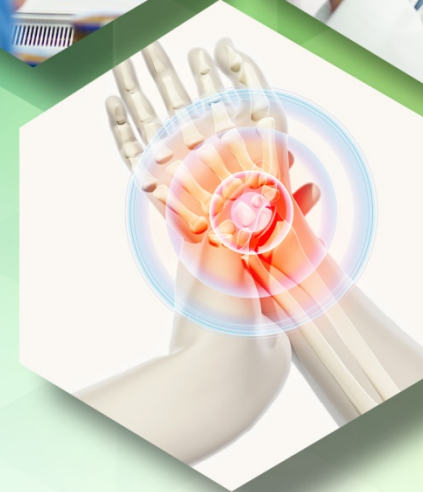


Meeting the Challenge of Psoriatic Disease:

Optimal Care and Cost Management Strategies for Managed Care



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independent educational grants from
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and Celgene Corporation.

Live Webcast



Psoriasis Clinical Update: Assessing the Latest Trial Data and Treatment Algorithms

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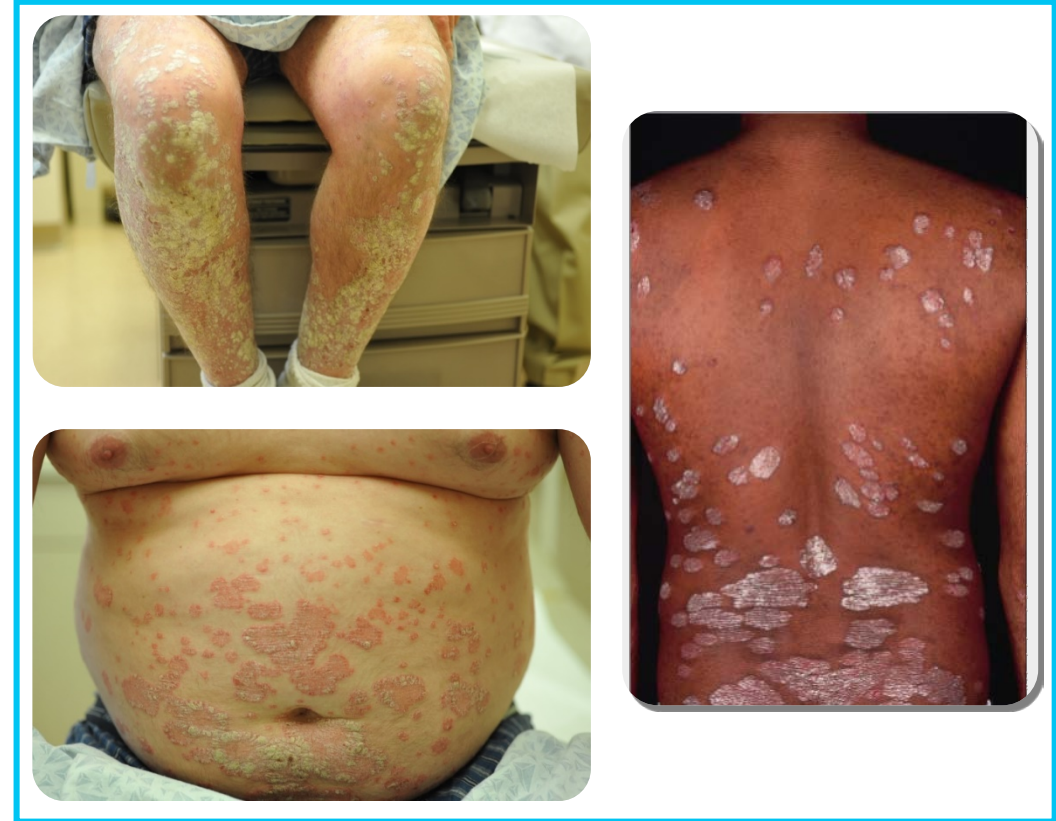
University of California, Los Angeles

Learning Objectives

- Assess current and emerging therapies for the treatment of psoriasis and cite their clinical trial data
- Examine alignment of managed care psoriasis treatment algorithms with recent clinical trial data

Chronic Plaque Psoriasis: A Multisystem Inflammatory Disease

- Chronic relapsing immune-mediated inflammatory disease
- Affects >3% of the US population
- Affects multiple areas of the body
- Up to 30% of patients with psoriasis develop psoriatic arthritis
- Accompanied by significant clinical, social, and economic burden



Psoriasis Fact Sheet. National Psoriasis Foundation Web site. <https://www.psoriasis.org/sites/default/files/publications/PsoriasisFactSheet.pdf>. Published February 2015. Accessed March 2018.

About Psoriatic Arthritis. National Psoriasis Foundation Web site. <https://www.psoriasis.org/about-psoriatic-arthritis>. Accessed March 2018.

Plaque Psoriasis is the Most Common of the Five Recognized Variants

- **Plaque:** scaly, erythematous patches, papules, and plaques that are sometimes pruritic; affects ~80% of patients
- **Inverse/flexural:** lesions are located in the skin folds
- **Guttate:** small papules with fine scale
- **Erythrodermic:** erythema covering nearly the entire body surface area with varying degrees of scaling
- **Pustular:** clinically apparent pustules

Severity of Plaque Psoriasis

Mild

Moderate

Severe

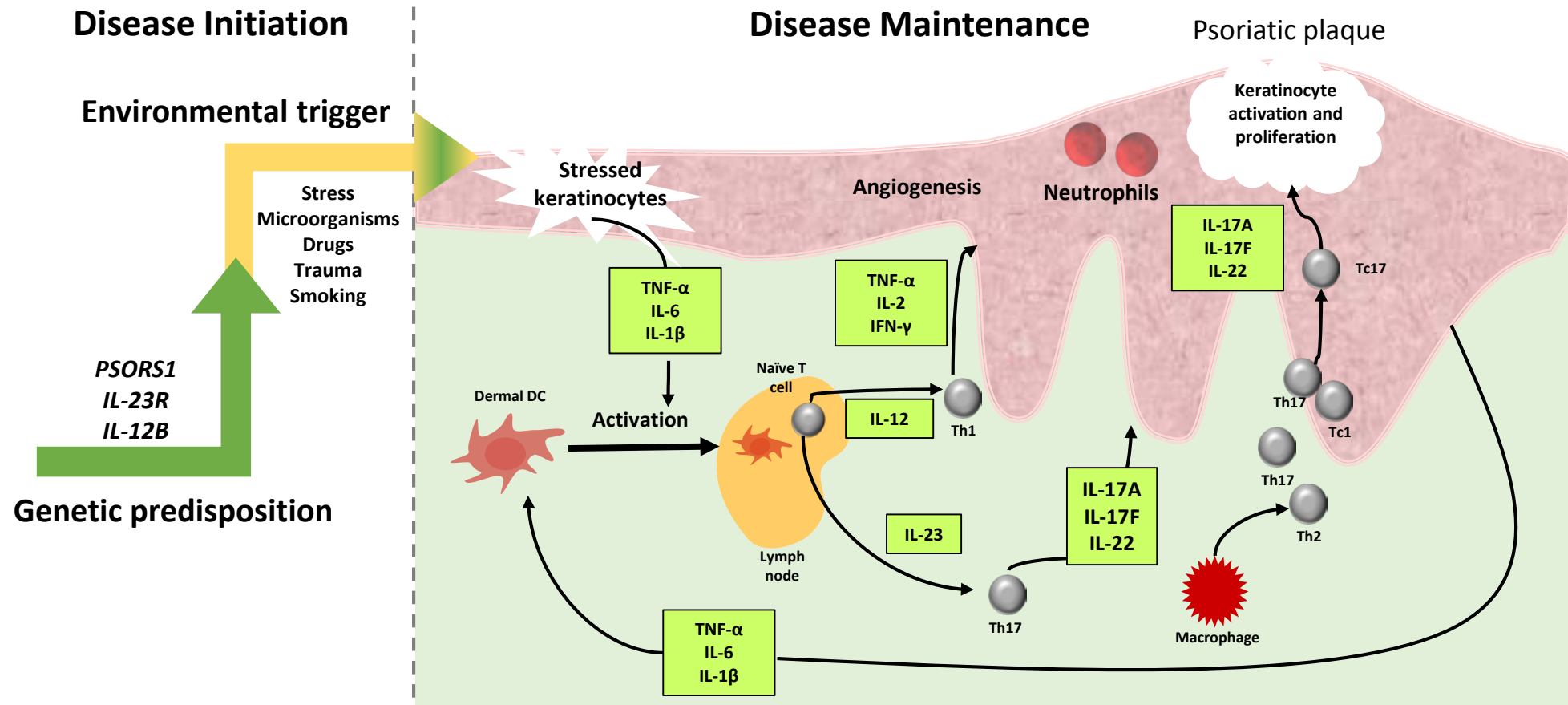


<3% of BSA

3% -10% of BSA

>10% of BSA

Immunopathogenesis of Chronic Plaque Psoriasis

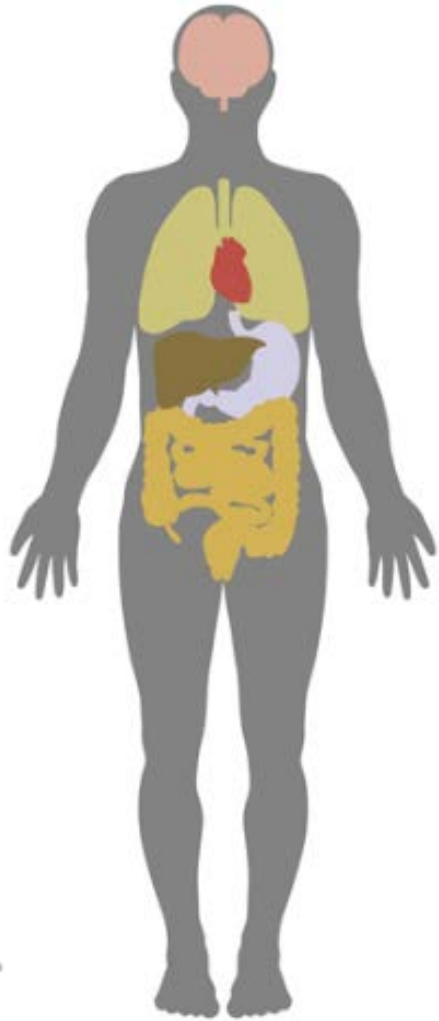


DC=dendritic cell; PSORS1=psoriasis susceptibility 1; IL=interleukin; TNF=tumor necrosis factor.

Gaspari AA, Tying S. *Dermatol Ther.* 2015;28(4):179-93.

Nestle FO, Kaplan DH, Barker J. *N Engl J Med.* 2009;361(5):496-509.

Individuals with Psoriasis are At Risk of Developing Other Chronic Conditions



Depression/Anxiety

↑ risk of poor self-esteem, psychological stress, and anxiety due to their psoriasis

Cardiovascular Disease

39% ↑ risk of CV mortality
70% ↑ risk of MI
56% ↑ risk of MI

Obesity

346% ↑ risk (mild psoriasis)
123% ↑ risk (severe)

Metabolic Syndrome

22% ↑ risk (mild)
98% ↑ risk (severe)

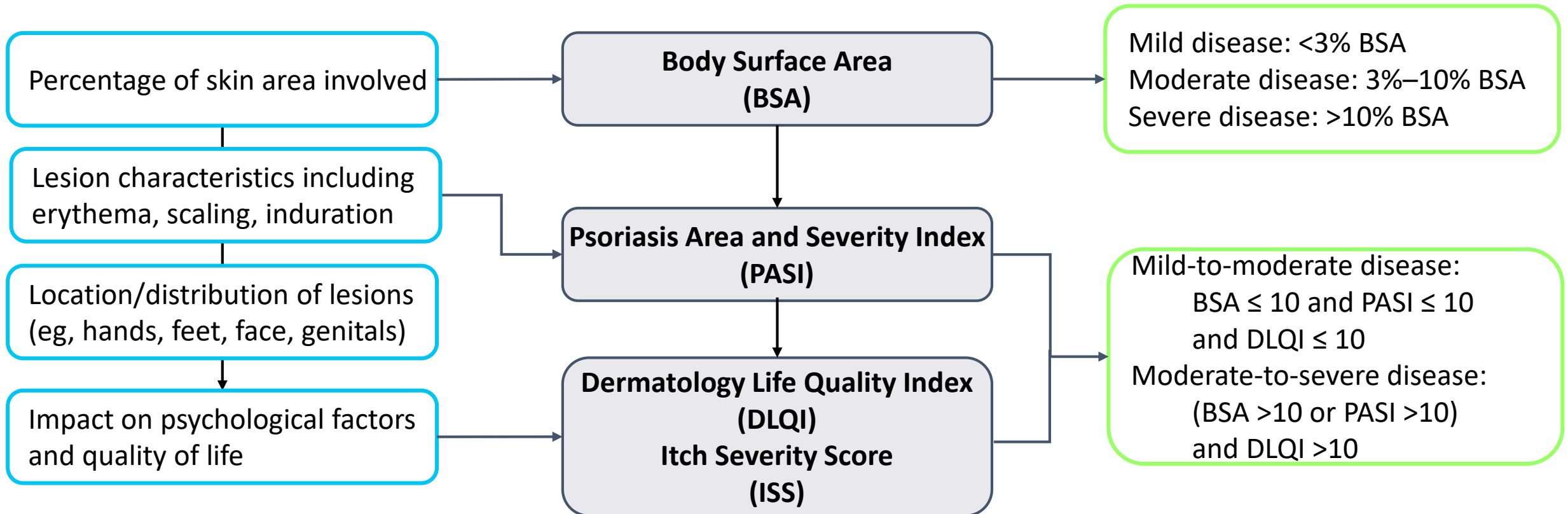
Diabetes

14% ↑ risk (mild)
46% ↑ risk (severe)

Assessing Psoriasis Severity

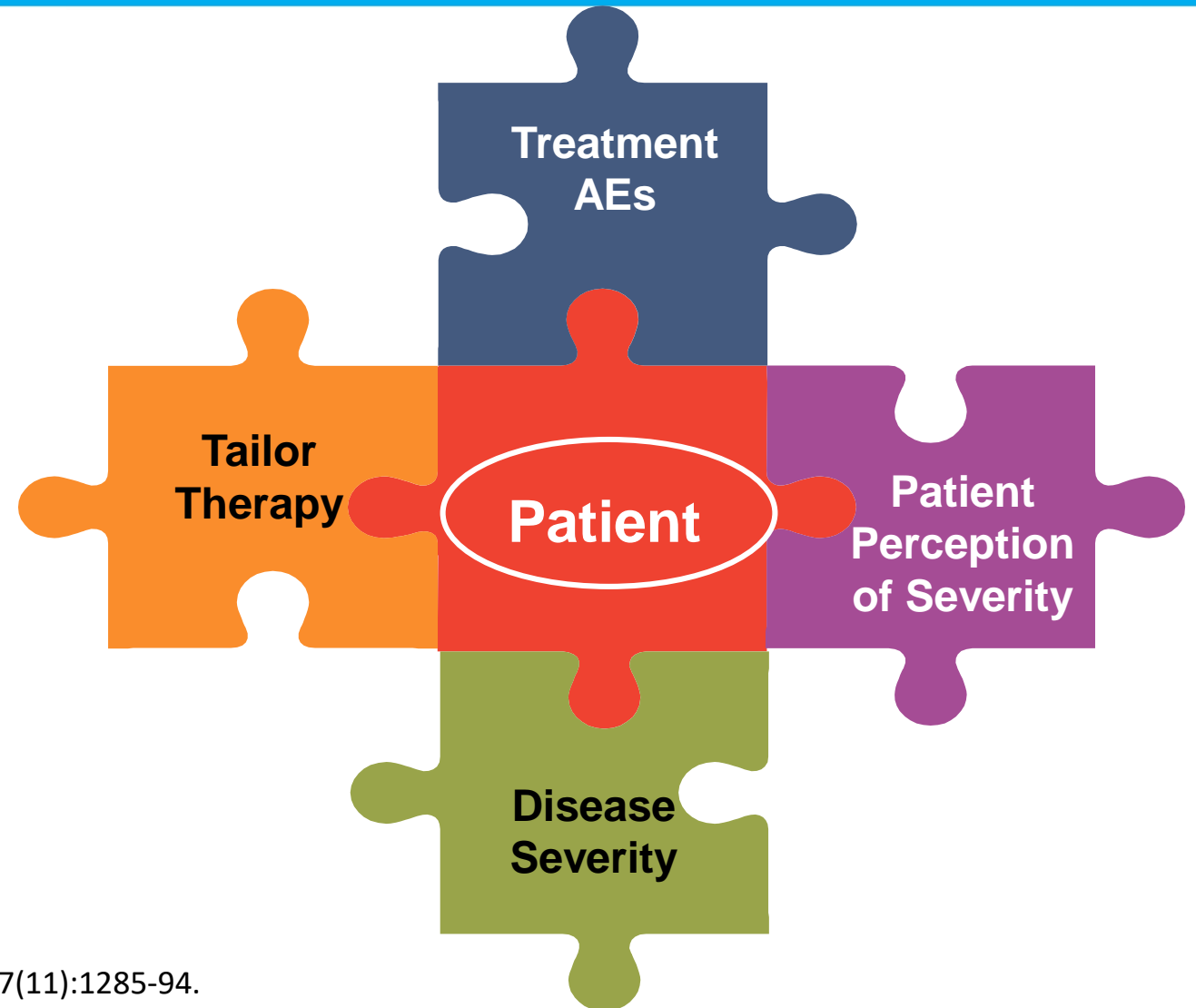
Assessments

Classification of Severity



Treatment of Psoriasis: Establish Individualized Treatment Goals

- Goals of treatment¹
 - Clear the skin
 - Minimize adverse events
 - Enhance patient quality of life
 - Address comorbidities
- Individualize therapy by involving the patient in treatment decision-making^{1,2}
 - Consider patient preferences when selecting therapy^{1,2}



1. Schaarschmidt ML, Schmieder A, Umar N, et al. *Arch Dermatol*. 2011;147(11):1285-94.

2. Brezinski EA, Armstrong AW. *Semin Cutan Med Surg*. 2014;33(2):91-7.

Treatment Approach: Treat-to-Target



Treatment Goal:
Reduce BSA to $\leq 1\%$ three months after initiating treatment



Initiate
Treatment

3 months
post-initiation

Yes

BSA $\leq 1\%$

No

Continue
current
therapy

Modify therapy

- Adjust dose
- Add another agent
(combination therapy)
- Switch to a new therapy

