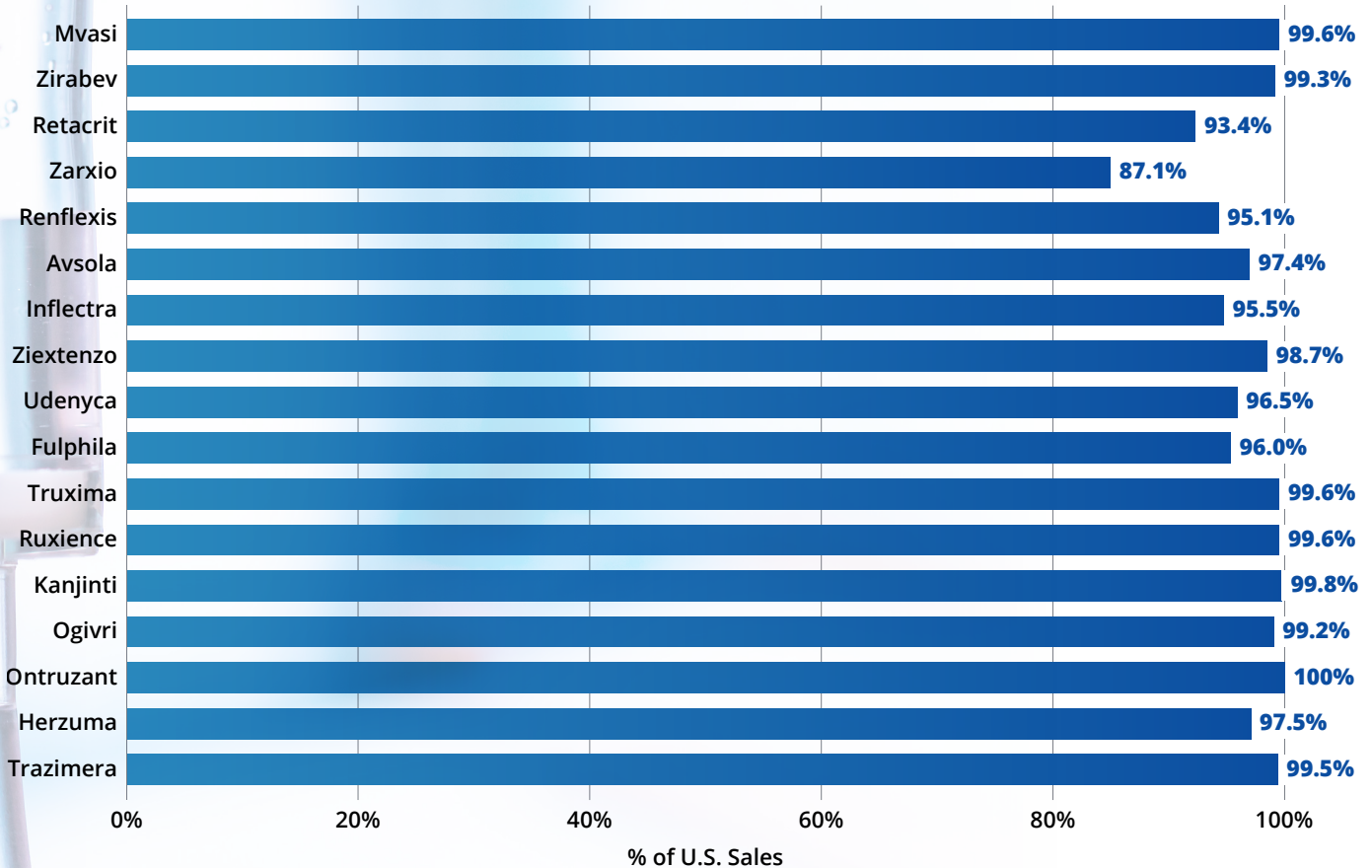


DELIVERY OF BIOSIMILARS TO PATIENTS CONCENTRATED IN NON-RETAIL SETTINGS

Most biosimilars are mainly available to patients as provider-administered infusions in institutional settings such as hospitals and doctors' offices and these financial transactions generally happen outside of the PBM-retail pharmacy payment chain

Percent of U.S. Sales of Biosimilars Through Institutional (Non-Retail) Channels, 2020¹



- Biosimilars, and their reference biologics, are mainly administered by healthcare providers in institutional settings rather than sold directly to patients through retail pharmacies. Providers typically bill payers directly for ingredient costs of these drugs and associated administration costs.²
- FDA-approved biosimilars entering the market are creating more competition in the marketplace as alternatives to their reference biologics. Newly launched biosimilars are expected to represent more than 50% of the market, in terms of unit volume, in their first two years.³ PBMs are using biosimilars as a part of overall strategies to lower net costs for patients and payers when they are able to.⁴ Because many biologics and biosimilars are administered through hospital and office-based settings, PBMs providing services to payers for covered drugs often facilitate access to only a small portion of overall biosimilar and reference biologic sales.

¹ PCMA research based on SSR Health analysis of Symphony Health Solutions. Note: Nivestym is not included due to lack of volume data.

² Brookings. August 2019. "[The Use of Vendors in Medicine Part B Drug Payment.](#)"

³ IQVIA. October 2020. "[Biosimilars in the United States 2020-2024.](#)"

⁴ See for example: Magellan Rx "[Magellan Rx Management Biosimilar Program Shifts Infliximab Utilization by 86% in First Year, Resulting in 34% Drug Cost Savings.](#)" Prime Therapeutics. April 2021. "[Driving Greater Use of Biosimilars to Help Lower Drug Costs.](#)"