Commercial Claim Payment Bulletin - Pharmacy Benefit

Title: FDA Approved Medications Deemed Experimental/Investigational

Policy #: Rx.04.10

Application of pharmacy policy is determined by benefits and contracts. Benefits may vary based on product line, group, or contract. Some medications may be subject to precertification, age, quantity, or formulary restrictions (ie limits on non-preferred drugs). Individual member benefits must be verified.

This pharmacy policy document describes the status of pharmaceutical information and/or technology at the time the document was developed. Since that time, new information relating to drug efficacy, interactions, contraindications, dosage, administration routes, safety, or FDA approval may have changed. This Pharmacy Policy will be regularly updated as scientific and medical literature becomes available. This information may include new FDA-approved indications, withdrawals, or other FDA alerts. This type of information is relevant not only when considering whether this policy should be updated, but also when applying it to current requests for coverage.

Members are advised to use participating pharmacies in order to receive the highest level of benefits.

Intent:

The intent of this policy is to communicate the prescription drug benefit coverage based on medical necessity of prescription drugs or biologics that are approved by the Food and Drug Administration (FDA) despite questionable efficacy.

Description:

Drugs or biologics are approved based on safety and efficacy data from the clinical trials, some of which can take years to complete, especially in the setting where the disease course is long, and an extended period of time would be required to measure the intended clinical benefit. The U.S. Food and Drug Administration (FDA) has an accelerated approval process by which a surrogate or an intermediate clinical endpoint is used as a marker of clinical benefit. This is generally reserved for medications that will treat serious conditions that fill an unmet therapeutic need. A surrogate endpoint used for accelerated approval is a marker; it can be a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit but is not itself a measure of clinical benefit. Likewise, an intermediate clinical endpoint is a measure of a therapeutic effect that is considered reasonably likely to predict the clinical benefit of a drug, such as an effect on irreversible morbidity and mortality (IMM). The FDA bases its decision on whether to accept the proposed surrogate or intermediate clinical endpoint on scientific support for that endpoint. Studies that demonstrate a drug's effect on a surrogate or intermediate clinical endpoint must be "adequate and well controlled" as required by the Food, Drug, and Cosmetic (FD&C) Act.

Approval of a drug or a biologic may be withdrawn, or the labeled indication of the drug or biologic may be changed if the confirmatory trial fails to verify clinical benefit or does not demonstrate sufficient clinical benefit to justify the risks associated with the drug or biologic. Hence all drugs or biologics approved via the accelerated approval process have the following statement in the drug label:

"This indication is approved under accelerated approval based on [surrogate marker used in the clinical trial(s)]. Continued approval for this indication may be contingent upon verification of clinical benefit in the confirmatory trial(s)."

Blue Cross and Blue Shield Association (BCBSA) developed a process known as Technology Evaluation Center (TEC) Criteria to evaluate prescription drugs, biologics, devices, or any other product or procedure to determine if they are experimental/investigational despite FDA approval. The review process includes the following five criteria:

1. The technology must have final approval from the appropriate governmental regulatory bodies.
    - This criterion applies to drugs, biological products, devices and any other product or procedure that must have final approval to market from the FDA or any other federal governmental body with authority to regulate the technology.
    - Any approval that is granted as an interim step in the FDA's or any other federal governmental body's regulatory process is not sufficient.

- The indications for which the technology is approved need not be the same as those which Blue Cross and Blue Shield Association's Technology Evaluation Center is evaluating.

2. The scientific evidence must permit conclusions concerning the effect of the technology on health outcomes.
    - The evidence should consist of well-designed and well-conducted investigations published in peer-reviewed journals. The quality of the body of studies and the consistency of the results are considered in evaluating the evidence.
    - The evidence should demonstrate that the technology can measure or alter the physiological changes related to a disease, injury, illness, or condition. In addition, there should be evidence, or a convincing argument based on established medical facts that such measurement or alteration affects health outcomes.
    - Opinions and evaluations by national medical associations, consensus panels, or other technology evaluation bodies are evaluated according to the scientific quality of the supporting evidence and rationale.
3. The technology must improve the net health outcome.
    - The technology's beneficial effects on health outcomes should outweigh any harmful effects on health outcomes.
4. The technology must be as beneficial as any established alternatives.
    - The technology should improve the net health outcome as much as, or more than, established alternatives.
5. The improvement must be attainable outside the investigational settings.
    - When used under the usual conditions of medical practice, the technology should be reasonably expected to satisfy TEC criteria in numbers 3 and 4 above.

The criteria outlined above are adopted by the Company as a standard process for reviewing new prescription drugs or biologics* for coverage on the pharmacy benefit.

*Oncology agents are exempt from the review because they are subjected to medical necessity review per criteria established for oncology agents. Line extensions of existing medications using the same brand name and has the same indication are exempt from the review.

Policy:

Coverage is subject to the terms, conditions, and limitations of the member's contract.

Prescription drugs or biologics* that are approved by the FDA under the accelerated approval process are subjected to review to determine if the surrogate or intermediate clinical endpoint used in the trial is an acceptable measure of the drug or biologic's efficacy in the condition for which it is approved, and thus medically necessary. If an FDA approved drug or biologic does not demonstrate efficacy for the disease it is approved to treat, then the drug or biologic is determined to be experimental/investigational, despite FDA approval and is therefore not a covered benefit. Medical necessity is defined in the member's benefits book. Medications that do not meet the definition of medical necessity are excluded from coverage under the prescription drug benefit.

A prescription drug or biologic is considered medically necessary when the following are met:

1. The prescription drug or biologic* must have final approval from the FDA with the following statement in the label *This indication is approved under accelerated approval based on [surrogate marker used in the clinical trial(s)]. Continued approval for this indication may be contingent upon verification of clinical benefit in the confirmatory trial(s).*; and
2. The scientific evidence must permit conclusions concerning the effect of the prescription drug or biologic on health outcomes; and
3. The prescription drug or biologic must improve the net health outcome; and
4. The prescription drug or biologic must be as beneficial as any established alternatives; and
5. The improvement must be attainable outside the investigational settings

The medications listed below do not meet medical necessity, as defined in the member's benefits book, and will be excluded from coverage (not covered) under the prescription drug benefit. **Brand Name**	**Generic Name**

*Oncology agents are exempt from the review because they are subjected to medical necessity review per criteria established for oncology agents. Line extensions of existing medications using the same brand name and has the same indication are exempt from the review.

References:

Blue Cross and Blue Shield Association. Technology Evaluation and Coverage (TEC) Program. Available at: https://www.ncbi.nlm.nih.gov/books/NBK218445/. Accessed September 27, 2021.

US Food and Drug Administration. Accelerated Approval. Available from: https://www.fda.gov/patients/fast-track-breakthrough-therapy-accelerated-approval-priority-review/accelerated-approval. Accessed September 27, 2021.

U.S. Food and Drug Administration. Expediated Programs for Regenerative Medicine Therapies for Serious Conditions – Guidance for Industry. Available from: https://www.fda.gov/media/120267/download. Accessed September 27, 2021.

US Food and Drug Administration. Orange Book: Approved Drug Products with Therapeutic Equivalence Evaluations. Available from: http://www.accessdata.fda.gov/scripts/cder/ob/default.cfm. Accessed September 27, 2021.

Cross References:

New Jersey Oncology Agents Rx.01.238

Non-FDA Approved Products Rx.04.2

Off-Label Use Rx.01.33

Oncology Agents Rx.01.67

Policy Version Number:	1.00
Policy Effective Date:	January 1, 2022
Next Required Review Date:	January 1, 2023