6 months +
post-initiation

Yes

BSA $\leq 1\%$

No

Continue
current
therapy

Modify therapy

- Adjust dose
- Add another agent
(combination therapy)
- Switch to a new therapy

Treatment Options for Psoriasis

- Topical therapies
 - Steroid creams
 - Vitamin D analogues
 - Vitamin A retinoids
- Ultraviolet light/lasers
 - UVB
 - PUVA
- Systemic therapies
 - Traditional/biologic DMARDs

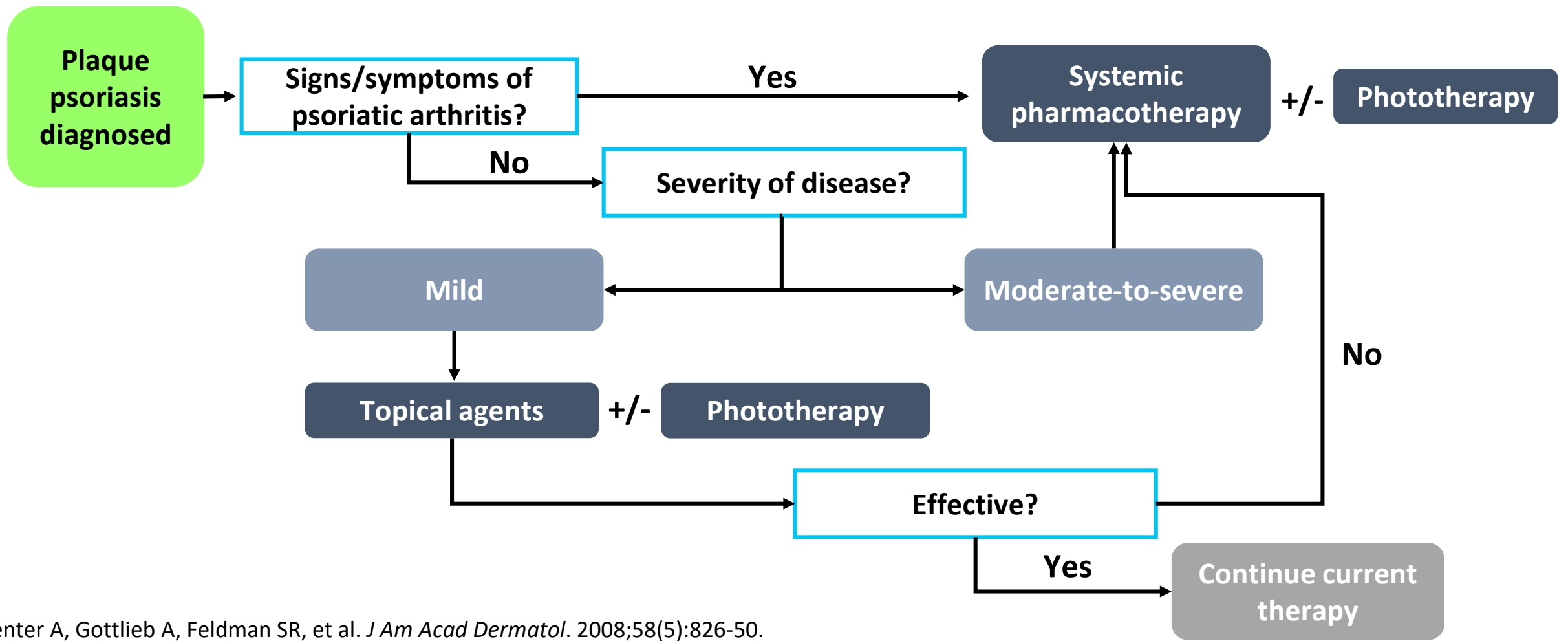
Mild

Moderate

Severe

Psoriasis Severity

Disease Severity Guides Treatment Selection



Menter A, Gottlieb A, Feldman SR, et al. *J Am Acad Dermatol.* 2008;58(5):826-50.
Menter A, Korman NJ, Elmets CA, et al. *J Am Acad Dermatol.* 2009;60(4):643-59.
Menter A, Korman NJ, Elmets CA, et al. *J Am Acad Dermatol.* 2010;62(1):114-35.

Traditional Systemic DMARDs

Acitretin

- Vitamin A derivative (retinoid)
- Immunomodulatory and anti-inflammatory activity
- Modulates epidermal proliferation and differentiation
- Initial approval: 1996

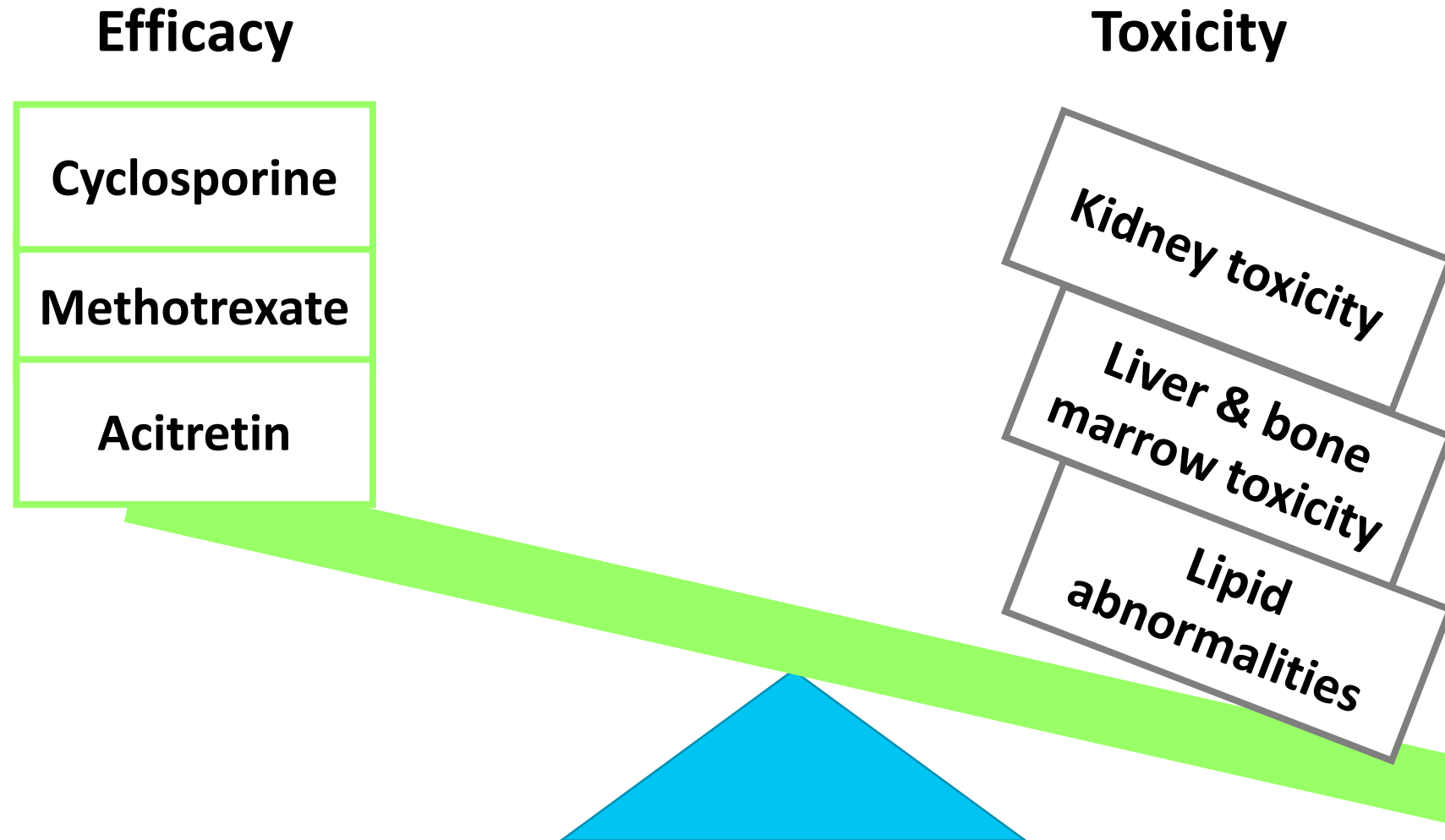
Cyclosporine

- Blocks inflammatory cytokine production and T-cell activation
- Initial approval: 1997

Methotrexate

- Competitive inhibitor of dihydrofolate reductase
- Interferes with nucleic acid synthesis inhibiting lymphoid proliferation
- Initial approval: 1972

Risk-Benefit Ratios of Traditional DMARDs



Biologics and Small Molecules Approved for the Treatment of Moderate-to-Severe Psoriasis

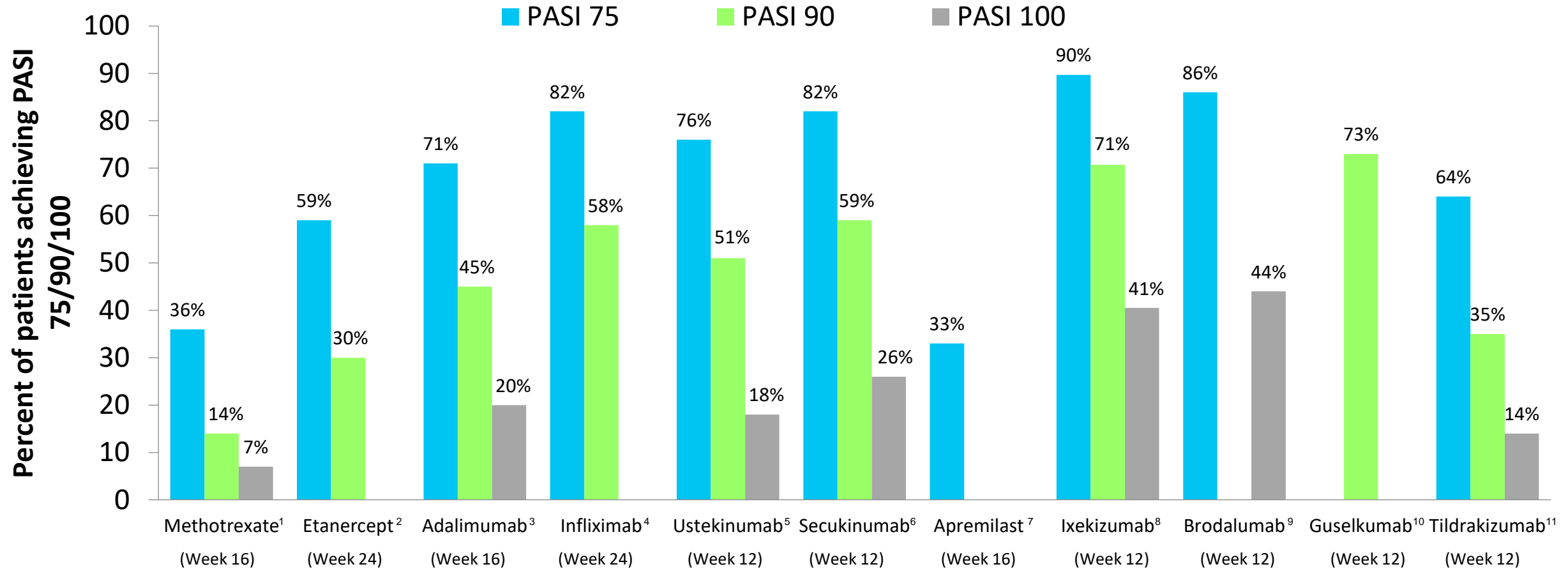
Therapeutic Target

| TNF- α | IL-17 Receptor | IL-17A | IL-23 | IL-12/23 | PDE-4 |
|--------------------|----------------|-------------|---------------|-------------|------------|
| Adalimumab | Brodalumab | Secukinumab | Guselkumab | Ustekinumab | Apremilast |
| Certolizumab Pegol | | Ixekizumab | Tildrakizumab | | |
| Etanercept | | | | | |
| Golimumab | | | | | |
| Infliximab | | | | | |
| Biosimilars | | | | | |

TNF=tumor necrosis factor; IL=interleukin; PDE-4=phosphodiesterase

Treatment Comparison. National Psoriasis Foundation Web site. https://www.psoriasis.org/sites/default/files/treatment_comparison_chart_7.pdf. Published December 2017. Accessed March 2018.

Biologics Approved for Moderate-to-Severe Chronic Plaque Psoriasis: PASI 75, 90, and 100 Scores



1. Saurat JH, Stingl G, Dubertret L, et al. *Br J Dermatol*. 2008;158(3):558-66. 2. Leonardi CL, Powers JL, Matheson RT, et al. *N Engl J Med*. 2003;349(21):2014-22. 3. Menter A, Tying SK, Gordon K, et al. *J Am Acad Dermatol*. 2008;58(1):106-15. 4. Reich K, Nestle FO, Papp K, et al. *Lancet*. 2005;366(9494):1367-74. 5. Papp KA, Langley RG, Lebwohl M, et al. *Lancet*. 2008;371(9625):1675-84. 6. Langley RG, Elewski BE, Lebwohl M, et al. *N Engl J Med*. 2014;371(4):326-38. 7. Otezla (apremilast) [package insert]. Summit, NJ: Celgene Corp.; 2017. 8. Taltz (ixekizumab) [package insert]. Indianapolis, IN: Eli Lilly and Co.; 2018. 9. Siliq (brodalumab) [package insert]. Bridgewater, NJ: Valeant Pharmaceuticals; 2017. 10. Tremfya (guselkumab) [package insert]. Horsham, PA: Janssen Biotech, Inc.; 2017. 11. Sun Pharma announces U.S. FDA approval of Ilumya (tildrakizumab-asmn) for the treatment of moderate-to-severe plaque psoriasis. [news release]. Princeton, NJ: Sun Pharma; March 21, 2018.

Biologics and Small Molecules in Late-Stage Development

| Agent | Description/Mechanism | Status |
|---------------------|--|---------|
| Risankizumab | <ul style="list-style-type: none">• Humanized IgG1 monoclonal antibody• Selectively binds the p19 subunit of IL-23 | Phase 3 |
| Bimekizumab | <ul style="list-style-type: none">• Highly selective monoclonal antibody• IL-17A and IL-17F inhibitor | Phase 3 |
| Piclidenoson | <ul style="list-style-type: none">• Small molecule A₃ adenosine receptor antagonist• Downregulates the nuclear factor-κB signaling pathway | Phase 3 |
| LAS41008 | <ul style="list-style-type: none">• Oral dimethyl fumarate | Phase 3 |

Biosimilars Approved in the US for the Treatment of Moderate-to-Severe Psoriasis

| Biosimilar Product | Reference Product | Approval Date | Status |
|----------------------------------|---------------------|--------------------|------------------------|
| infliximab-dyyb/Inflectra | infliximab/Remicade | April 5, 2016 | Commercially available |
| etanercept-szsz/Erelzi | etanercept/Enbrel | August 30, 2016 | Not available |
| adalimumab-atto/Amjevita | adalimumab/Humira | September 23, 2016 | Not available |
| infliximab-abda/Renflexis | infliximab/Remicade | April 21, 2017 | Commercially available |
| adalimumab-adbm/Cyltezo | adalimumab/Humira | August 25, 2017 | Not available |
| infliximab-qbtx/Ixifi | infliximab/Remicade | December 13, 2017 | Not available |

- Biosimilars are successors to biologic agents that have lost patent exclusivity
- Not a simple generic, but highly similar to the reference product
- No clinically meaningful differences between the biosimilar and reference product in terms of the safety, purity, and potency
- Label reflects that of the reference product

Patient Case: Marcus

- **Age and personal status:** 47-year-old male
- **Disease history and diagnosis:** 25-year history of moderate-to-severe psoriasis
- **Current therapy:** none; most recent therapy (adalimumab) discontinued 2 months ago
- **Past therapies:** initially cleared with etanercept and adalimumab, but both agents lost efficacy over time and were discontinued
- **Current complaints:** widespread erythematous plaques with overlying scaling on the chest, abdomen, back, arms and legs; BSA 20%; swollen and tender finger and toe joints

Skin Disease Often Precedes Joint Involvement

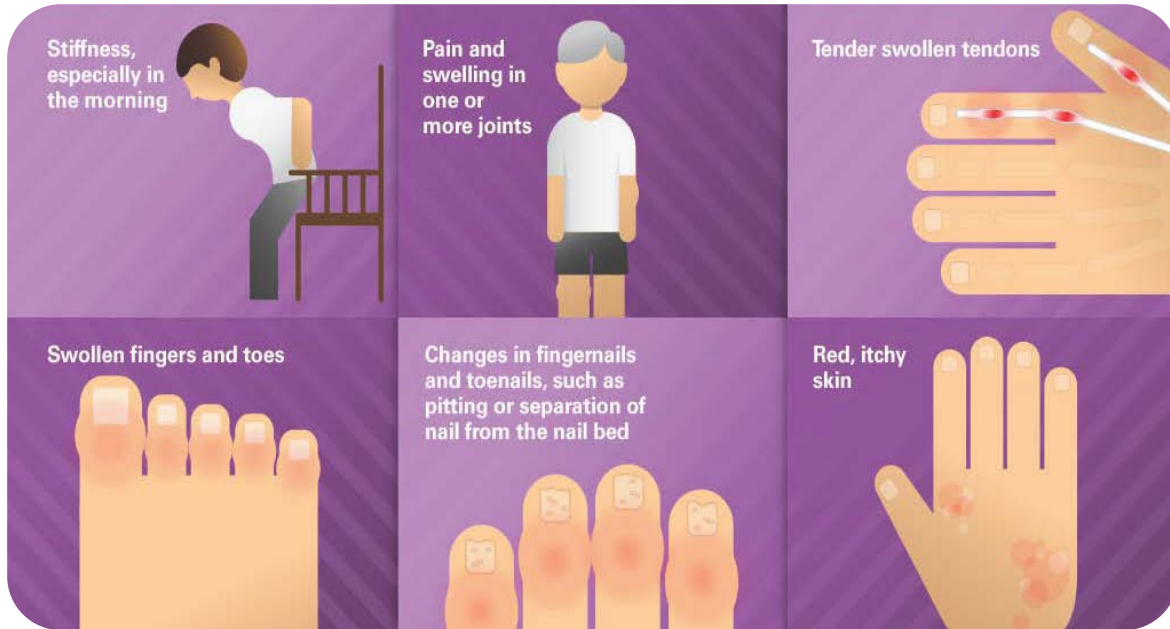
3 in 10

Patients with Psoriasis are Likely
to Develop Psoriatic Arthritis



- Skin disease precedes joint disease in >80% of patients
- Severity of skin disease and the severity/course of psoriatic arthritis do not correlate with each other
- 60% of patients with psoriatic arthritis progress to permanent joint destruction if left untreated

