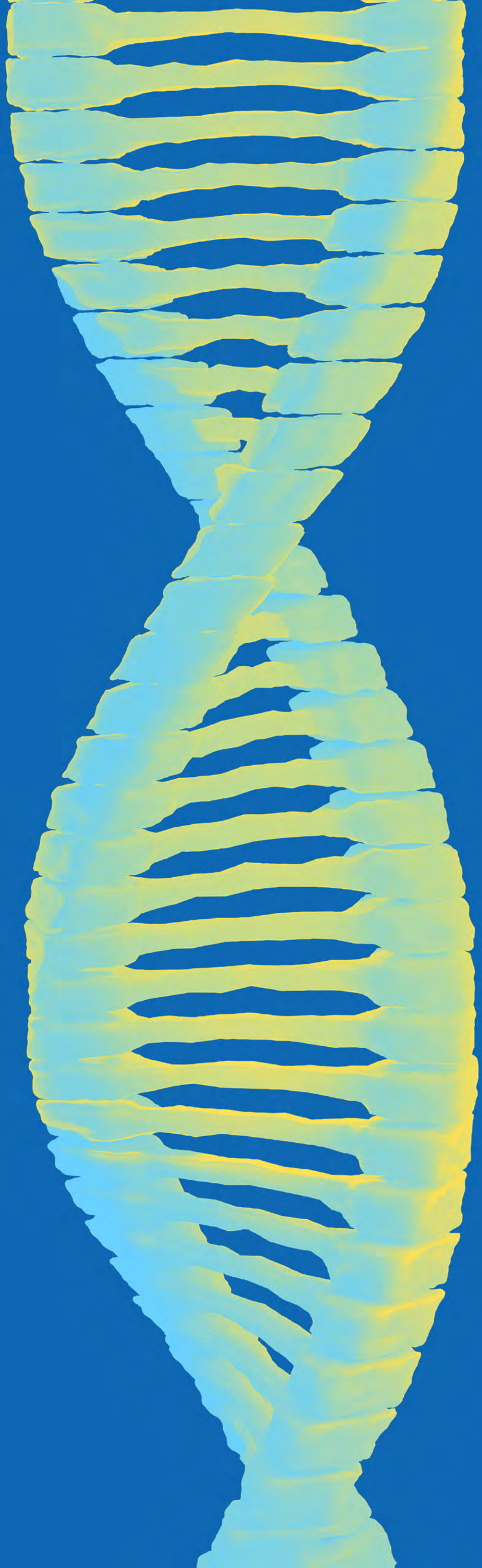
How Employers Are Making Cell Therapy Coverage Work

This case study was developed through blinded, primary research interviews of employee benefit consultants and brokers and was sponsored by Johnson & Johnson. It serves as an example of how employers are responding to cell therapies by highlighting:

- What worked
- What they learned
- How you can apply it

Coverage decisions for cell therapies are multifaceted. Following a thorough evaluation, some employers may choose not to provide coverage for these therapies. In contrast, others may determine that offering coverage aligns with the organization's values and serves the best interests of their employees. The subsequent case study demonstrates a variety of employer decision-making processes, along with the factors and considerations that influence those decisions.

This case study and outcomes are not to be considered entirely replicable by other parties or applicable to all employers. Readers should consider using these examples to support discussions with their plan carrier, PBM, consultants, or brokers.



Case Study

Leveraging Ready-Made Solutions to Provide Class-Wide Cell Therapy Coverage for Employees

A self-insured manufacturing company in the Southeast partnered with their benefits consultant to gain a deeper understanding of the value of cell therapy. Through this collaboration, they recognized that **offering coverage for the entire cell therapy class** was not only attainable and valuable, but also **achievable with manageable financial risk**.[1]

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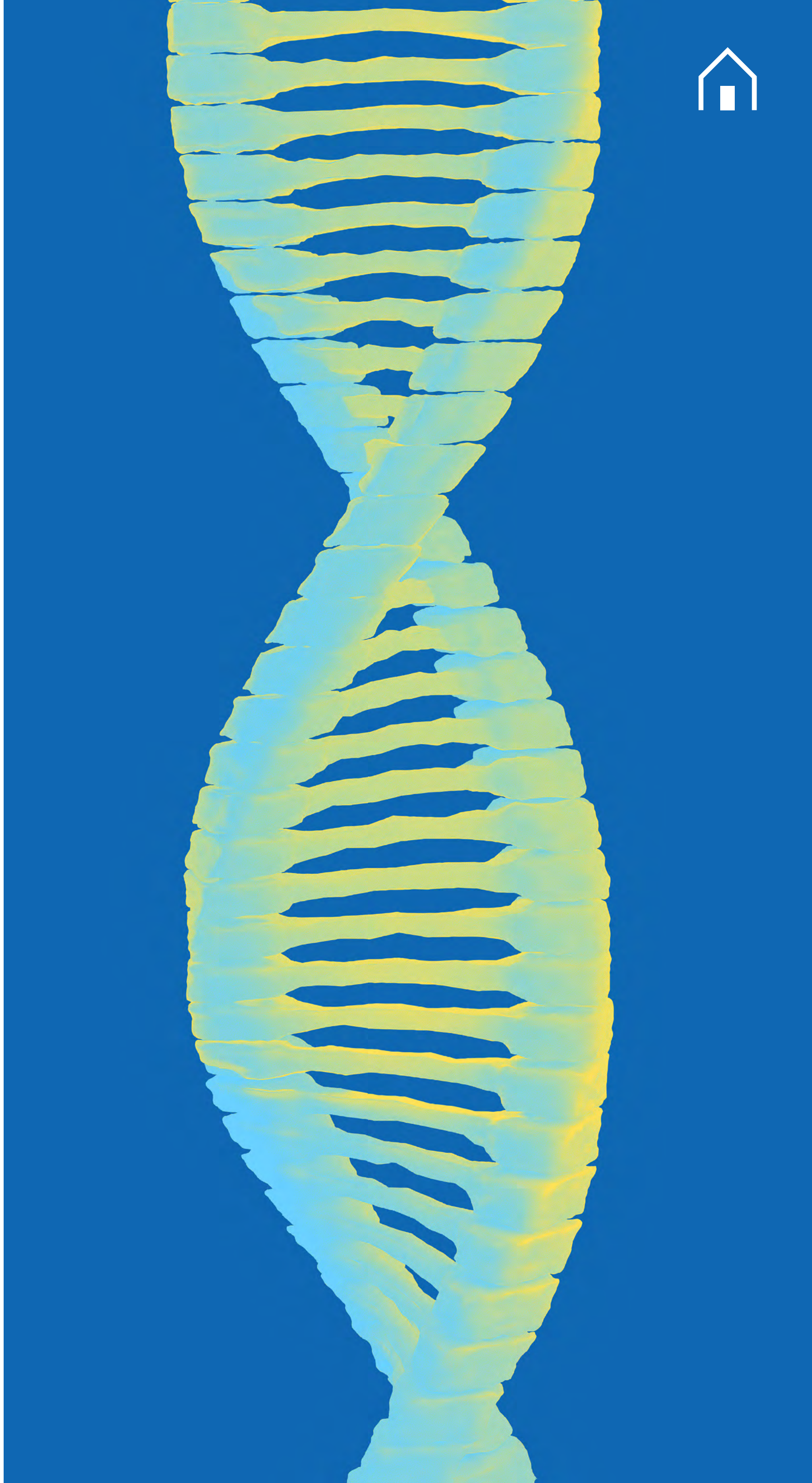

