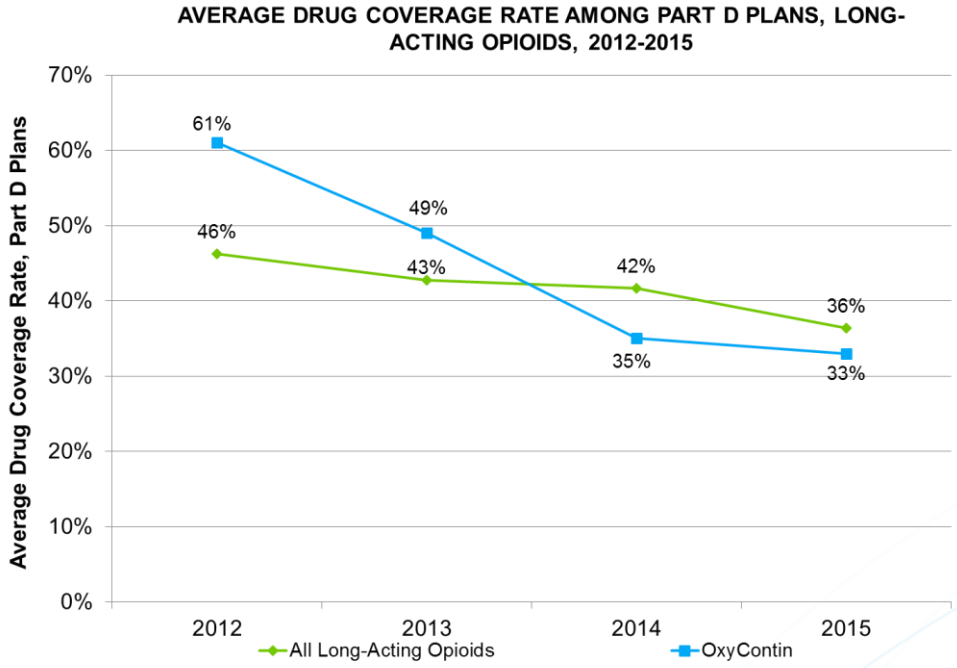
Medicare Drug Plans Favor Generic Opioids that Lack Abuse Deterrent Properties

New research from Avalere finds that despite the innovation of abuse-deterrent properties and labeling for branded opioids, Medicare Part D plan coverage for these products is declining rapidly. From 2012 to 2015, Part D plan coverage rates[1] for all prescription opioids[2] decreased by 10 percentage points. During the same time period, coverage for branded OxyContin, which received abuse-deterrent labeling in 2013, decreased by 28 percentage points—from 61 percent to 33 percent of plans.

Since the late 1990s, prescription opioid abuse has risen dramatically. Between 1999 and 2013, the rate of drug poisoning deaths involving opioid analgesics, or pain medications, nearly quadrupled.[3] Furthermore, abuse among senior citizens has caused particular concern as the number of people 65 years and older misusing prescription pain relievers was estimated to be roughly 432,000 in 2013 —a nearly threefold increase from a decade prior.[4]

In response to these trends, a range of stakeholders have identified strategies to reduce abuse, including education, treatment, and prevention. One such effort is to make opioids more difficult and less attractive to abuse. The U.S. Food and Drug Administration (FDA) approved abuse-deterrent labeling for OxyContin in 2013 and subsequently approved another three long-acting opioids in late 2014.[5] These drugs are intended to deter product manipulation through chemical and/or physical barriers.

"While there has been significant attention on the development and approval of new abuse-deterrent drug products, there has been noticeably less consideration of access to such products" said Dan Mendelson, CEO of Avalere.



Source: Avalere Health Analysis, June 2015.