Early Referral to a Specialist is Critical for Psoriasis Patients with Joint Symptoms




Early detection and appropriate treatment of psoriatic arthritis in patients with psoriasis can reduce long-term disability and minimize the need for health care resources

Patients with severe or complicated symptoms require care from a multidisciplinary team of providers to manage skin and joint involvement over the long-term

Summary

- Psoriasis is a common chronic inflammatory skin condition associated with significant morbidity
- Comorbidities must be recognized and appropriately managed
- The primary goals of treatment include clearing the skin, minimizing adverse events, addressing comorbidities, and enhancing patient quality of life
- Patient preference should be considered when selecting therapy
- Multiple treatment options are now available
- Dermatologists should screen for joint involvement in their psoriasis patients and collaborate with rheumatologists to adequately manage both skin and joint involvement over the long-term



Psoriatic Arthritis Clinical Update: Assessing the Latest Trial Data and Treatment Algorithms

Robin K. Dore, MD
Clinical Professor of Medicine
David Geffen School of Medicine
University of California, Los Angeles

Learning Objectives

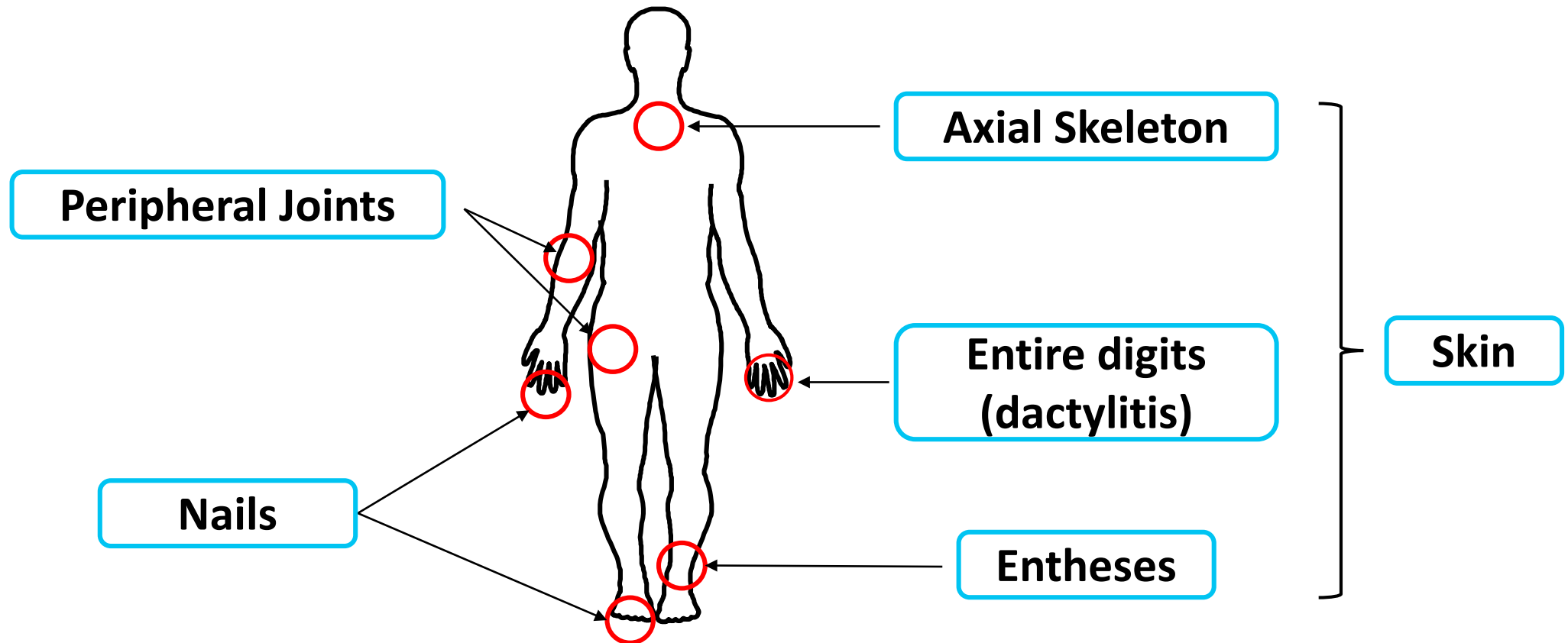
- Assess current and emerging therapies for the treatment of psoriasis and psoriatic arthritis and cite their clinical trial data
- Examine alignment of managed care psoriatic disease treatment algorithms with recent clinical trial data

Patient Case: Referral to Rheumatology

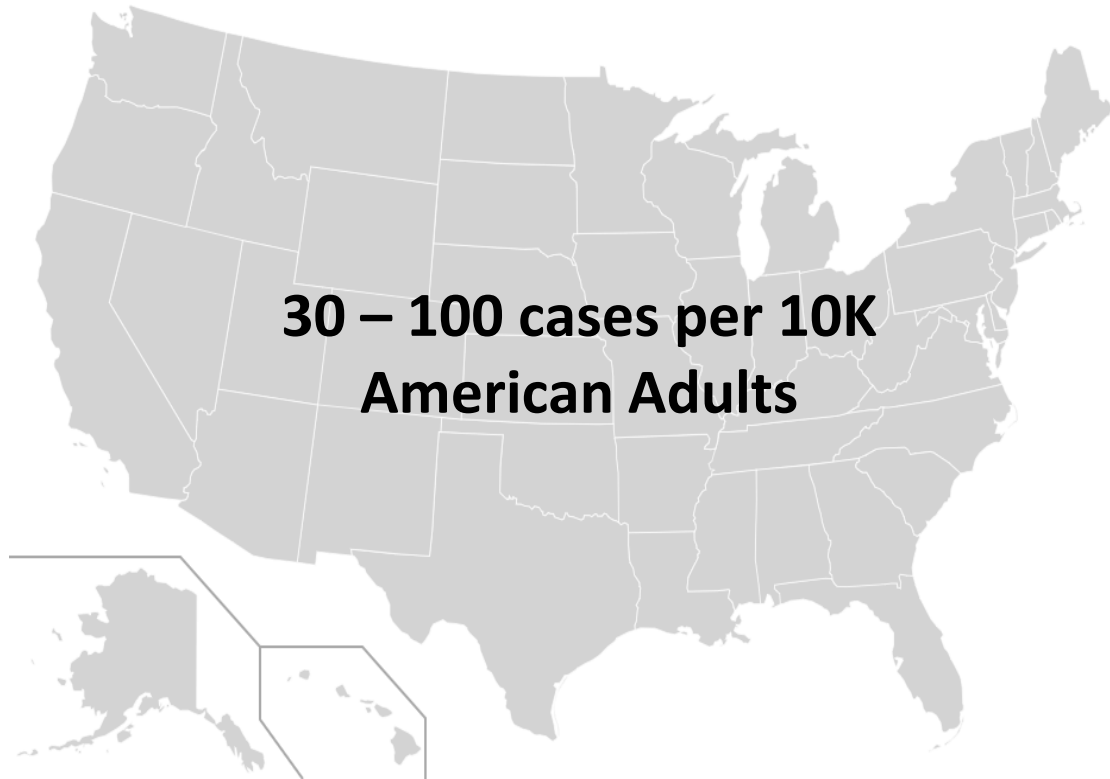
- **Patient:** Marcus, a 47-year-old male with a 25-year history of moderate-to-severe psoriasis
- **Reason for visit:** referred by his dermatologist for evaluation of swollen and tender finger and toe joints

Psoriatic Arthritis is a Common Chronic Inflammatory Disease

- **Psoriatic arthritis (PsA):** a progressive disorder ranging from mild synovitis to severe progressive erosive arthropathy that affects several body areas

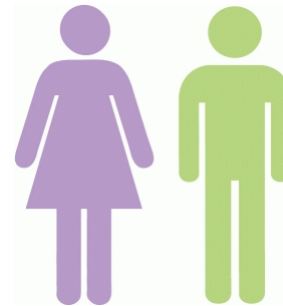


Prevalence of Psoriatic Arthritis in the US

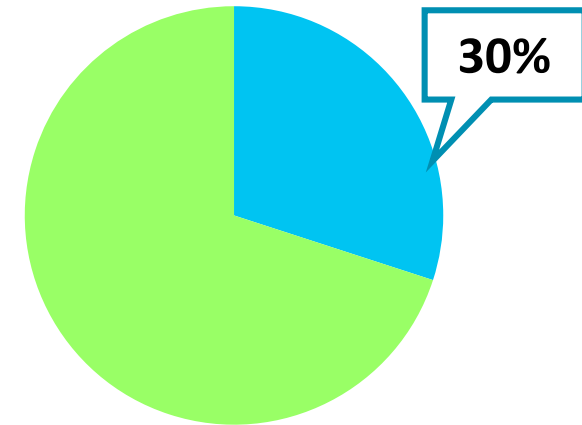


**Peak incidence
occurs at ages
30 – 55**

**Affects males
and females
equally**



**Occurs in up to 30% of
individuals with psoriasis**



**Patients with
Diagnosed Psoriasis**

Genes and the Environment Influence the Natural History of Psoriatic Arthritis

Genetics

- Familial aggregation of PsA has been reported
- Associated with Class 1 MHC alleles at the HLA-B*08, B*27, B*38, and B*39 loci
- Polymorphisms in genes encoding *IL23R*, *NF-κB*, *TNIP1*, and *TNFAIP3* are associated with PsA as is *TNF* expression

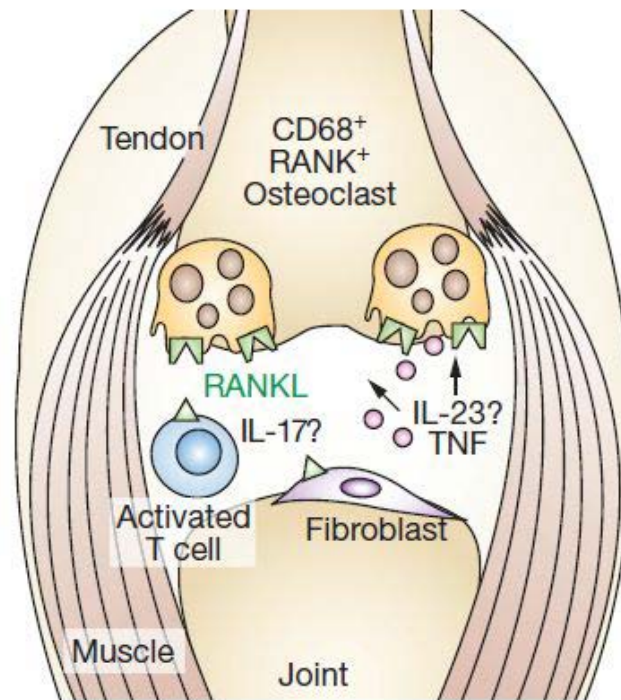
PsA

Environmental Influences

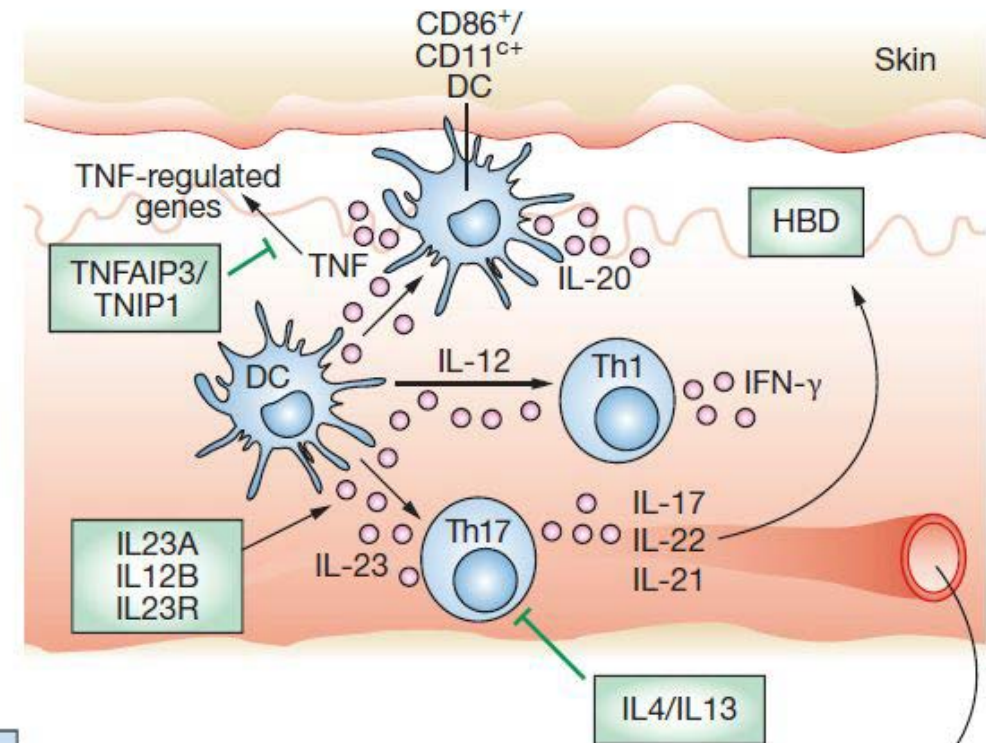
- Trauma/injuries
- Severe psoriasis
- Infection requiring antibiotics
- Smoking

Pathogenic Pathways in Psoriatic Arthritis

- Interaction between genetic and environmental factors in the skin triggers an inflammatory response that may ultimately affect the joints
- Synovial fluid of joints affected by PsA shows increased levels of T-cells and cytokines such as TNF, IL-6, IL-12/IL-23, and IL-17
- These cytokines drive joint inflammation and trigger other downstream effects such as osteoblast and osteoclast activation that contribute to joint damage



- Increased activation of leukocytes
- Joint inflammation
- Enthesitis
- Cytokine-induced osteoclastogenesis
- Bone resorption by CD68⁺ osteoclasts



- Systemic elevation of cytokines
- Increased activation of circulating leukocytes

Psoriatic Arthritis has a Heterogeneous Clinical Presentation



Asymmetric Oligoarthritis



Dactylitis



**Distal Interphalangeal
Predominant (DIP)
Synovitis**



Enthesitis



**Proximal Interphalangeal
Predominant (PIP)
Synovitis**



Psoriasis Plaques

Psoriatic Arthritis is Associated with Considerable Psychosocial Burden

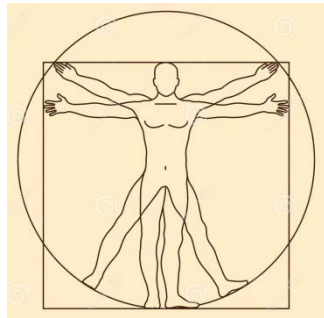


- Sleep disorders
- Fatigue

- Depression, anxiety and mood disturbances



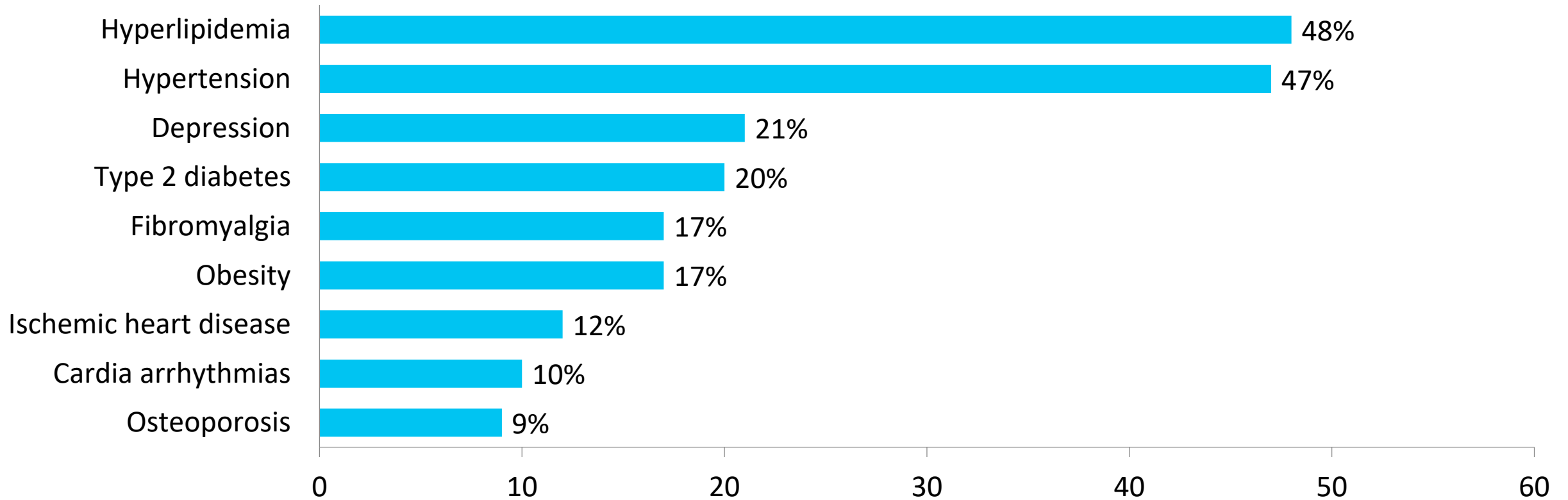
- Poor body image



- Reduced work productivity

Comorbidities Associated with Psoriatic Arthritis

Prevalence of Common Comorbidities Among PsA Patients



Analysis of prevalence and incidence rates for 28 comorbid conditions among adult patients (n=94,302) in the Truven Health Analytics MarketScan database with a diagnosis of psoriatic arthritis and having two or more health claims for psoriatic arthritis between July 1, 2008 and July 31, 2015.

