

New Erectile Dysfunction Drugs... Will They Raise Your Drug Plan Costs?

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Key Messages

- **Multiple factors need to be considered when forecasting**
- **Generalizations can sometimes be misleading**
- **Tools exist to help make better predictions**



ED Drug Costs

| Population | ED as % of total drug costs |
|--------------|-----------------------------|
| All Groups | 0.33% |
| ED Groups | 1.20% |
| ED Subgroups | 3.1% |

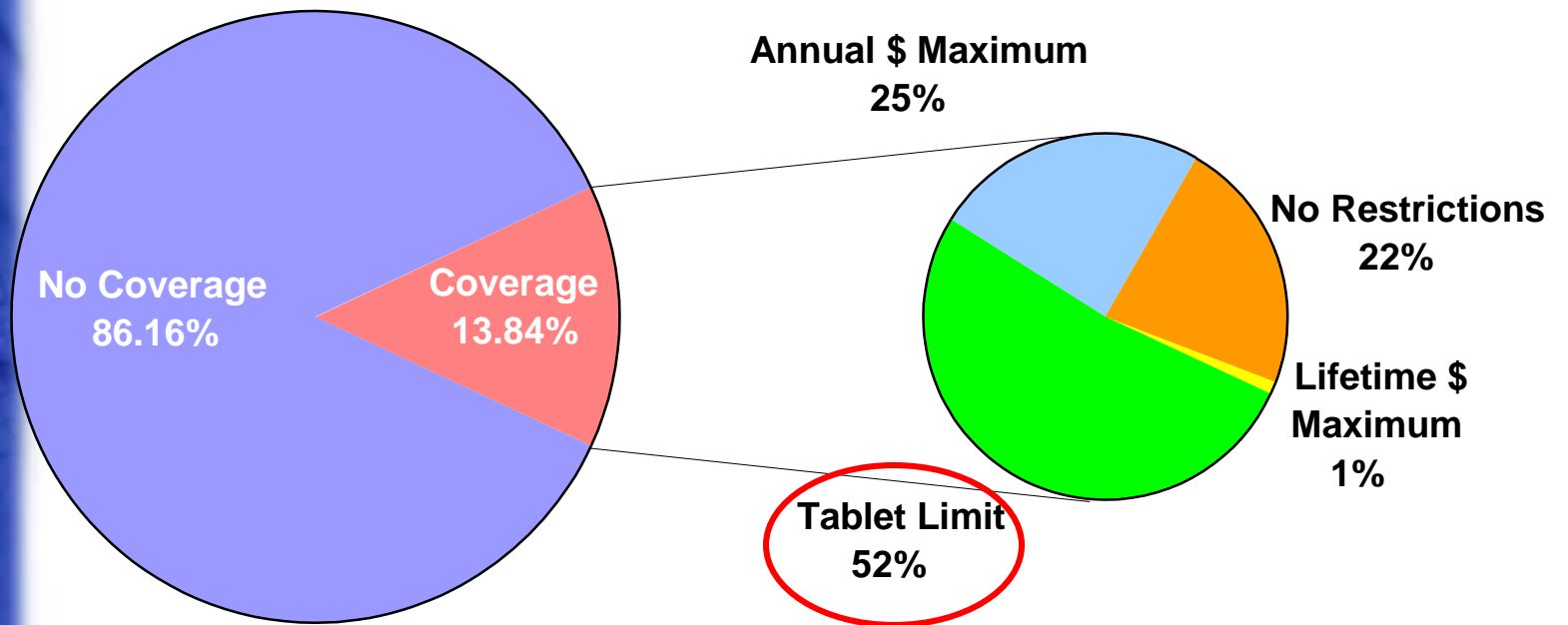


ED Coverage Type

- (1) Prior authorization**
- (2) Annual & lifetime max:**
 - **Annual: range = \$250 - \$5,000**
 - **Lifetime: range = \$500 - \$2,400**
- (3) Tablet restriction: 4/month & 8/month**
- (4) No restrictions**



Coverage by Number of Lives



*As of December 31, 2002



ED Case Studies

Selection Criteria

- **All active groups in 2002**
- **Different coverage type**
- **Groups with the largest number of covered lives**