In light of the particular concern over rising prescription opioid abuse among Medicare beneficiaries, Avalere analyzed opioid coverage and utilization management[6] (UM) in Part D in order to better understand the coverage of abuse-deterrent opioids in the program. Due to timing of the FDA approvals, data on abuse-deterrent products is only available for OxyContin. Specifically, Avalere finds:

- Despite receiving abuse-deterrent labeling by the FDA in 2013, OxyContin's Part D plan coverage rate dropped from 61 percent in 2012 to 33 percent in 2015, a steeper decline than non-abuse deterrent long-acting opioids. In addition, one quarter of Part D plans require prior authorization (PA) for OxyContin in 2015.
- By comparison, the generic Oxycodone Hydrochloride (HCl) immediate release (IR)—which has no abuse-deterrent properties—is covered by all Part D plans in 2015 and faces lower levels of utilization management (only 0.3 percent of plans require PA for Oxycodone HCl in 2015).
- Part D plans may be narrowing the scope of coverage of opioids in response to growing utilization of these drugs. Proportionally, the rate of coverage among branded opioids decreased more significantly than generics.

"While prescription opioid abuse continues to be a priority for public health experts and lawmakers, coverage for these products by Part D plans is limited and plans are increasingly favoring lower-cost generic products on their formularies," said Caroline Pearson, senior vice president at Avalere. "Policymakers seeking to limit opioid abuse will have to balance the desire for greater access to abuse-deterrent opioids with the increased costs of such medications to public programs and private payers."

Read the full paper here.

Funding support for this research came from the Pfizer, Inc. Avalere maintained full editorial control over the content in the paper.

Methodology

Avalere used its proprietary DataFrame® database to assess coverage of both generic and branded long-acting opioids products by standalone prescription drug plans (PDPs) and Medicare Advantage prescription drug (MA-PDs) plans from 2012 to 2015. Specifically, Avalere focused on coverage trends between for OxyContin® (oxycodone HCl controlled release) and Opana® extended release (ER) (oxymorphone HCl), each of which was subject to high-profile abuse-deterrent labeling decisions, as a result of which OxyContin received abuse-deterrent labeling, while Opana ER did not.

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[1] Coverage Rate refers to the percentage of Part D plans (including Medicare Advantage-Prescription Drugs plans and standalone prescription drug plans) that include the drug on its list of formulary. Avalere used its proprietary DataFrame® database based on Medicare Part D public use files for this analysis.
[2] Included in this analysis are 54 opioids in the long-acting opioid analgesics U.S. Pharmacopeial Convention (USP) class, including 37 branded drugs and 17 generic drugs. Part D coverage rates include Medicare Advantage (MA Prescription Drug Plans (PDPs) and standalone PDPs
[3] Centers for Disease Control and Prevention. "QuickStats: Rates of Deaths from Drug Poisoning and Drug Poisoning Involving Opioid Analgesics—United States, 1999-2013." *MMWR*. January 16, 2015. Available at: http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6401a10.htm
[4] Substance Abuse and Mental Health Services Administration (SAMHSA), National Survey on Drug Use and Health (NSDUH). Table 1.18A—Nonmedical Use of Pain Relievers in Lifetime, Past Year, and Past Month, by Detailed Age Category: Numbers in Thousands, 2012 and 2013. Available at: http://www.samhsa.gov/data/sites/default/files/NSDUH-DetTabsPDFWHTML2013/Web/HTML/NSDUH-DetTabsSect1peTabs1to46-2013.htm and Table 1.26A Nonmedical Use of Pain Relievers in Lifetime, Past Year, and Past Month, by Detailed Age Category: Numbers in Thousands, 2003 and 2004. Available at: http://oas.samhsa.gov/NSDUH/2k4nsduh/2k4tabs/Sect1peTabs1to66.htm - tab1.26a
[5] Pfizer's Embeda® and Purdue Pharma's OxyContin, Targiniq™ ER, and Hysingla® ER
[6] Utilization Management (UM) references procedures required by health plans or pharmacy benefit managers that govern consumer access to drugs. As referenced in this press release, UM refers to Prior Authorization (PA), Quantity Limits (QL) and Step Therapy (ST). PA: Requirement that a health plan or pharmacy benefit manager reviews requests for certain medicines, on an individual patient basis, before granting coverage. QL: A limit on how much of a particular drug can be dispensed get for a specific time period (days' supply). ST: Requirement that, before accessing a prescribed drug, patients try and "fail" on at least one alternative drug.