A Diagnosis is Based on Clinical, Laboratory, and Radiographic Findings

Clinical

- Psoriasis of skin and nails
- Peripheral arthritis
- Distal interphalangeal involvement
- Dactylitis
- Enthesopathy

Laboratory

- Absence of rheumatoid factor (RF) and anti-citrullinated protein antibodies (ACPA)*
- Elevated acute phase (vs rheumatoid arthritis)

*low levels of RF and ACPA found in 5% -16% of patients

Radiographic

- Erosions and resorptions
- Joint space narrowing or involvement of enthesal sites
- Bony spurs
- Spinal disease†

†sacroiliitis occurs in 40% -70% of patients

A Delay in Diagnosis is Associated with Worse Outcomes

- Delay in diagnosis >6 months from onset of symptoms is associated with



Erosive Disease

- Odds ratio: 4.6

Arthritis Mutilans

- Odds ratio: 10.6



Functional Disability

- Odds ratio: 2.2



Sacroiliitis

- Odds ratio: 2.3



Deformed Joints

- Odds ratio: 2.3



Drug-free Remission

- Odds ratio: 0.4

Patients with Suspected PsA Should be Screened To Minimize the Risk of Irreversible Joint Damage

Symptom Recognition

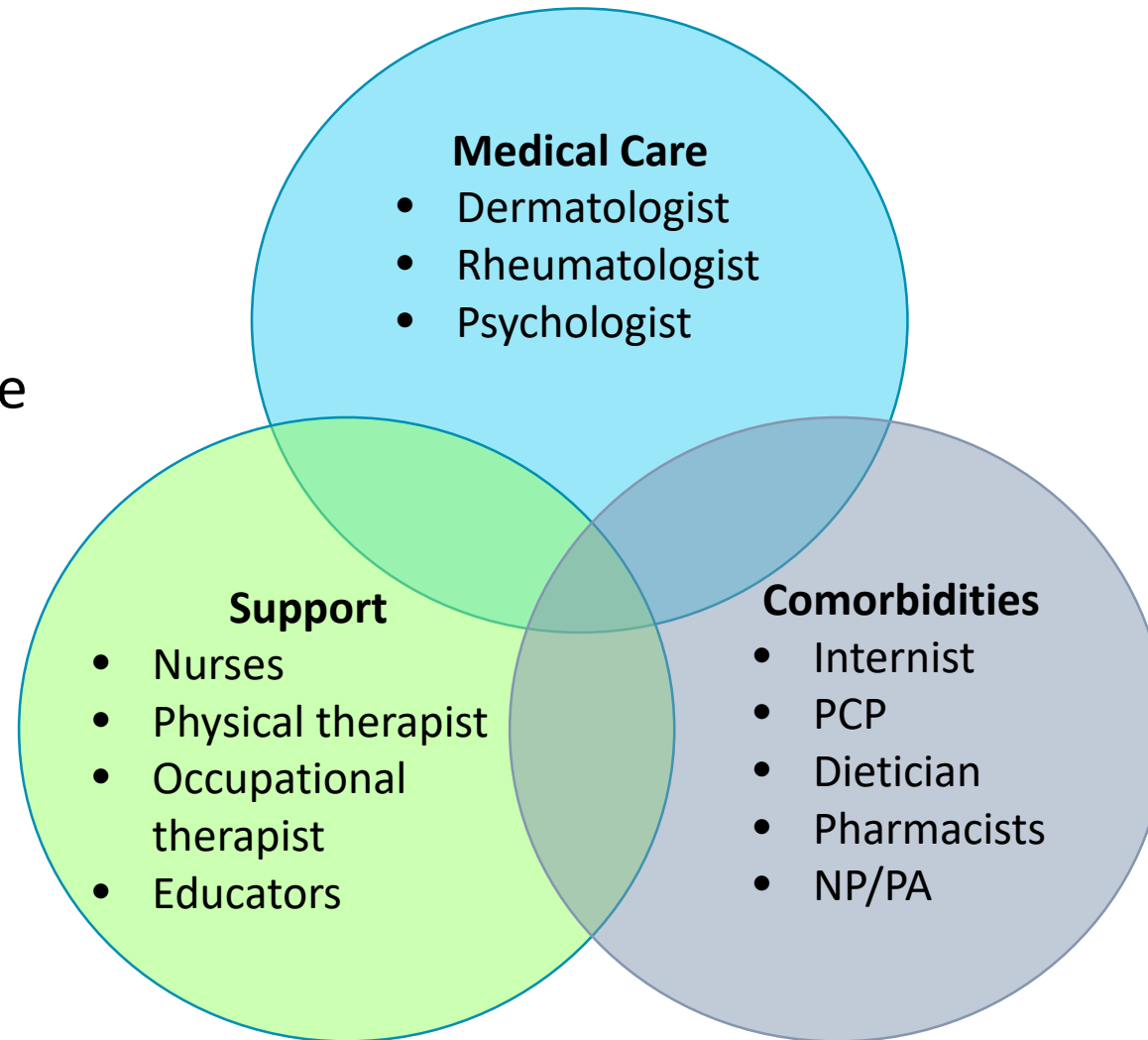
- General symptoms
 - Fatigue
 - Morning stiffness >30 min
- Joint symptoms
- Reduced range of motion
- Stiffness, pain, throbbing, swelling and tenderness in ≥ 1 joints
 - Swollen fingers and toes

Screening Tools

- Psoriasis Epidemiology Screening Tool (PEST)¹
- Toronto Psoriatic Arthritis Screen (ToPAS)²
- Psoriatic Arthritis Screening and Evaluation tool (PASE)³
- Psoriasis and Arthritis Screening Questionnaire (ePASQ)⁴
- Early Arthritis for Psoriatic patients (EARP)⁵

Refer for Multidisciplinary and/or Specialty Care

- Specialists may more effectively assess the biological, psychological, behavioral, and dietary factors that affect disease control and treatment success



CASPAR Disease Classification Criteria

| Criteria | Comment |
|---|--|
| 1. Evidence of psoriasis <ul style="list-style-type: none">a. Currentb. Historyc. Family history | <ul style="list-style-type: none">a. Psoriatic skin or scalp disease present todayb. History of psoriasisc. History of psoriasis in a first- or second-degree relative (according to patient report) |
| 2. Psoriatic nail involvement | Typical psoriatic nail dystrophy, including onycholysis, pitting, and hyperkeratosis, observed on current physical examination |
| 3. RF negative | Preferably by enzyme-linked immunosorbent assay or nephelometry |
| 4. Dactylitis <ul style="list-style-type: none">a. Currentb. History | <ul style="list-style-type: none">a. Swelling of an entire fingerb. History of dactylitis recorded by a rheumatologist |
| 5. Radiologic evidence of juxta-articular new bone formation | Ill-defined ossification near joint margins (but excluding osteophyte formation) on plain radiographs of a hand or foot |

CASPAR=CLASsification of Psoriatic ARthritis

Goals of Treatment

Low Disease Activity

- Treat-to-target with protocol-driven therapies to reach the target of remission or minimal/low disease activity
- Regular monitoring is required to appropriately adjust therapy to maintain tight control

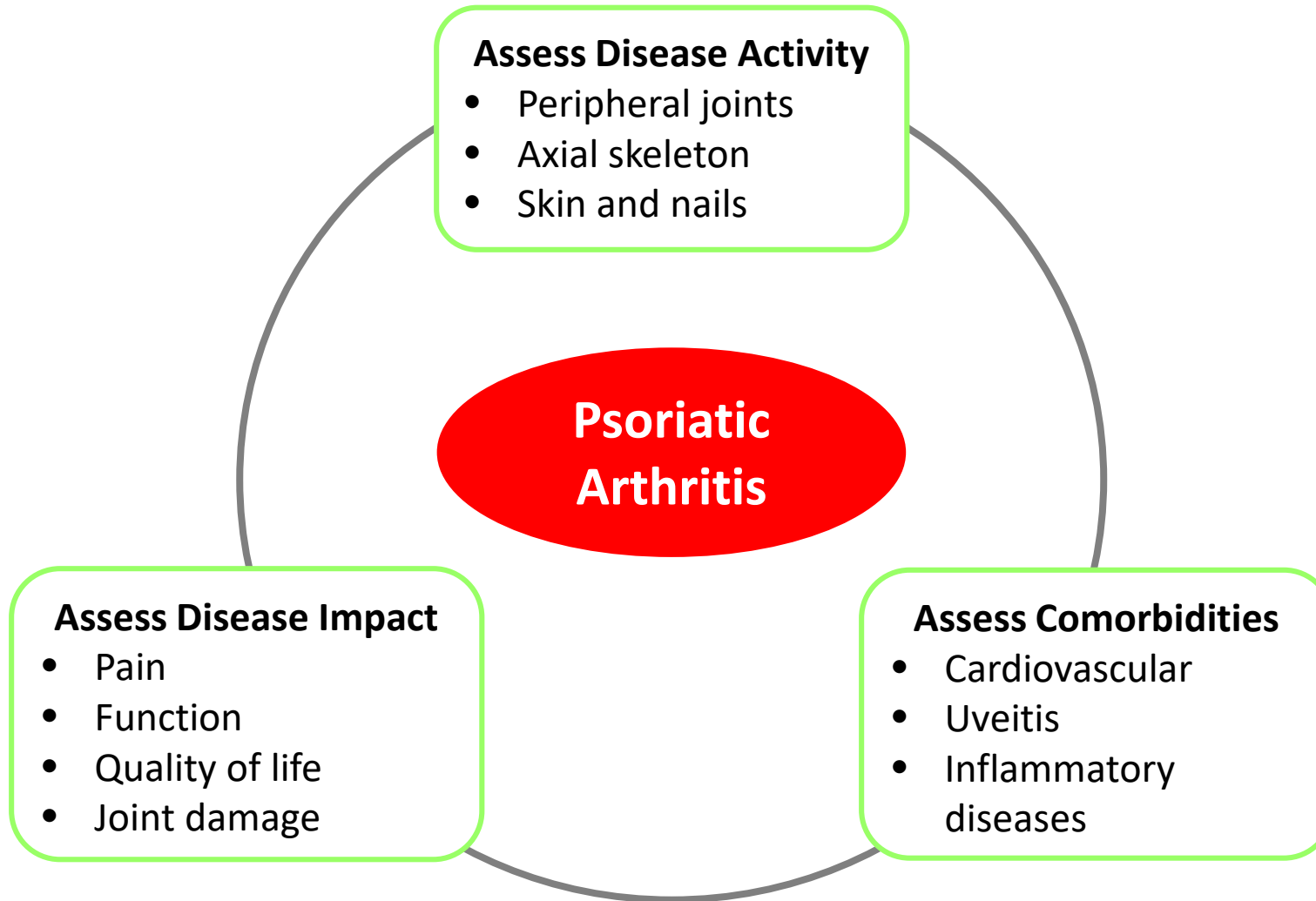
Reduce Disease Impact

- Optimize function
- Improve quality of life
- Minimize irreversible joint damage

Minimize Complications

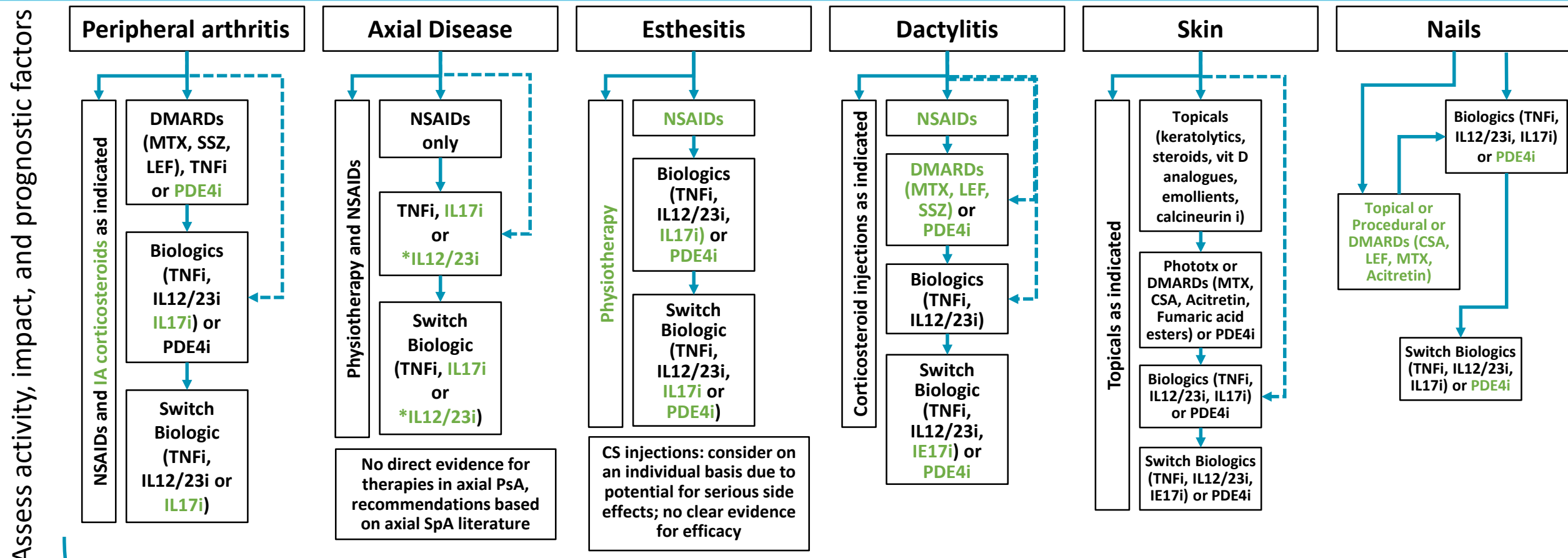
- Treat early to quickly achieve disease control
- Select safe and well-tolerated therapies

Patient Assessment and Individualization of Treatment



- Therapeutic selection should consider:
 - Patient preference
 - Previous treatment
 - Disease severity
 - Domains of disease involved
 - Comorbidities

Group for Research and Assessment of Psoriasis and Psoriatic Arthritis (GRAPPA) Treatment Recommendations (2016)



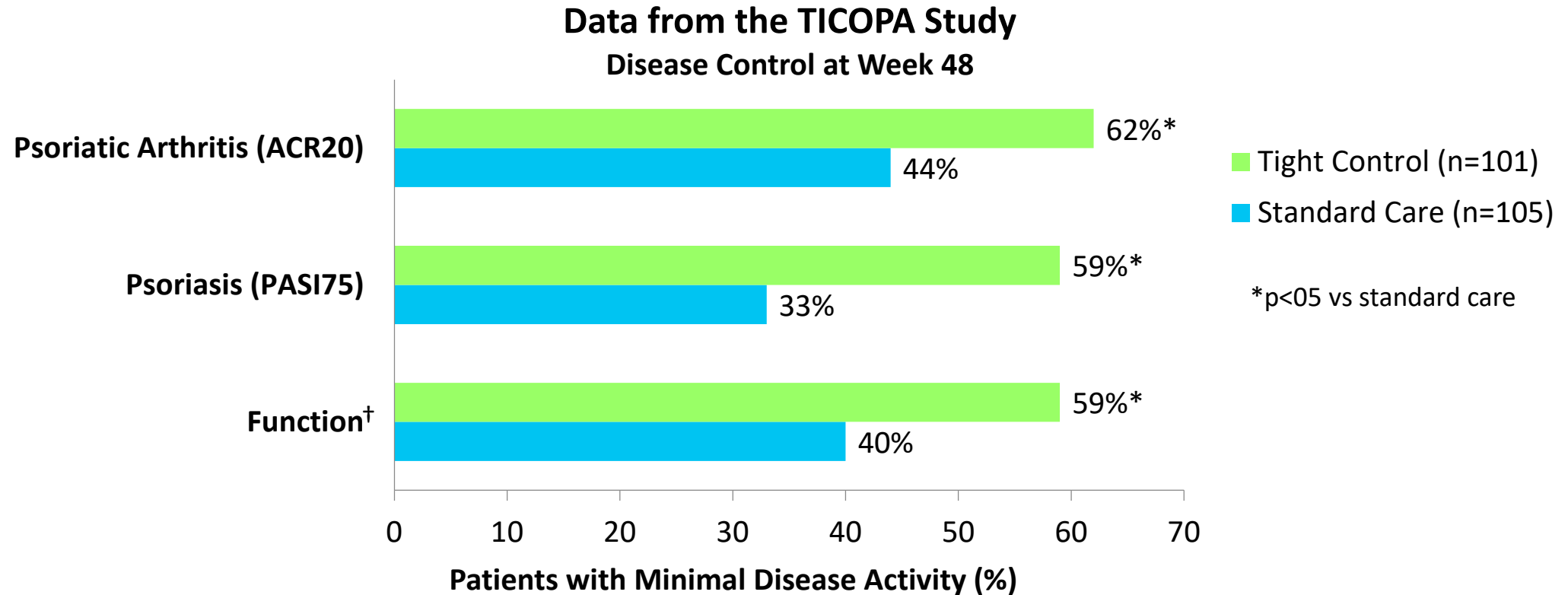
Consider previous therapy, patient choice, other disease involvement and comorbidities. Choice of therapy should address as many domains as possible.

