



National Lieutenant Governors Association

RESOLUTION ON THE IMPORTANCE OF BIOSIMILAR MEDICINES FOR PREVENTING, TREATING AND CURING DISEASES, AND SAVING COSTS IN STATE GOVERNMENT

- 1 **WHEREAS**, "biosimilars" are generic biologic medicines approved by the United States
2 Food and Drug Administration (FDA) as highly similar to the originator biologic medicine such that
3 they work in the same way and have no clinically meaningful difference in safety or efficacy, and
- 4 **WHEREAS**, biosimilars are approved by the FDA based upon the agency's rigorous standards for
5 safety, potency, efficacy and purity, and
- 6 **WHEREAS**, an estimated 1.2 million U.S. patients could gain access to biologics by 2025 as the result
7 of biosimilar availability—with an added benefit to female, lower income, and elderly individuals, and ¹
- 8 **WHEREAS**, in the EU, 58 biosimilars have been approved and launched while only 17 have been
9 launched in the U.S., and ²
- 10 **WHEREAS**, just two percent of the U.S. population uses biologic drugs; and in 2010, the year the
11 biosimilars pathway was created, specialty drugs comprised 25 percent of the national drug spend; and
12 the latest data shows that now nearly half (47.7 percent) of all prescription drugs spending is for
13 specialty drugs, and ³
- 14 **WHEREAS**, biosimilars cost nearly 30 percent less than the originator biologics, on average, and are
15 estimated to save the United States health care system as much as \$54 billion over the next decade, and
- 16 **WHEREAS**, from 2018 to 2020 the potential systemic health savings if biosimilars were used instead of
17 biologics is \$24.8 billion, and ⁴
- 18 **WHEREAS**, increased use of biosimilars is estimated to save Medicaid programs between \$417 million
19 and \$1.2 billion annually, and commercial payers \$1.2 to \$3.3 billion annually, and ⁵

¹ Biosimilars Council. (2017, September). Biosimilars in the United States: Providing More Patients Greater Access to Lifesaving Medicines. Retrieved from <http://biosimilarscouncil.org/wp-content/uploads/2019/03/Biosimilars-Council-Patient-Access-Study.pdf>

² National Alliance of Healthcare Purchaser Coalitions "Biosimilars in the Pharmacy Benefit – Employers Driving Appropriate Use and Transparency." [website](#)

³ The Erisa Industry Committee (ERIC) "BIOSIMILARS: Employers and Employees See Savings, More Competition Needed" <https://www.eric.org/biosimilar-initiative/>

⁴ The Biosimilars Forum <https://supportbiosimilars.com/>

⁵ Pacific Research Institute "The Biosimilar Opportunity: A State Breakdown" www.pacificresearch.org



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23 **WHEREAS**, U.S. self-insured companies could have saved \$1.4 billion on just two biologics in 2018 if
24 they utilized biosimilars in their drug spend and patients who took the biosimilar on average had 12
25 percent and 45 percent less out-of-pocket costs than those who took the biologic; and ⁶

26 **WHEREAS**, anticompetitive behaviors, such as contracts and policies that prevent biosimilars from
27 being included on formularies and that can prevent patients from switching to biosimilars along with
28 misaligned reimbursement incentives for providers, are inhibiting patient access to, and system savings
29 from, the use of biosimilars.

30 **NOW, THEREFORE, BE IT RESOLVED** that the National Lieutenant Governors Association hereby
31 recognize that biosimilar medicines are a critical tool in preventing, treating, and curing disease, as well
32 as lowering spending, and therefore urge the states to identify options to provide enhanced coverage for
33 biosimilar drugs and provide recommendations for improved access.

ADOPTED, this day, the _____ of July, 2020.

Sponsors: Lt. Governor Bethany Hall-Long (D – Delaware), Lt. Governor Billy Nungesser (R – Louisiana)

⁶ The Erisa Industry Committee (ERIC) Biosimilars: cost savings and competition.