

CASE STUDY

DELIVERING REAL VALUE IN MEDICAID

How Abarca and Biogen helped a Medicaid program reduce the burden of specialty drug costs through innovative contracting

THE CHALLENGE

For a Medicaid Program that receives one of the lowest federal reimbursements in the nation, specialty drug costs are an exceptional burden.

To help this program navigate a challenging financial environment, Abarca partnered with pharmaceutical manufacturer Biogen Inc. in 2017 to develop value-based agreements for Avonex® (interferon beta-1a) and Tecfidera® (dimethyl fumarate), two products in the drug maker's leading multiple sclerosis (MS) portfolio.

This was the first publicly disclosed value-based contract to cover Medicaid patients.

These agreements can have a number of benefits: they lower costs for payers, give pharmaceutical companies valuable feedback about their therapies, and, ultimately, help ensure members receive the effective and safe medications they need.

THE APPROACH

Under the agreement, Biogen provides a rebate for discontinued treatment. This approach demonstrated Biogen's commitment to the effectiveness of its products.

To manage this undertaking, Abarca leveraged:

- ▲ **Advanced technology.** Abarca used Darwin™, its industry-leading PBM digital platform, to execute this program. The platform's advanced reporting capabilities allowed Abarca's team to detect when someone had stopped filling his or her prescriptions and advise the plan on possible interventions. This also made it easy to collect the necessary data to present to the drug maker for reimbursement.
- ▲ **A collaborative partnership.** To deliver results to its client, Abarca had to work closely with both the Medicaid plan and Biogen—requiring careful coordination and open communication.
- ▲ **A culture of innovation.** Abarca was founded to find a better way in healthcare, and their team is constantly looking for new ways to deliver value. Abarca's culture encourages employees to find creative new ways to deliver a better client and member experience.

THE RESULTS

While only a small number of members have been prescribed AVONEX or TECFIDERA in the past two years, many members on these treatments remained adherent to their medication. For those who discontinued therapy, the Medicaid program received rebates from Biogen. By recouping these costs, the Medicaid Program can reinvest these resources in initiatives that will improve member health.

This partnership with Abarca is just one of the initiatives that Biogen has launched for patients with MS. Biogen also offers extensive support services for MS patients, including apps and websites with resources and educational materials, and one-on-one programs to help ensure patient safety.

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