Treat, periodically re-evaluate, and modify therapy as required

KEY ————— Standard Therapeutic Route -.-.-.-.- Expedited Therapeutic Route

Regularly Assess and Adjust Therapy if Needed to Achieve and Maintain Disease Control

- A “treat-to target” approach with regular evaluation and therapeutic adjustment was associated with improved disease control



†BASDAI=Bath ankylosing spondylitis disease activity index; BASFI=Bath ankylosing spondylitis functional questionnaire; PsQoL=psoriatic arthritis quality of life; HAQ=health assessment questionnaire

TICOPA=tight Control in Psoriatic Arthritis; PASI=Psoriasis Area Severity Index; ACR20=American college of Rheumatology 20% response

Psoriatic Arthritis Treatment: Traditional Systemic DMARDs

Methotrexate

- Competitive inhibitor of dihydrofolate reductase
- Interferes with nucleic acid synthesis inhibiting lymphoid proliferation

Sulfasalazine

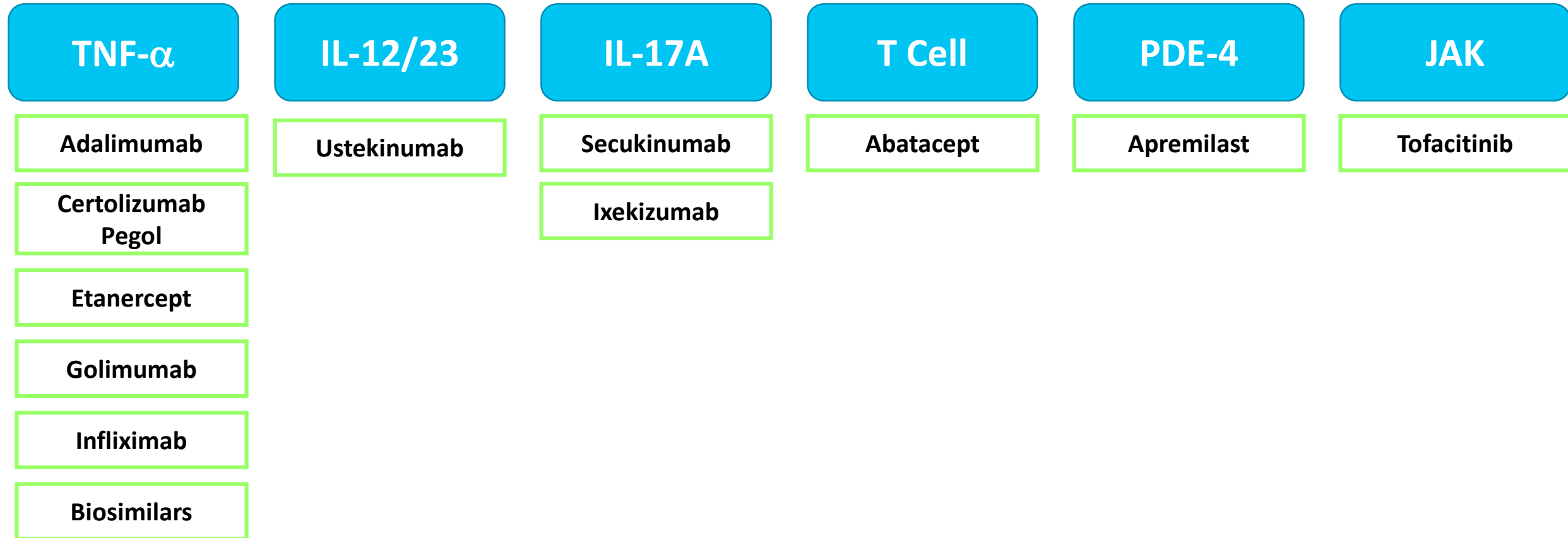
- Sulfa drug synthesized by combining sulfapyridine and salicylate
- 5-lipoxygenase pathway inhibitor

Leflunomide

- Pyrimidine synthesis inhibitor
- Prevents T cell activation and proliferation
- Off-label use in psoriatic arthritis (FDA-approved for the treatment of rheumatoid arthritis)

Psoriatic Arthritis Treatment: Biologics and Small Molecules

Therapeutic Target

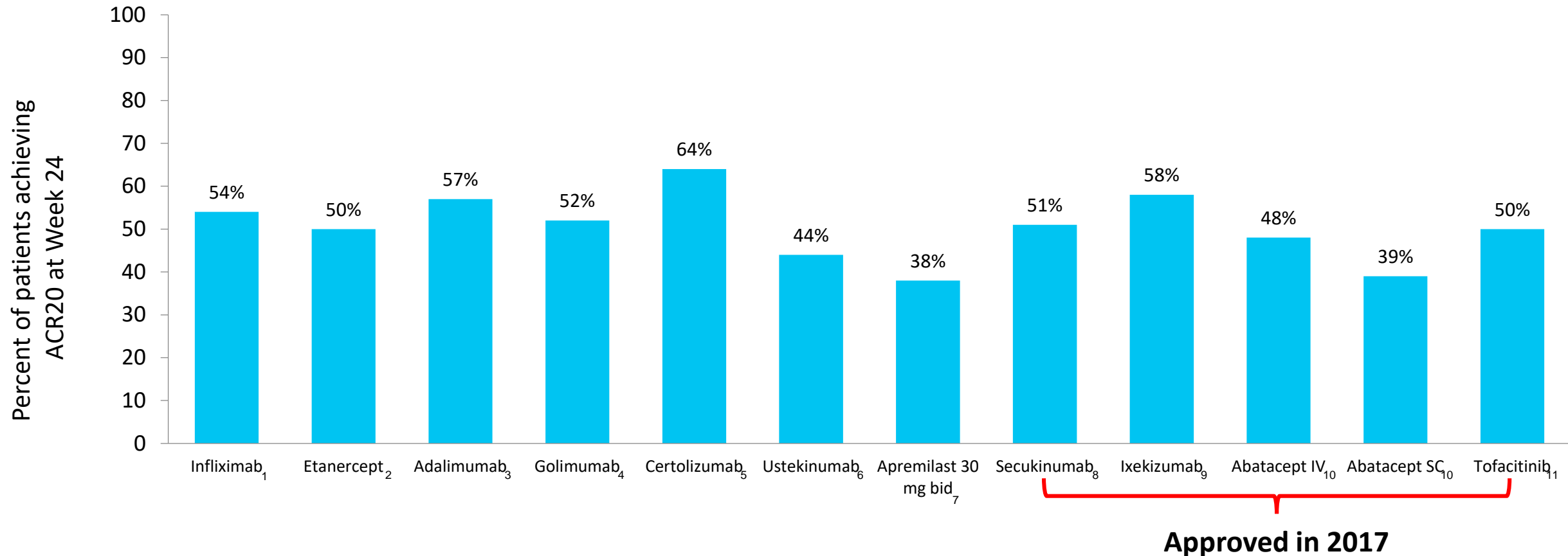


PDE-4=phosphodiesterase

Raychaudhuri SP, Wilken R, Sukhov AC, Raychaudhuri SK, Maverakis E. *J Autoimmun.* 2017;76:21-37.

Coates LC, Kavanaugh A, Mease PJ, et al. *Arthritis Rheumatol.* 2016;68(5):1060-71.

Biologic Therapies Approved for Psoriatic Arthritis: ACR20 at Week 24



1. Kavanaugh A, Antoni CE, Gladman D, et al. *Ann Rheum Dis*. 2006;65(8):1038-43.
2. Mease PJ, Kivitz AJ, Burch FX, et al. *Arthritis Rheum*. 2004;50(7):2264-72.
3. Mease PJ, Ory P, Sharp JT, et al. *Ann Rheum Dis*. 2009;68(5):702-9.
4. Kavanaugh A, McInnes IB, Mease PJ, et al. *Ann Rheum Dis*. 2013;72(11):1777-85.
5. Mease PJ, Fleischmann R, Deodhar AA, et al. *Ann Rheum Dis*. 2014;73(1):48-55.
6. McInnes IB, Kavanaugh A, Gottlieb AB, et al. *Lancet*. 2013;382(9894):780-9.
7. Kavanaugh A, Mease PJ, Gomez-reino JJ, et al. *Ann Rheum Dis*. 2014;73(6):1020-6.
8. Cosentyx (secukinumab) [package insert]. East Hanover, NJ: Novartis Pharmaceuticals Corporation; 2017.
9. Taltz (ixekizumab) [package insert]. Indianapolis, IN: Eli Lilly and Co.; 2018.
10. Orencia (abatacept) [package insert]. Princeton, NJ: Bristol-Myers Squibb; 2017.
11. Xeljanz (tofacitinib) [package insert]. New York, NY: Pfizer. 2017.

Biologics and Small Molecules in Late-Stage Development for Psoriatic Arthritis

| Agent | Description/Mechanism | Status |
|----------------------|--|----------|
| Bimekizumab | <ul style="list-style-type: none"> Highly selective monoclonal antibody IL-17A and IL-17F inhibitor | Phase 3 |
| Brodalumab | <ul style="list-style-type: none"> Fully human monoclonal antibody Targets the IL-17 receptor subunit | Phase 3 |
| Guselkumab | <ul style="list-style-type: none"> Fully human IgG1λ monoclonal antibody Targets the p19 subunit of IL-23 | Phase 3 |
| Risankizumab | <ul style="list-style-type: none"> High-affinity monoclonal antibody Targets the p19 subunit of IL-23 | Phase 3 |
| Tildrakizumab | <ul style="list-style-type: none"> Humanized IgG1κ monoclonal antibody Targets the p19 subunit of IL-23 | Phase 3 |
| Upadacitinib | <ul style="list-style-type: none"> Oral JAK inhibitor | Phase 3 |
| Clazakizumab | <ul style="list-style-type: none"> IL-6 monoclonal antibody Direct inhibitor of IL-6 | Phase 2b |
| Remtolumab | <ul style="list-style-type: none"> Dual-variable domain immunoglobulin IL-17 and TNF α inhibitor | Phase 2 |

Summary

- Psoriatic arthritis is a chronic, progressive, debilitating disease affecting 0.3 to 1.0% of the US population
- Up to 40% of patients with psoriasis develop psoriatic arthritis; two-thirds of whom will develop bone erosions and joint deformities
- Early diagnosis and treatment can lead to better outcomes
- Screening tools are available but must be routinely implemented in clinical practice to be effective
- With several novel therapeutic options now available and more in development, treatment decisions in clinical practice remain challenging
- Given the heterogeneous presentation of psoriatic arthritis, multidisciplinary approach is needed for its diagnosis and management



Care Pathways in Psoriatic Disease: Recommendations for Managed Care

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Magellan Rx Management

Learning Objective

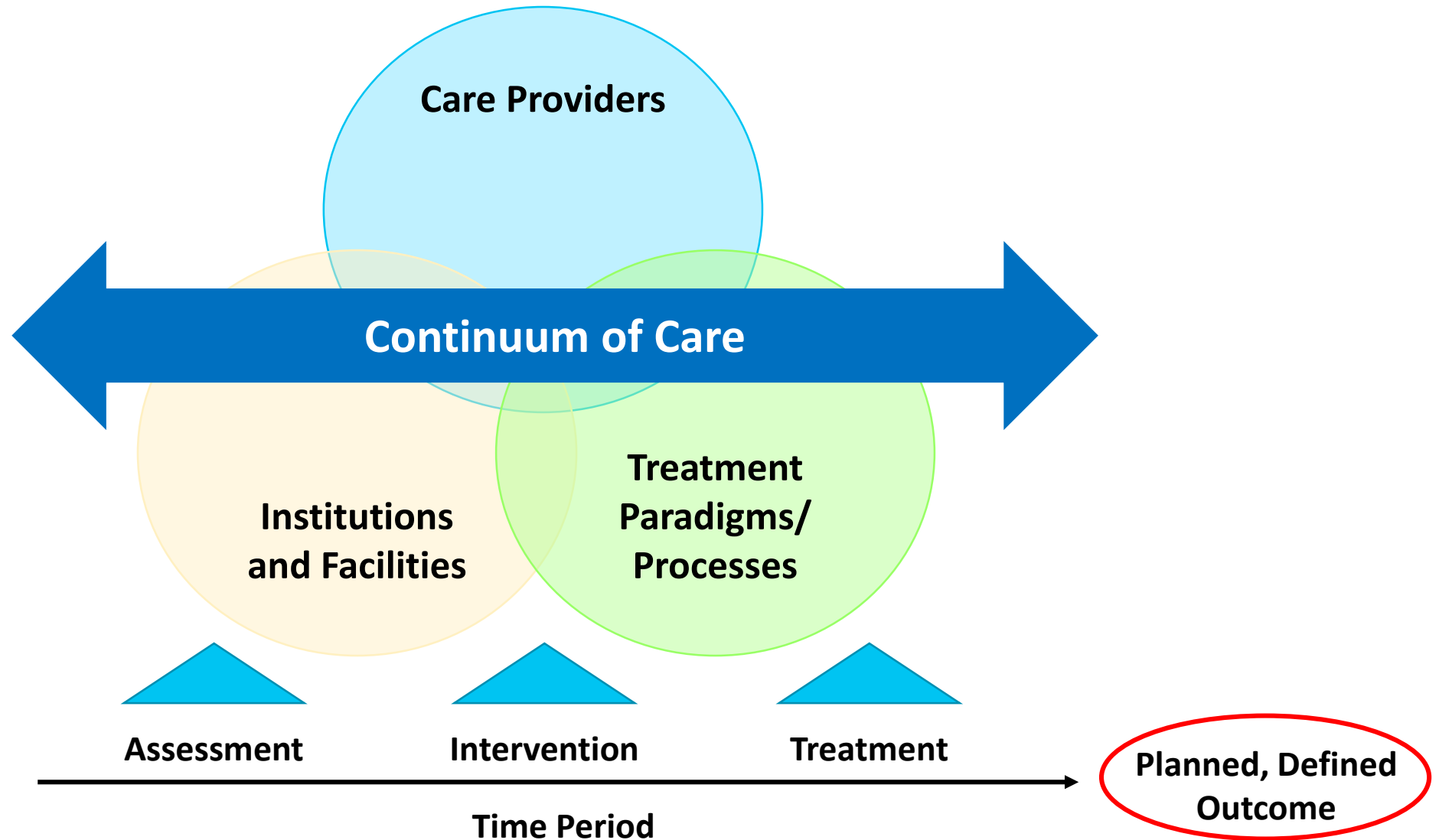
- Describe care pathways and their application as a cost-management tool in psoriatic disease

What is a Care Pathway?

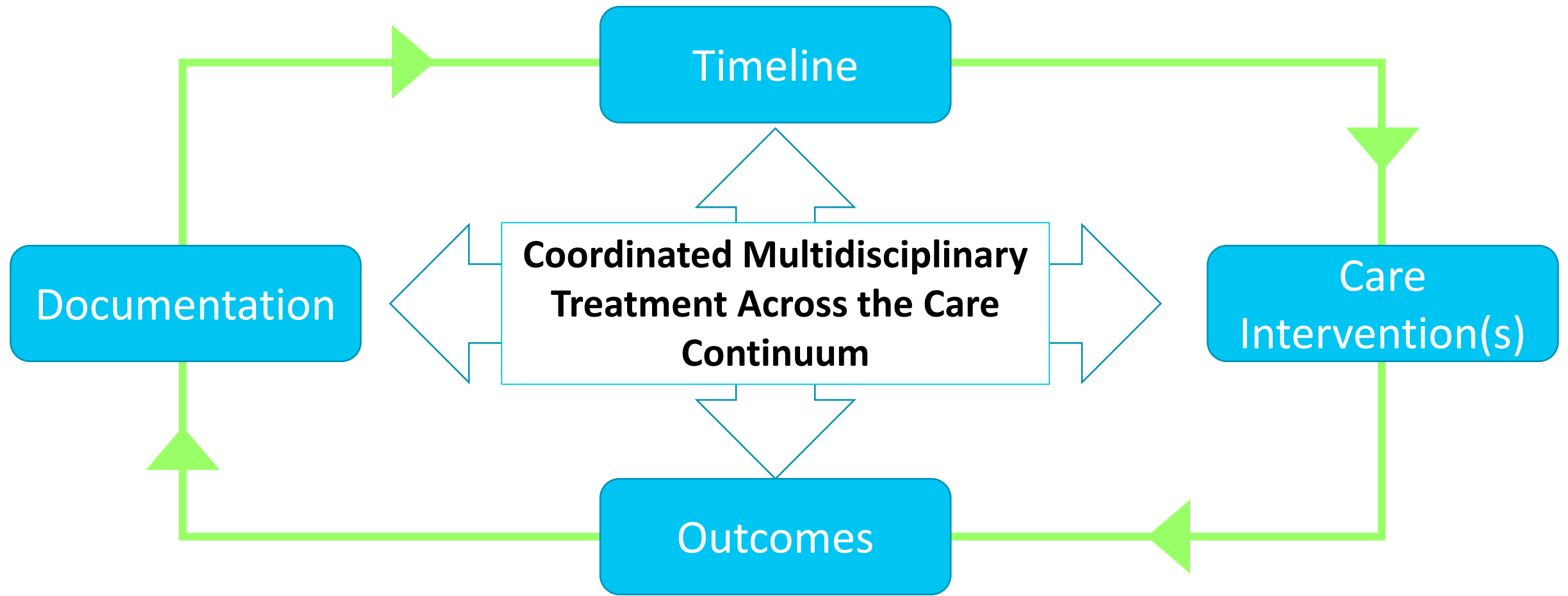
- A proactive, multidisciplinary plan developed to manage patient care, improve quality, reduce variation, and increase efficient use of health care resources
- Pathways reflect care that is planned, standardized, coordinated, and documented



Care Pathways and the Care Continuum



Primary Components of a Care Pathway

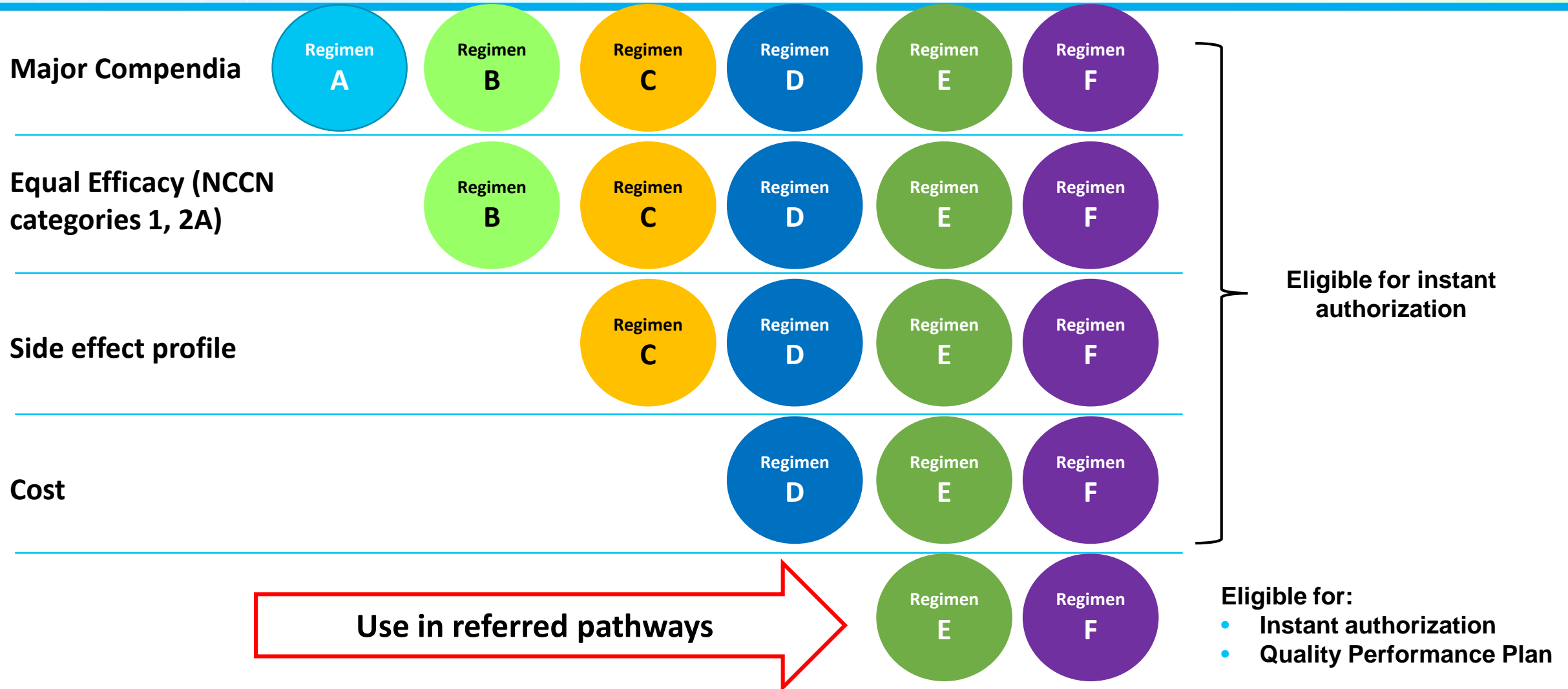


Why Use Care Pathways?

