

## Injectable Medications: A New Challenge

by Jerry Kugler, Vice President, Business Development, Ventegra

Medical Groups throughout California are wrestling with a new challenge: injectable drugs. Oral medications may cost an average of \$50 per prescription, but injectables typically cost over \$1,000. The range in cost is also wider: oral drugs could have a cost in the single digits for generic drugs to around \$300 for an expensive branded agent. Branded injectable agents could cost as little as several hundred dollars to tens of thousands of dollars for a given treatment regimen. Wider access to injectables under the Medicare Modernization Act and new technologies entering the market will add to a significant escalation in overall cost for these drugs.

Health plans are spewing forth guidelines on “specialty injectables” but there is no consistent definition of what constitutes a “specialty injectable.” Depending upon the use, the same injectable drug may be submitted as a claim through a pharmacy or into the health plan medical management system. Reimbursement confusion reigns as plans and providers attempt to reconcile claims adjudicated through different systems, according to

varying guidelines.

To add fuel to this fire, injectable benefit designs are now appearing in greater abundance. The current generation of injectable benefit designs are simple (e.g., straight copayment or coinsurance), but these simple designs could penalize the patient for very expensive therapies unless a maximum medical out-of-pocket is in place. A benefit should allow **access** and **affordability** to treatment, and current designs may not meet these criteria. Medical groups need to ensure that their policies, systems and infrastructure are flexible enough to administer complex benefit designs as coverage and copayments from the health plans become less clear. Systems must ensure that benefit, eligibility and coverage limitations (if any) are known to the provider and patient BEFORE treatment is administered. Ideally, reimbursement would be calculated, submitted and reconciled prior to, or at the time of, therapy.

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Finally, securing the drug for administration must be considered. Are injectable medications being purchased and managed at the best price? As injectable drug costs escalate, the impact to cash flow should not be underestimated. Medical groups with risk on injectable drugs face a special challenge in ensuring that the claims they receive or drugs they purchase coincide. Appropriate focus on drug procurement and reimbursement will ensure that any downside is kept to a minimum.

In summary, with the increasing cost trend for injectable drugs exceeding that for many other categories, it is important for medical groups to examine their systems and infrastructure to position themselves for the current and future challenges. At a minimum, they need to ensure that:

1. Injectable benefit designs can be administered by their providers and appropriate copayments collected from patients.
2. Any eligibility or drug usage limitations are identified and addressed PRIOR TO treatment being administered.
3. Injectable medications are procured at the best price possible.

Medical groups must implement a strategy along with new management applications for meeting this newest challenge in healthcare. By doing so, they will succeed in decreasing their risk and addressing the rising costs of injectables.

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Ventegra is the first Contracting Service Organization (CSO), offering an

innovative solution for cost efficient pharmaceutical services that maximizes the benefits for payors, providers, and patients. Ventegra enables clients to manage their own pharmacy benefit program by offering an a la carte menu of services and programs from which to choose. Among the innovative programs being offered are obtaining pharmaceutical products at true acquisition cost, delivery programs that address the challenge with injectable pharmaceuticals, and a web-based rebate system that allows full transparency. [www.ventegra.net](http://www.ventegra.net).

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