Results

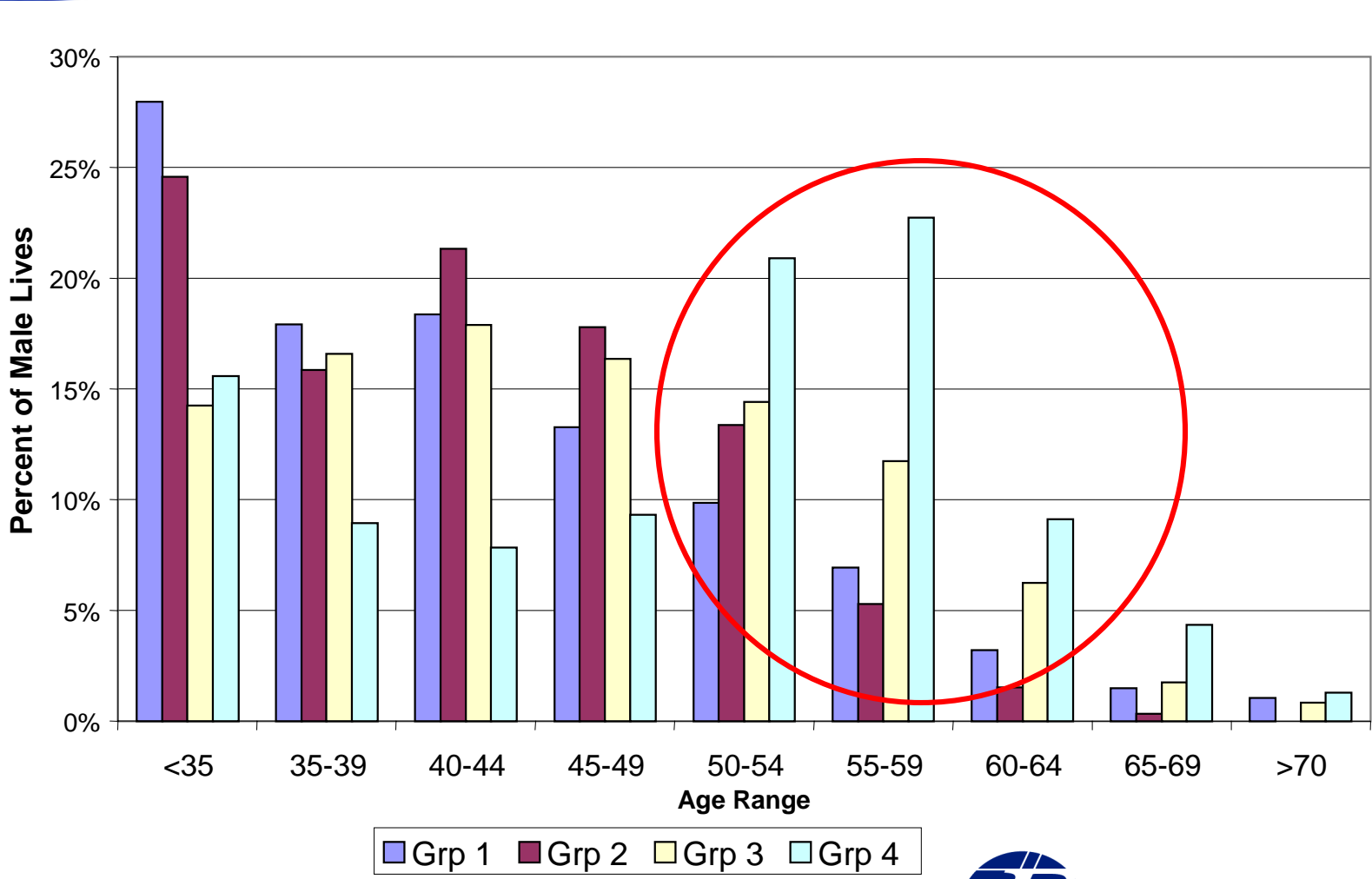
| Group | No. Plan Members | No. Lives | % Male Lives | Plan Design |
|-------|------------------|-----------|--------------|-----------------------------|
| 1 | 3,759 | 9,309 | 50% | Annual Max (\$1200) |
| 2 | 1,018 | 3,145 | 51% | Lifetime Max (\$1000) |
| 3 | 9,794 | 26,638 | 47% | Tablet Limit (8 tabs/month) |
| 4 | 4,041 | 7,292 | 41% | Open |



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Group Demographics





Drug Utilization Results

| Group | Plan Design | % of Male Lives (#) | No. Scripts | Avg. # Script/Patient |
|-------|---------------------------|---------------------|-------------|-----------------------|
| 1 | Annual Max (\$1200) | 4.39% (128) | 510 | 4 |
| 2 | Lifetime Max (\$1000) | 0.86% (8) | 15 | 2 |
| 3 | Tablet Limit (8 tabs/mth) | 5.43% (403) | 2,348 | 6 |
| 4 | Open | 1.43% (29) | 67 | 2 |



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Cost Results

| Group | Plan Design | Annual Cost per Patient | Annual Cost per Life | % of Total Drug Plan Cost |
|-------|---------------------------|-------------------------|----------------------|---------------------------|
| 1 | Annual Max (\$1200) | \$ 350 | \$ 4.81 | 3.98% |
| 2 | Lifetime Max (\$1000) | \$ 167 | \$ 0.43 | 1.72% |
| 3 | Tablet Limit (8 tabs/mth) | \$ 414 | \$ 6.27 | 3.36% |
| 4 | Open | \$ 146 | \$ 0.58 | 1.56% |



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Study Limitations

- **Small sample**
- **Multiple confounding variables**
 - **Group demographics**
 - **Plan design: overall & ED**
 - **DTC**
 - **Education**
 - **Level of access**



Future Trends

Two new products coming in 2003:

- **Vardenafil (Levitra)**
- **Tadalafil (Cialis)**



Future Trends

Assumptions

- **No change in:**
 - **ED drug coverage**
 - **Age**
 - **New ED drug users**
 - **Prevalence and incidence**
- **New products are priced at parity**



Future Trends

Based on ED retrospective data:

- **Costs: 1.2% - 3.1%**
- **Avg drug cost per script = \$77**
- **25% of users only got one prescription**



Future Trends

Persistent patients ---> 0 impact

Non-persistent patients

- **Current ----> 1 script**
- **Expected ----> 1 - 2 additional scripts**



Future Trends

| Current ED % | Predicted Increase | Expected ED % |
|--------------|--------------------|---------------|
| 1.2% | 0.1% – 0.2% | 1.3 – 1.4% |
| 3.1% | 0.2% – 0.5% | 3.3 – 3.6% |



Strategies

- **Multiple contributing, inter-dependent factors affect cost to plans**
- **Tools exist to aid in forecasting:**
 - **Database with eligibility & utilization**
 - **Models**
 - **Combination of the two**



Questions?