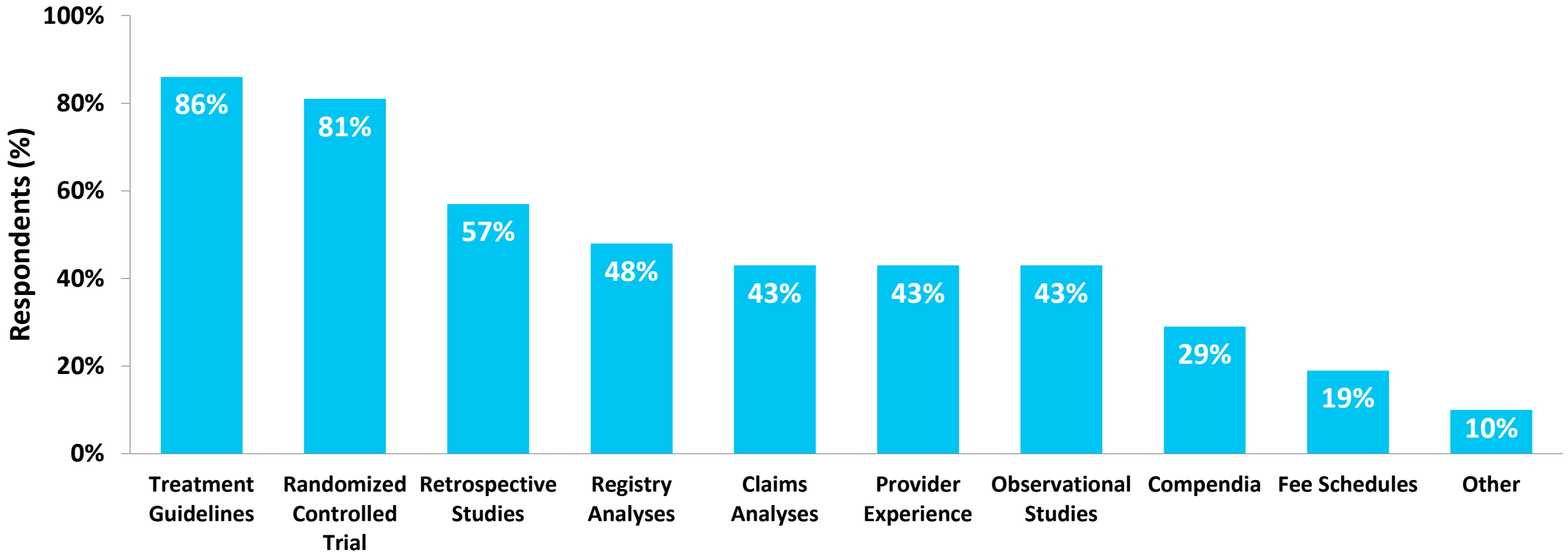
- Reinforce patient-centered care
- Enhance interdisciplinary collaboration
- Reduce unnecessary variation in patient care
- Incorporate local and national guidelines into routine clinical practice
- Support alignment with evidence-based standards of care
- Optimize management of health care resources



Clinical Pathway Considerations in Oncology: High-Quality, Cost-Effective Regimens

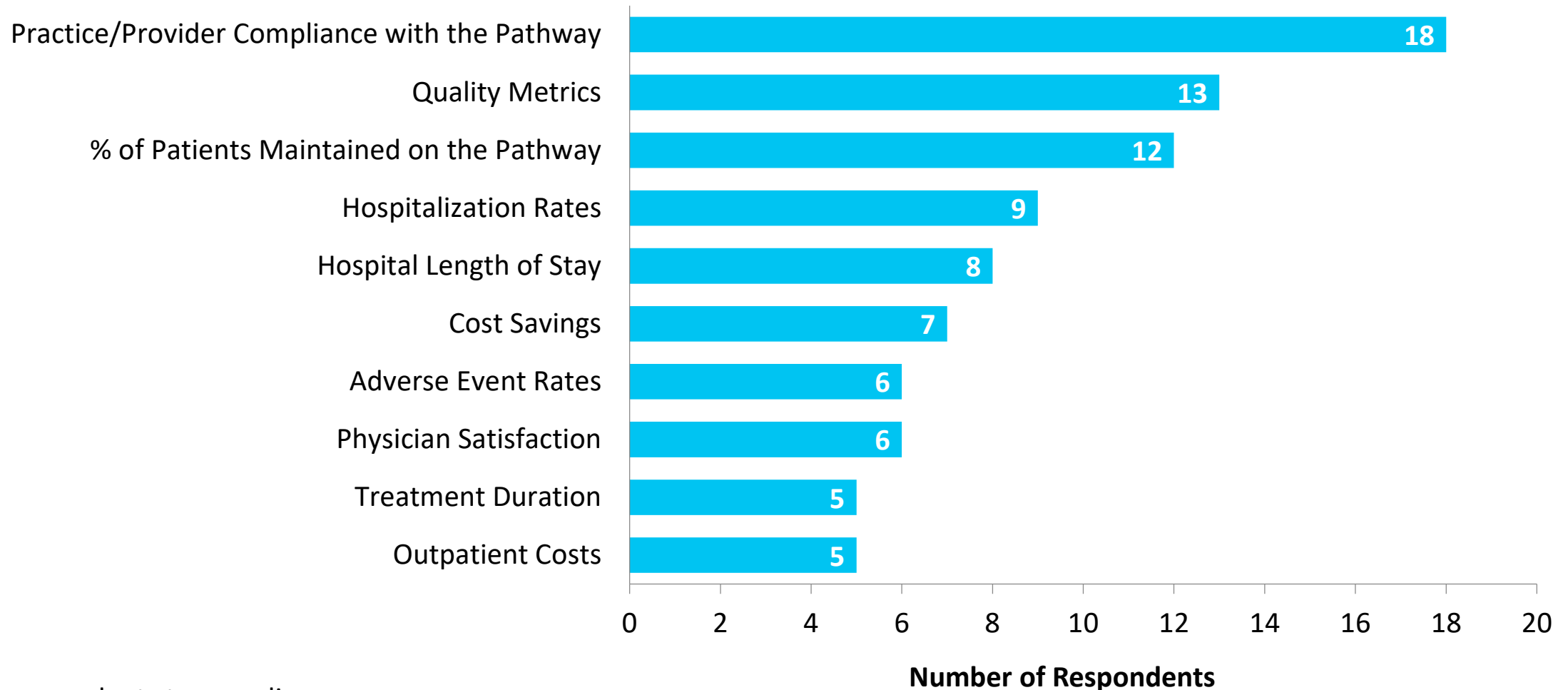


Data Sources for Pathway Development



N=26 respondents to an on-line survey: medical directors (n=8); pharmacy directors (n=2); physicians (n=9); pathway vendors (n=7). Medical and pharmacy directors represented managed care organizations, integrated delivery systems, and pharmacy benefit managers that covered a total of approximately 60 million lives.

Metrics Used to Evaluate the Impact of Care Pathways



N=19 respondents to an online survey

Patient Case:

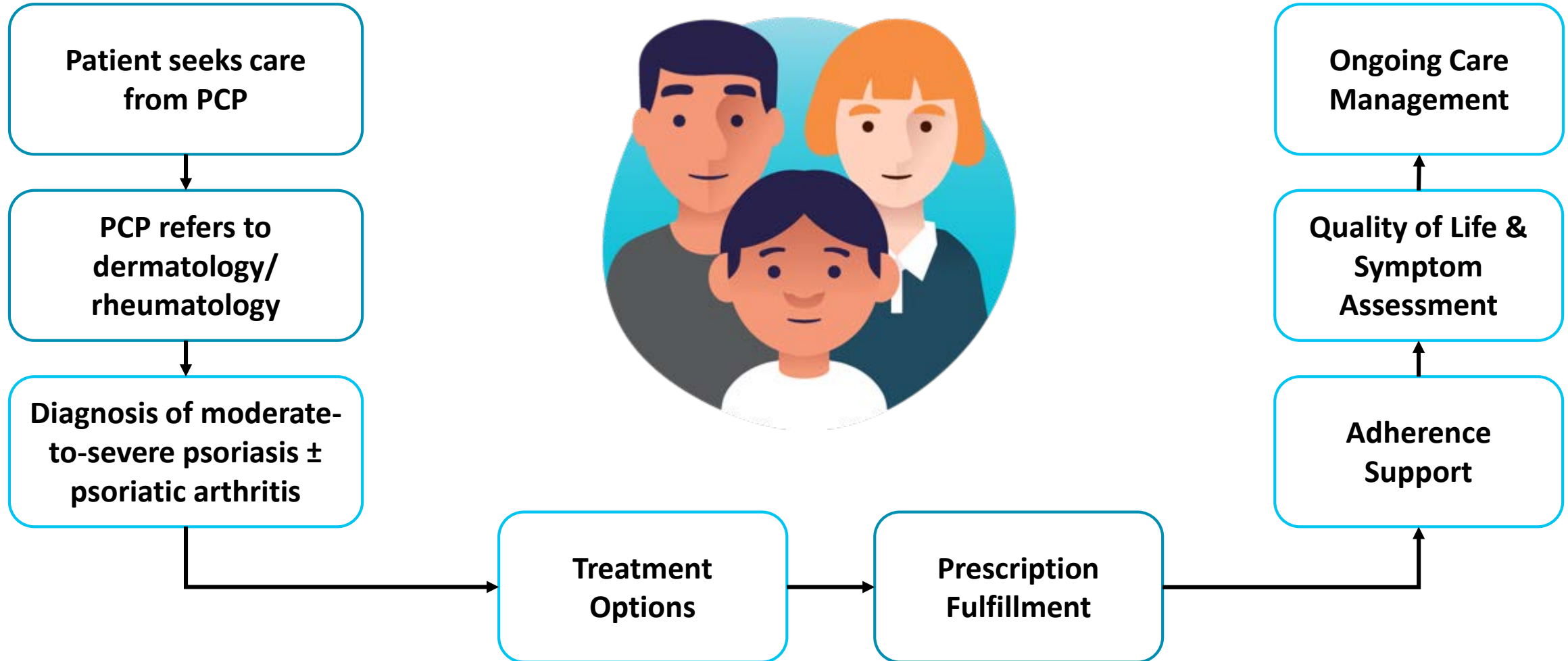
Managing Skin and Joint Symptoms

- **Patient:** Marcus, a 47-year-old male with a 25-year history of moderate-to-severe psoriasis and recent complaints of swollen and tender joints
- **Challenges:**
 - Confirm a diagnosis of psoriatic arthritis
 - Coordinate care between multiple medical specialties to devise and implement a treatment plan to 1) addresses skin and joint symptoms, 2) minimize risk of progressive joint damage, and 3) safeguard quality of life
 - Address comorbidities including cardiovascular disease and psychosocial conditions
 - Ensure continued access to appropriate therapy

Presence of Joint Symptoms Complicates the Management of Psoriasis

- Presence of psoriatic arthritis increases the overall complexity of psoriatic disease management
- Because joint symptoms appear up to 10 years after skin involvement, dermatologists are well positioned to recognize and refer patients for specialized joint care
- However, psoriatic arthritis remains under-diagnosed in dermatology practices
- Regular screening of psoriasis patients for early evident joint symptoms should be incorporated into daily dermatologic practice

The Psoriatic Disease Patient Journey



Care Pathways Can Be Used to Enhance Psoriatic Disease Management

- Increase awareness of psoriatic arthritis among patients, primary care providers and dermatologists



Pre-Diagnosis

- Promote the use of screening tools to identify early symptoms and ensure timely referral
- Develop referral pathways



Referral & Diagnosis

- Perform regular monitoring of patient progress
- Manage comorbidities
- Document outcome



Treatment Initiation & Management



Follow Up

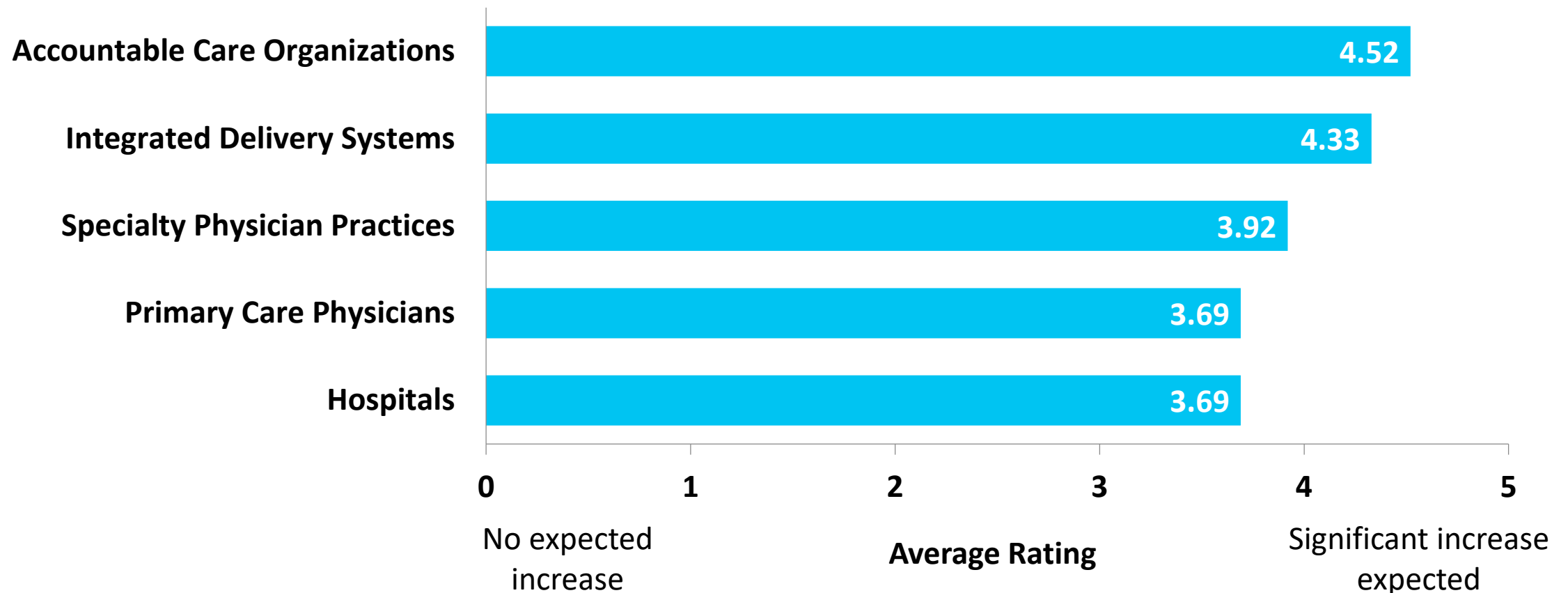
- Promote collaborative care between dermatologists and rheumatologists
- Employ a multidisciplinary care team to provide comprehensive care

- Provide evidence-based care
- "Treat-to-target"; optimize treatment based on response to therapy
- Engage patients in their care

Current Use of Care Pathways in Managed Care

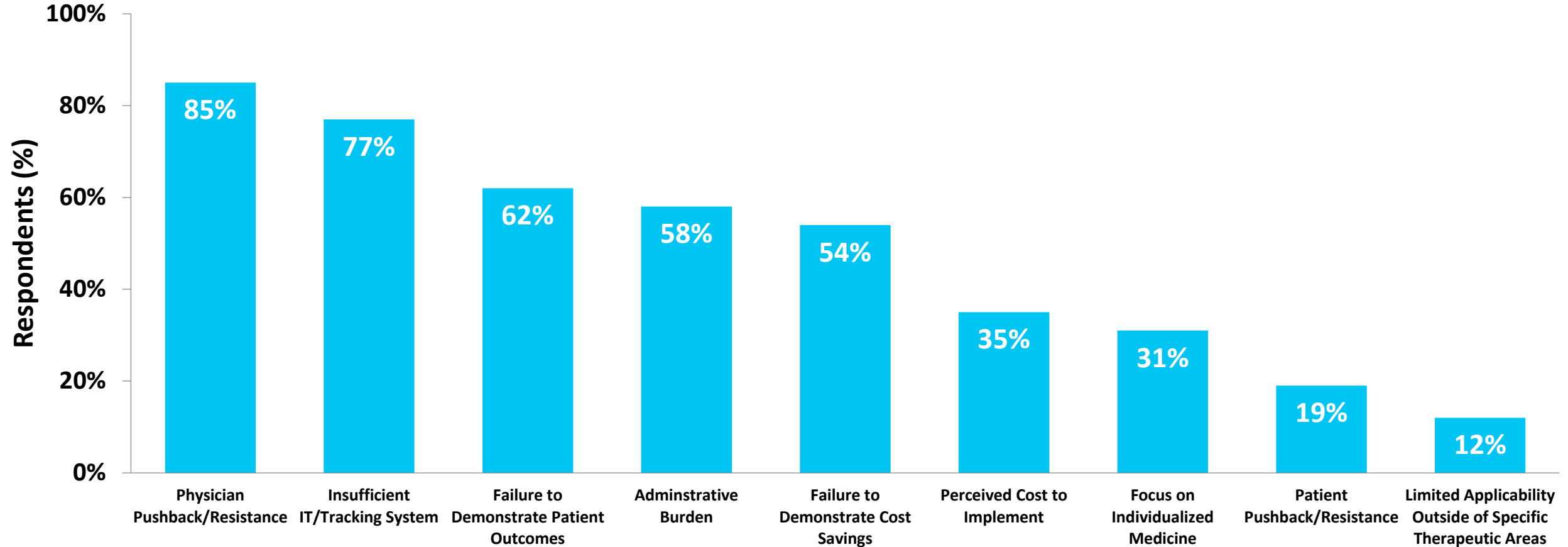
- Although widely used in other parts of the world, use of care pathways in the US is currently limited to managing the utilization of specialty drugs, particularly in oncology and disorders requiring prolonged treatment with specialty pharmaceuticals (eg, rheumatoid arthritis)
- Data on the impact of care pathways on costs, patient outcomes, and quality of care in US health care settings is currently limited
- With movement from fee-for-service to bundled payments in commercial health plans, care pathways are expected to have more influence on quality of care and patient outcomes in the future

Use of Care Pathways Expected to Increase



N=26 respondents to an on-line survey: medical directors (n=8); pharmacy directors (n=2); physicians (n=9); pathway vendors (n=7). Medical and pharmacy directors represented managed care organizations, integrated delivery systems, and pharmacy benefit managers that covered a total of approximately 60 million lives.

