Abstract

Annual spending on biopharmaceuticals in the United States (2011) is over $60 billion and rising much faster than traditional chemical pharmaceuticals. Generic versions of biopharmaceuticals known as biosimilars have been on the market in Europe since 2006, and despite saving money have not attained the same market success. Congress has now charged the FDA with responsibility for approving biosimilars in the United States. To understand what managed health care organizations (MCO) think about biosimilars and how they may respond to their availability in the United States, in-depth interviews were conducted with key MCO decision makers. The data showed that MCOs are highly interested in biosimilars and their potential for cost savings. A FDA designation of interchangeable will be the most important driver of market uptake. Without such a designation a MCO’s ability to encourage utilization is based upon physician and patient perception of safety and efficacy, and patient financial incentives.