Barriers to Pathways Expansion



N=26 respondents to an online survey

Summary

- Care pathways are proactive, multidisciplinary plans developed to manage patient care, improve quality, reduce variation, and increase efficient use of health care resources
- Use of care pathways in the US is currently limited to managing the utilization of specialty drugs, particularly in oncology
- Implementation of a care pathway for psoriatic disease may be a useful strategy to ensure patients receive a high-quality, evidence-based, cost-effective treatment regimen

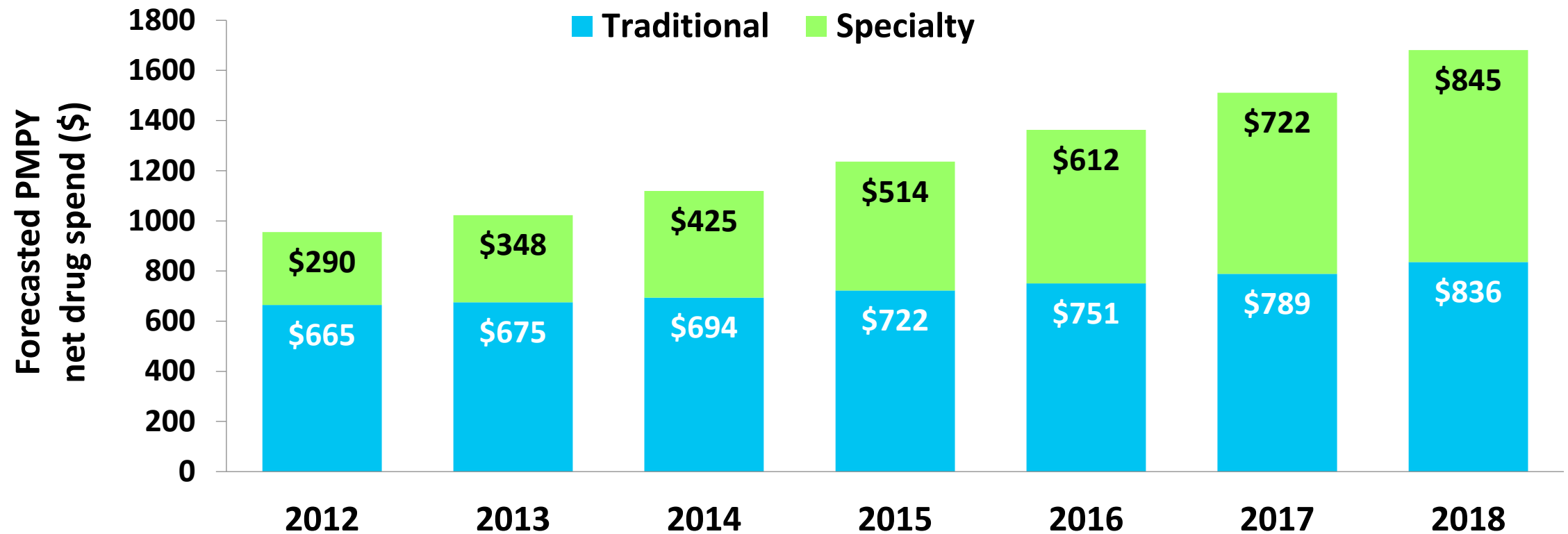


Improving Patient Outcomes with Specialty Pharmacy Services and Disease Management Strategies

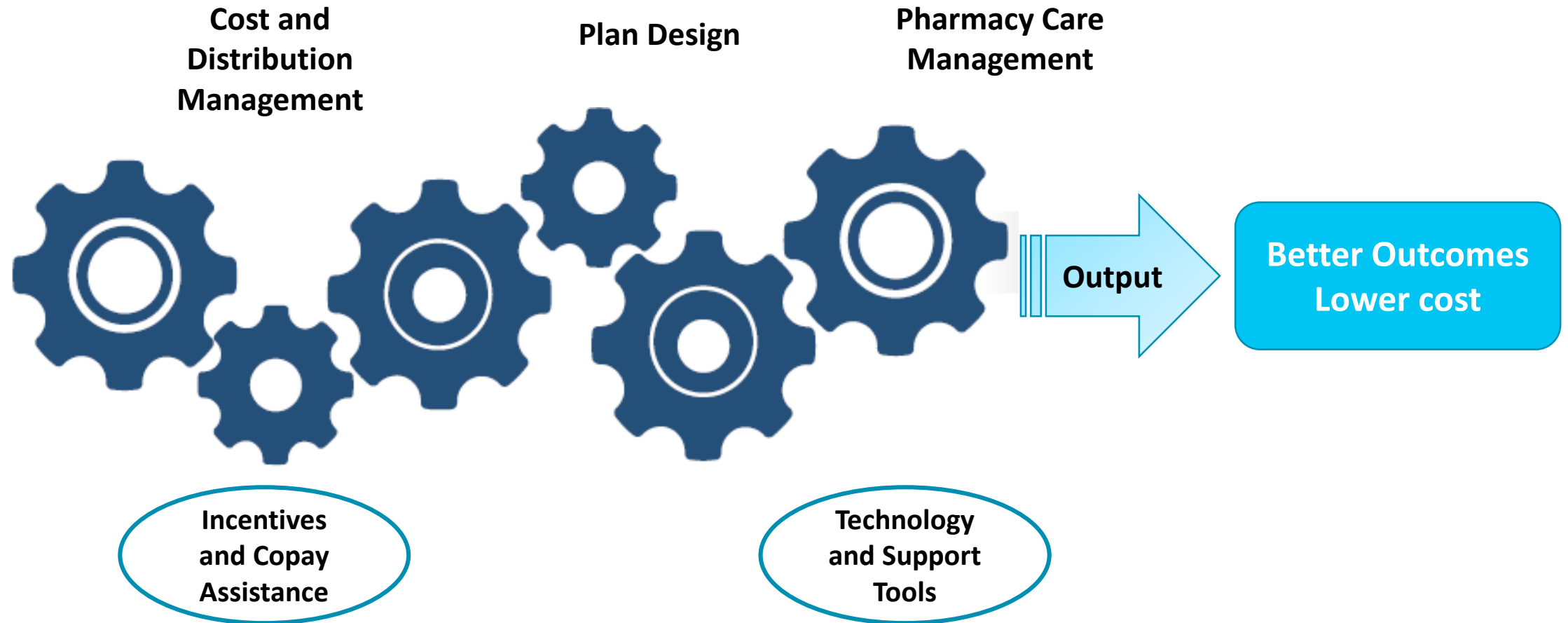
Learning Objective

- Employ specialty pharmacy and disease management services for psoriatic disease patients

Pharmacy Spending on Specialty Drugs Expected to Increase as Coverage Shifts From the Medical Benefit



Costs Can Be Effectively Managed by Aligning Distribution, Plan Design, and Pharmacy Care Management



Basic Tenets of the Specialty Drug Benefit

Utilization Management

- Reduce costs by aggressively managing drug utilization

Preferred Drug Management

- Establish preferred products and formulary tiers
- Use cost sharing to drive use of preferred products, but not limit adherence

Contract Management

- Aggressively negotiate rebates
- Incent providers to utilize the most cost-effective drugs

Channel Management

- For pharmacy, optimize the distribution network
- Optimize site of care

Care Management

- Provide counseling and education to patients and caregivers
- Incent coordinated care

Moving From Volume to Value

Emphasis on Value not Volume

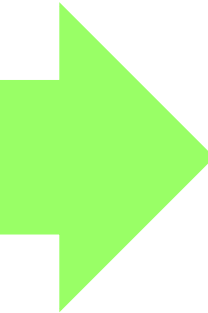
- Value-based purchasing
- Shared savings plan
- Gain-sharing
- Bundled payments
- Capitation

Incentives to Drive Coordination of Care

- CMS 5-Star Rating
- Pay-for-Performance

Structures Promoting Integration of Care

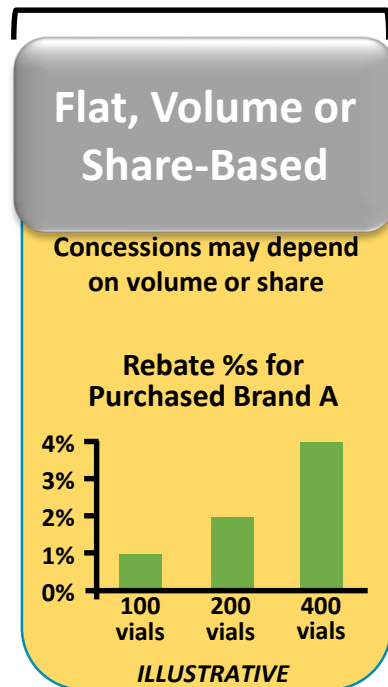
- Accountable Care Organizations
- Medical Homes
- Chronic Care Management
- Health Care Innovation Zones



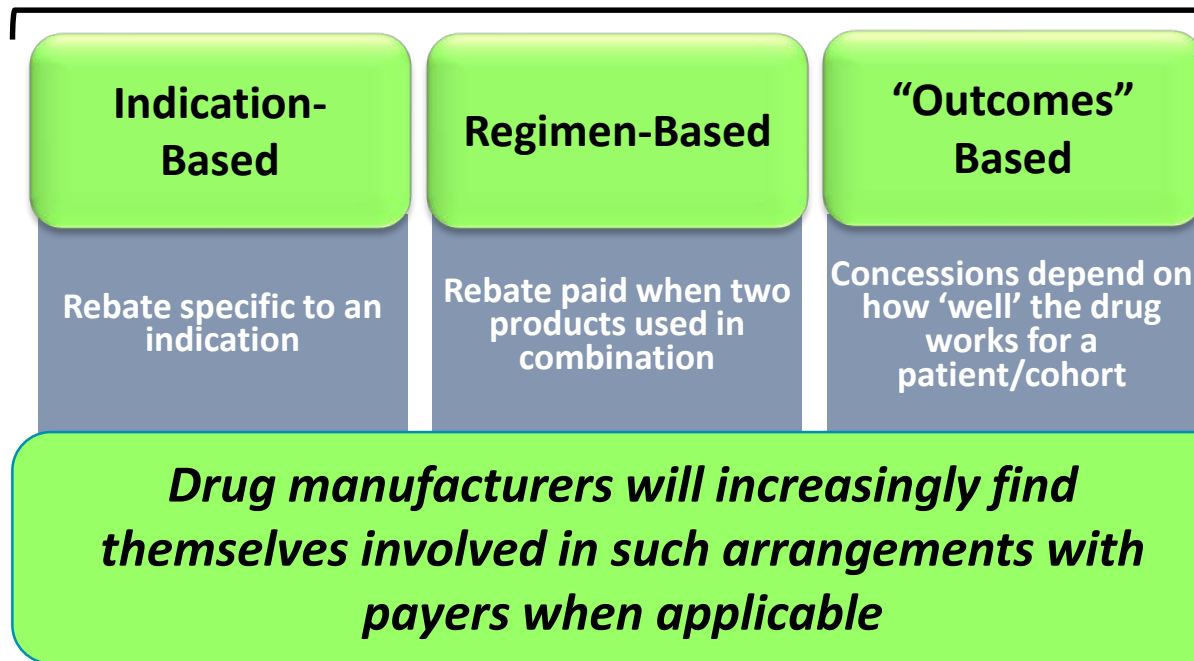
Traditional vs. Potential Value-Based Contracting

- 45% of private payers were involved in pay-for-performance and risk-sharing programs in 2010; the number rose to 62% in 2013, and usage of these programs was estimated to be as high as 75% in 2016

Traditional Contracting



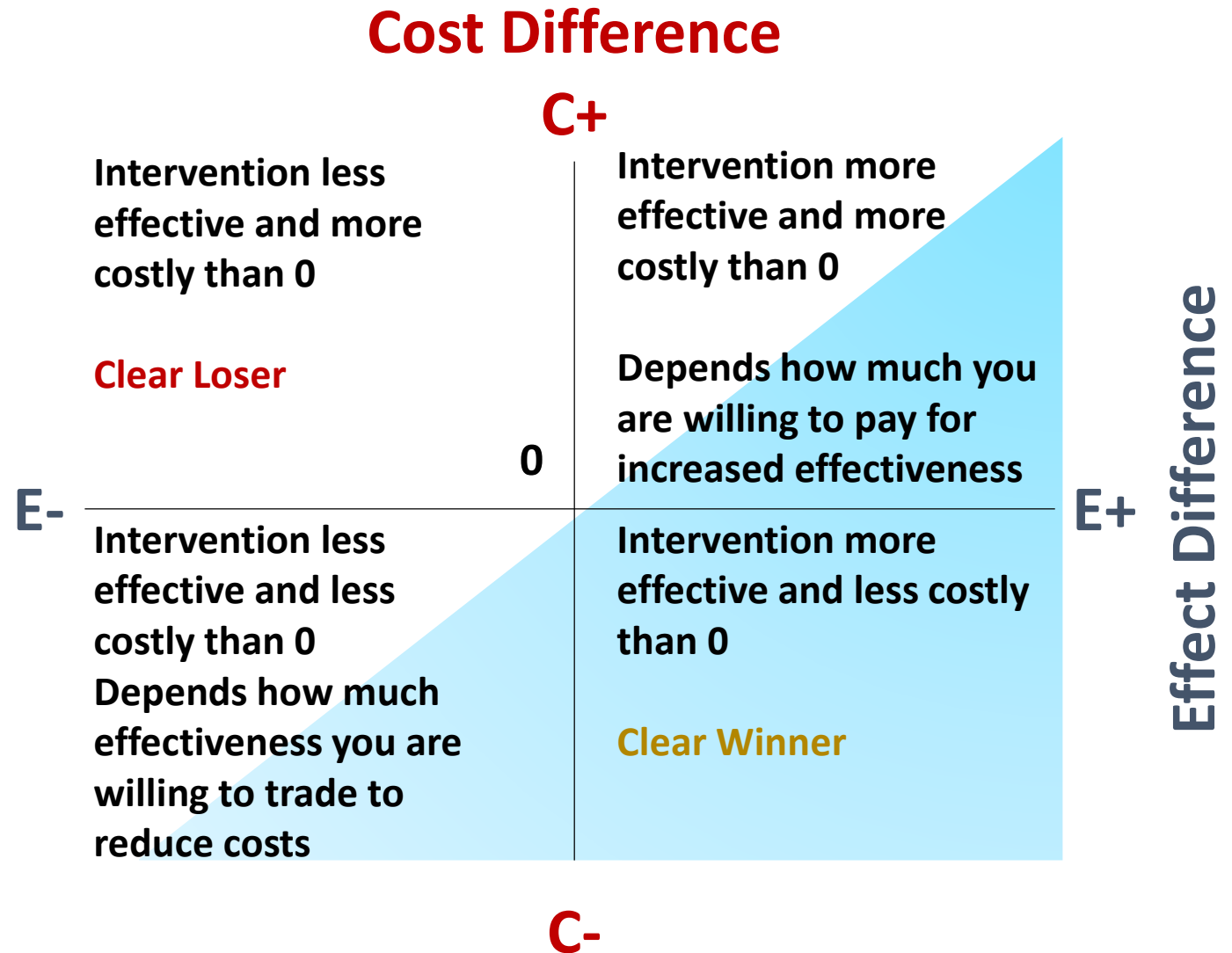
Value-Based Contracting



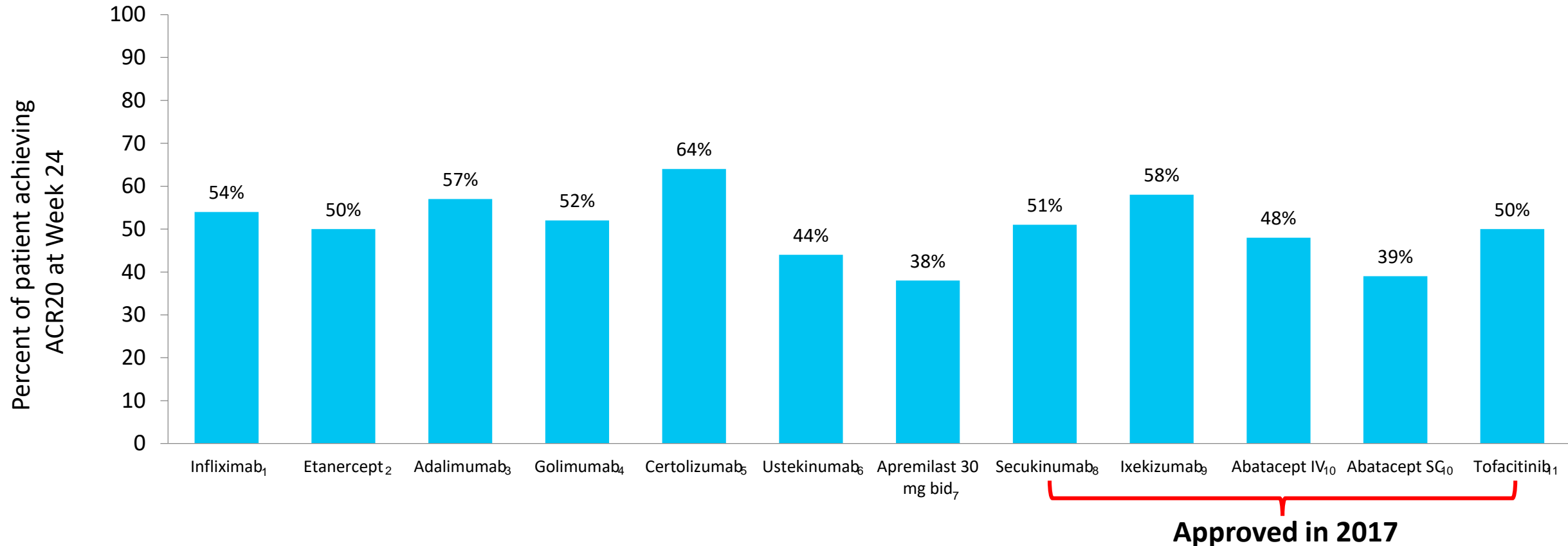
Increasing Data & Complexity

Value = Cost Effectiveness

- Efficacy
- Price
- Cost per event avoided
- Cost per % improvement
- Helps compare agents
 - When there are no head-to-head trials



Biologic Therapies Approved for Psoriatic Arthritis: ACR20 at Week 24



1. Kavanaugh A, Antoni CE, Gladman D, et al. *Ann Rheum Dis*. 2006;65(8):1038-43.
2. Mease PJ, Kivitz AJ, Burch FX, et al. *Arthritis Rheum*. 2004;50(7):2264-72.
3. Mease PJ, Ory P, Sharp JT, et al. *Ann Rheum Dis*. 2009;68(5):702-9.
4. Kavanaugh A, Mcinnes IB, Mease PJ, et al. *Ann Rheum Dis*. 2013;72(11):1777-85.
5. Mease PJ, Fleischmann R, Deodhar AA, et al. *Ann Rheum Dis*. 2014;73(1):48-55.
6. Mcinnes IB, Kavanaugh A, Gottlieb AB, et al. *Lancet*. 2013;382(9894):780-9.
7. Kavanaugh A, Mease PJ, Gomez-reino JJ, et al. *Ann Rheum Dis*. 2014;73(6):1020-6.
8. Cosentyx (secukinamab) [package insert]. East Hanover, NJ: Novartis Pharmaceuticals Corporation; 2017.
9. Taltz (ixekizumab) [package insert]. Indianapolis, IN: Eli Lilly and Co.; 2018.
10. Orencia (abatacept) [package insert]. Princeton, NJ: Bristol-Myers Squibb; 2017.
11. Xeljanz (tofacitinib) [package insert]. New York, NY: Pfizer. 2017.

Trend is Toward a Multi-Tier Formulary

- Patient cost is dependent on the formulary tier
 - Tier 1: lowest cost
 - Tier 2: slightly higher cost
 - Tier 3: higher cost
 - Tier 4 (specialty drugs): highest cost
- Formulary positioning depends on the demonstrated value of the drug as assessed by the plan sponsor

| Tier 1 Generic | Tier 2 Preferred | Tier 3 Non-preferred | Tier 4 Specialty |
|---|---|--|--|
| | \$ \$ | \$ \$ \$ \$ | \$ \$ \$ \$ \$ |
| Least expensive, including all generics and select brands | Brand name drugs proven to be most effective in their class | Non-preferred brand names not considered to be the most effective as well as preferred specialty drugs | The most expensive drugs; typically non-preferred, branded specialty drugs |

New Formulary Design Example

| Pharmacy Benefit | | |
|-------------------------|------|-------|
| Tier | Drug | Cost |
| Preferred generic | | \$5 |
| Non-preferred generic | | \$10 |
| Preferred brand | | \$50 |
| Non-preferred brand | | \$100 |
| Preferred specialty | | 10% |
| Non-preferred specialty | | 20% |

| Medical Benefit | | |
|-------------------------|------|------|
| Tier | Drug | Cost |
| Non-specialty | | NA |
| Preferred specialty | | 10% |
| Non-preferred specialty | | 20% |

Biosimilars: Where Do They Fit?

Considerations

- Rating/interchangeability
- Data extrapolation/indications
- Safety
- Manufacturing
- Cost

Formulary Limitations

- Tier 1: Generics
- Tier 2: Preferred brand
- Tier 3: Non-preferred brand
- Tier 4: Specialty drugs (often biologicals)
 - Biosimilars?

Cost Shifting: Factors to Consider

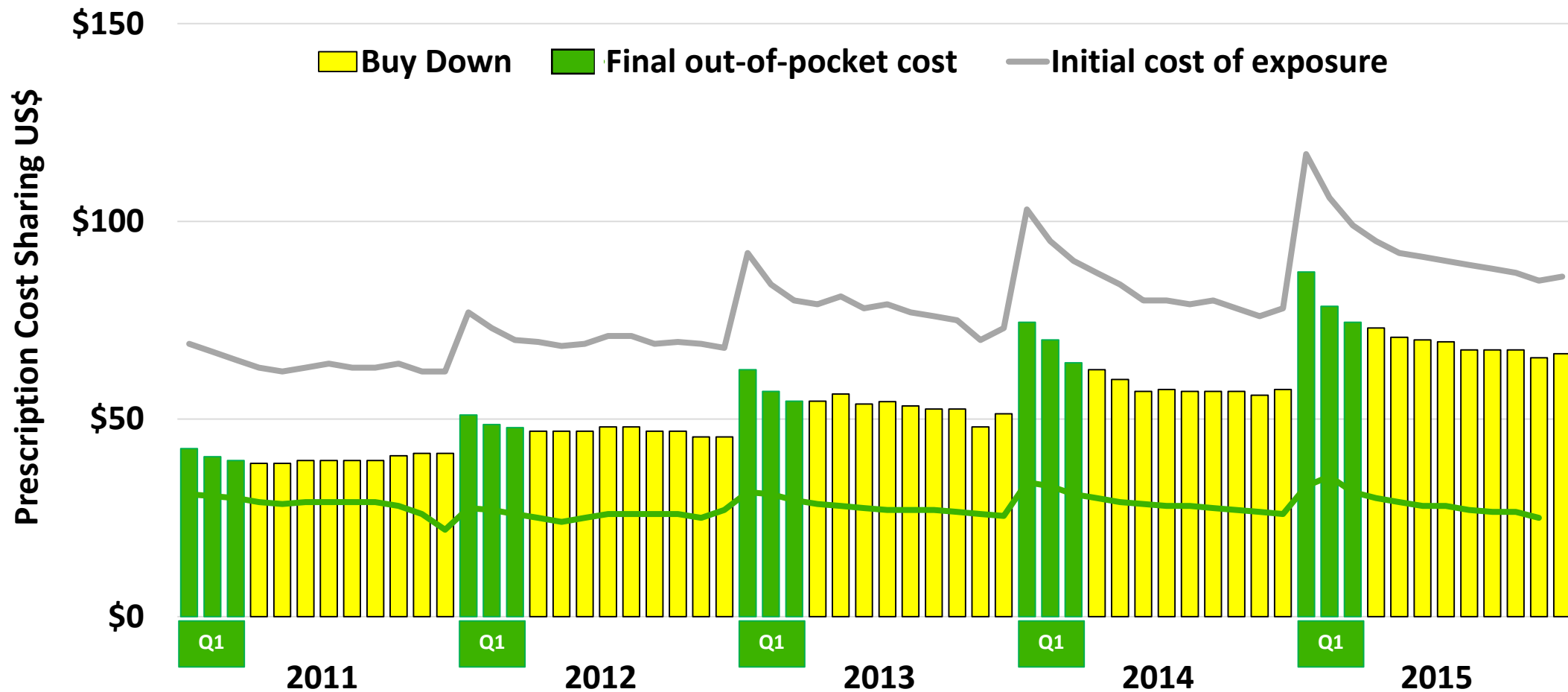
Member Decision Factors

- Cost
- Adherence
- Efficacy & tolerability

Benefit Design Factors

- Medical vs Pharmacy
- Copay vs coinsurance
- Specialty tiers

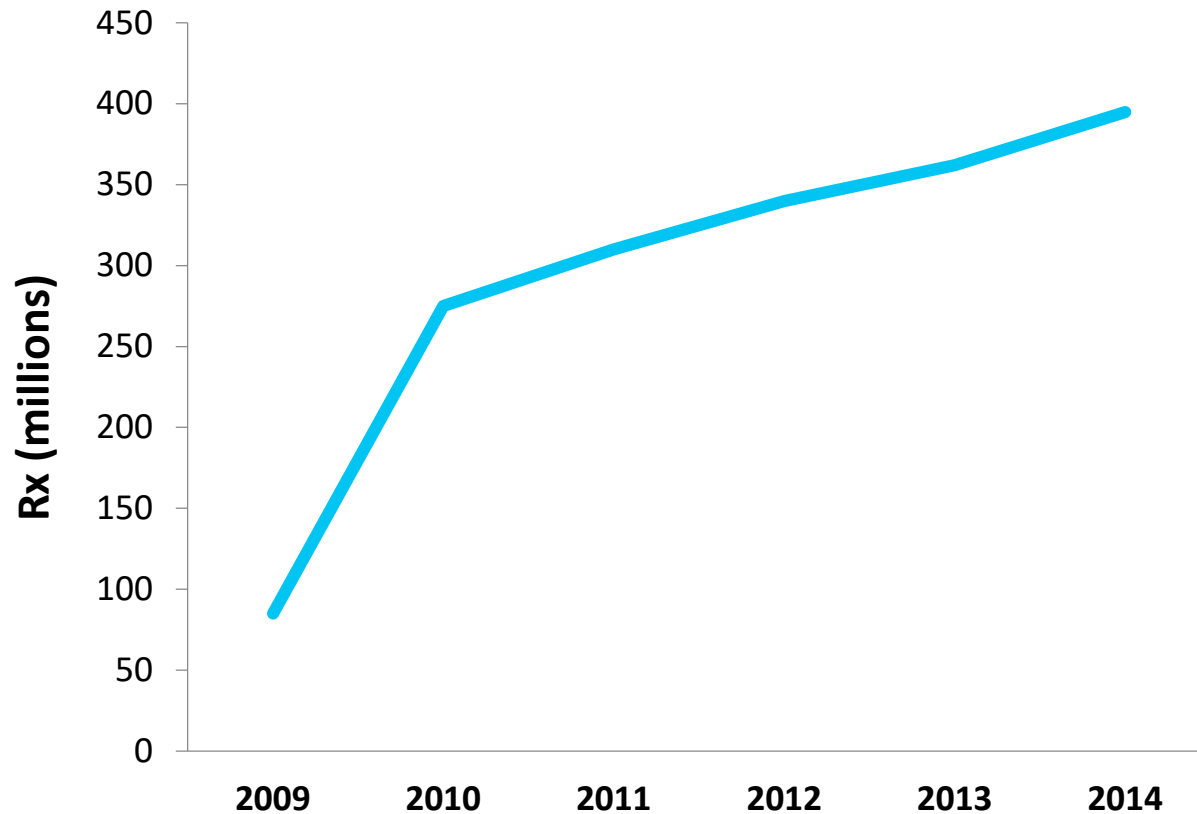
Manufacturers Are Using “Buy Downs” to Offset Increasing Patient Cost Exposure



Averages are calculated among paid claims where a co-pay card is used as the secondary payer and normalized to 30 days.

Copay Coupons Are Used to Reduce Patient Costs But May Potentially Circumvent Formulary Controls

Growth of Copay Coupon Use¹



- In 2015, the pharmaceutical industry spent upward of \$7 billion to fund coupons²
- 75% of members prescribed a Tier 3 drug are using a copay coupon³
- Coupon use is expected to increase to 500 million prescriptions by 2021⁴

1. How Copay Coupons Could Raise Prescription Drug Costs By \$32 Billion Over the Next Decade. Pharmaceutical Care Management Association Web site. <https://www.pcmagnet.org/wp-content/uploads/2016/08/visante-copay-coupon-study-nov-2011.pdf>. Accessed March 2018. 2. Koons C, Langreth R. <http://www.bloomberg.com/news/articles/2015-12-23/that-drug-coupon-isn-t-really-clipping-costs>. Accessed March 2018. 3. Sandu A, Avey S. Copay Coupons for Specialty Drugs: Strategies for Health Plans and PBMs. Managed Markets Insight & Technology Web site. https://aishealth.com/sites/all/files/file_downloads/gc4p04_08-14.pdf. Accessed March 2018. 4. Cahn L. *Managed Care*. <https://www.managedcaremag.com/archives/2012/5/how-combat-pharma's-costly-coupon-programs>. Accessed March 2018.

Coupons May Be Beneficial for Certain Preferred Drugs

- For traditional drugs and non-preferred specialty drugs, coupons often lead to use of therapies with higher net costs
- Coupons may be beneficial for the subset of members who have high-deductible health plans or high coinsurance and who are prescribed certain preferred specialty drugs
 - Coupon programs that reduce monthly cost sharing to >\$250 are associated with a lower risk for patient abandonment of biologic anti-inflammatory therapy
- However, as a way to drive greater savings for plan sponsors, two new specialty copay card programs have been introduced in 2017: accumulator adjustment and copay allowance maximization
 - These programs may have unintended consequences

Real Savings Come From Providing Optimal Clinical Support and Care Management



Patient Case:

Interaction with the Specialty Pharmacy

- Marcus' prescription is sent to the specialty pharmacy to be filled
- Upon receiving the Rx, the specialty pharmacist reaches out to Marcus and provides him additional information about his new prescription including direction on how to:
 - Properly prepare, administer, and store the medication
 - Monitor for side effects
 - Navigate the refill process
- The specialty pharmacist also educates Marcus about how to best coordinate management of his skin and joint symptoms

Focus on Individualizing Care

Disease and Treatment Variables

- Disease severity
- Presence of comorbidities
- Treatment efficacy
- Treat-to-target
- Tolerability/drug interactions
- Adherence

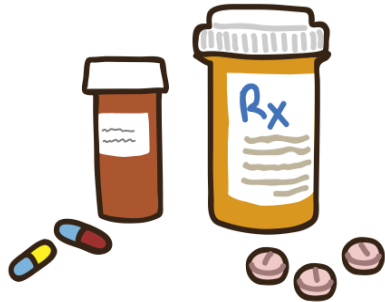
Health Care Delivery Variables

- Patient education
- Provider-patient relationship
- Patient empowerment
- Medication therapy management
- Medication reminders
- Routine monitoring and adjustment of therapy
- Coordinated, multidisciplinary care

Specialty Pharmacy Can Help Streamline Access to Psoriatic Therapy

- Specialty pharmacists are well-positioned to support access including
 - Verification of benefits: initial claim review and test claim to assess eligibility (e.g., formulary, step therapy, and other payer requirements)
 - Prior authorization and appeals
 - Statement of Medical Necessity
 - Copay programs
 - Manufacturer Patient Assistance Program
 - Alternative coverage organizations
 - Grants
 - Foundations

Specialty Pharmacy is Also Well-Positioned to Support Care Management Activities



Safety Assessment

- Adverse events
- Allergies
- Drug interactions

Drug Dosing / Administration

- Preparation
- Administration technique
- Dosing frequency
- Handling, storage, disposal

Adherence

- Initial fill
- Refills
- Concurrent medications

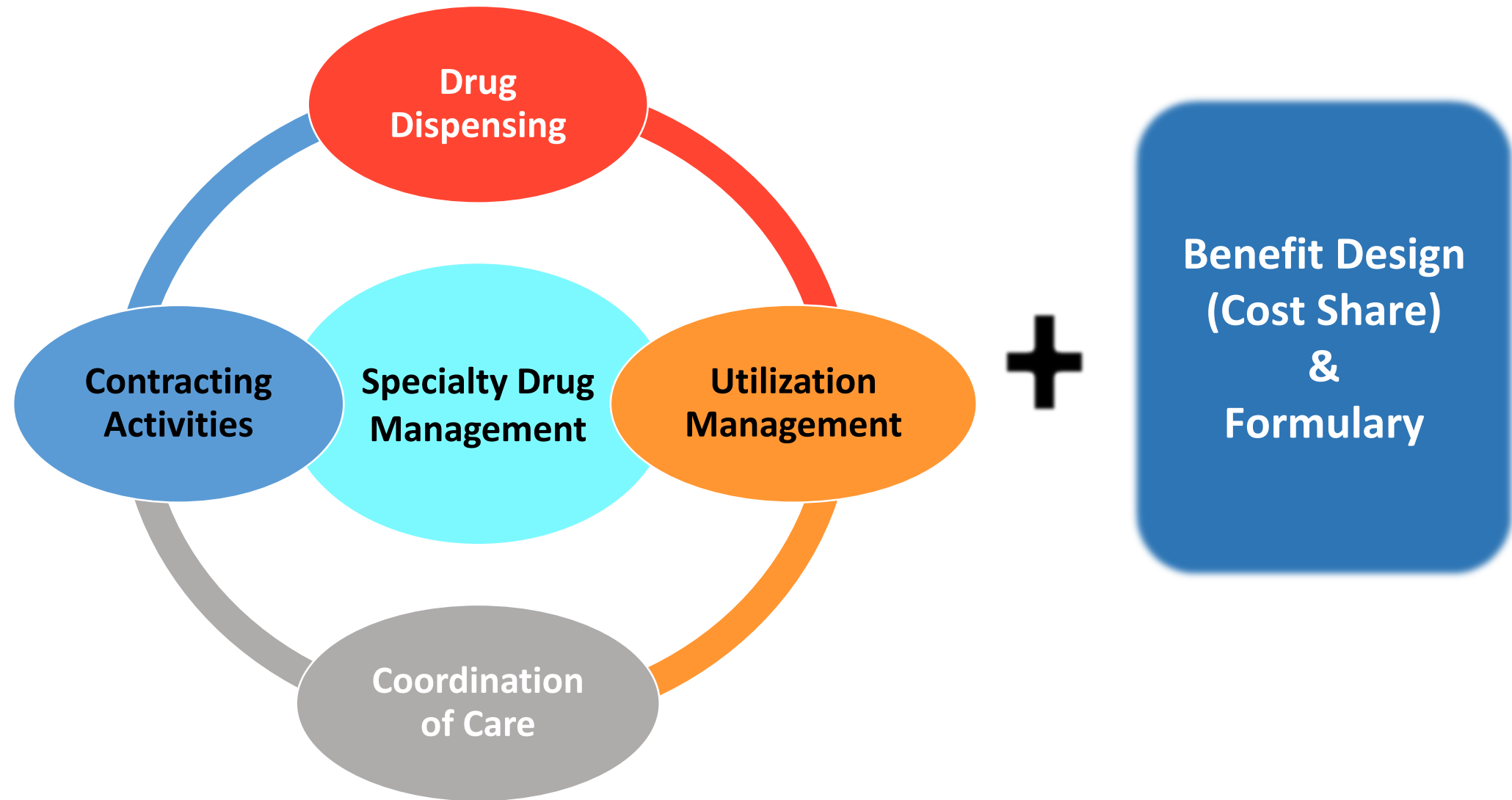
Monitoring

- Review progress toward goals
- Manage therapy interruptions
- Comorbidities

Patient Education

- Treatment expectations
- Storage requirements
- Access support

Successful Psoriatic Pharmacy Management Requires Finding the Appropriate Balance



Summary

- The number of novel agents approved to treat psoriatic disease continues to increase
- While the increasing number of treatment options benefits patients, providers, and payers, these same stakeholders are challenged by the acquisition cost of these therapies
- New plan designs and care models that emphasize value over volume of care are being implemented to ensure patients continue to have access to these innovative psoriatic disease therapies
- Specialty Pharmacists are well-positioned to provide support to patients with psoriatic disease throughout their care journey