Company profile

Employees:
8,000

Covered lives:
approximately 12,000

Self-funded

Industry:
Non–high-tech manufacturing/ construction, not publicly traded

Employee demographics:
Predominately middle-income, blue-collar, male workforce

Average age:
Mid-to-late 30s

Turnover rate:
25%-30%

Geographic spread: Southeast headquarters with facilities scattered nationwide

Key stakeholders

The following stakeholders played a role in the decision to cover cell therapy:

Internal

- Director of benefits
- Chief human resources officer

External

- Benefits consultant
- Stop-loss carrier
- Health plan carrier

Decision-making rationale

This employer identified several critical factors that influenced their choice to provide coverage for all available treatments in the cell therapy class:

- A clear understanding of the **potential clinical risks and benefits** provided by cell therapies
- Evidence of demonstrated clinical and **real-world data**
- Knowledge that many carriers use **class-level coverage policies for cell therapies**, which gave credence to the idea that benefit integration could be relatively straightforward
- Awareness of **risk mitigation options**

> **“When I guide my clients to cover cell therapy, the conversation is not drug by drug, but as a class-wide basis in terms of benefit coverage decisions.”**
>
> \- Benefits Consultant

> **“As a clinician, living in the age of potentially curative therapies is really cool. So helping my employer clients unpack this more is very important.”**
>
> \- Benefits Consultant

Identifying and activating coverage

The following steps were taken to cover cell therapy:

1 Assessed coverage plan to determine gaps

- The employer's benefits consultant flagged that this organization **was not covering cell therapies** in their benefits design
- Upon assessing their aggregated medical and pharmacy claims data, the consultant determined cell therapy coverage was **feasible and recommended**

2 Received education on the potential value of cell therapy

- The benefits consultant conducted a series of **educational sessions** to help the employer learn more about cell therapies, including:
  - The nature of cell therapies
  - Differences between cell and gene therapy
  - In certain cases, serve as a potential one-time treatment and may even be the first and only treatment available
  - Uptake
  - Cost

3 Determined a plan for financial risk mitigation

- The employer considered ways to mitigate financial risk, and opted to increase their **stop-loss insurance coverage**
- The employer considered other factors but **opted not to take additional action** at this time
- The employer **communicated their cell therapy coverage decision** to their stop-loss vendor to ensure they were aware

4 Communicated with health plan carrier to ensure coverage was added

- The employer contacted their health plan carrier to incorporate cell therapy coverage into the health plan's existing policy
- Coverage included all therapies in the class, as well as required **genetic testing, hospital costs, and posttreatment care** related to the procedure

5 Received notification regarding an eligible employee

- After making the decision to add cell therapy coverage, the employer was notified by their health plan carrier that **an employee was approved** by the plan to receive a cell therapy

6 Conducted ongoing management

- The **cell therapy was administered successfully** to an employee
- The employer **received reimbursement** from their stop-loss vendor within 30 days
- At the time of this discussion, the employee in question was **still employed** by the organization
- The employer plans to **continue offering** cell therapy coverage

Despite adding cell therapy coverage, the employer experienced no impact on employee premium or stop-loss rates within the same plan year, and patient's out-of-pocket maximum remained the same throughout the plan year

Key learnings

This employer's experience in offering comprehensive cell therapy coverage provides several key takeaways:

1. **Clear and open communication** among all stakeholders, particularly with stop-loss providers, emerged as a key factor in preventing coverage gaps or underwriting issues related to exclusions
2. Engaging in coverage discussions with an **open mind** and working closely with consultants and health plan carriers may help to **explore and identify viable coverage options**
3. Potential best practices include thoroughly **evaluating organizational risk tolerance** with consultants and aligning it with current stop-loss coverage

"[In this case,] …it was just a case of telling the plan carrier our client wants to turn on [cell therapy] coverage with your standard UM [utilization management] policies in place. Our client signed, and the coverage was effective 1/1."

\- Benefits Consultant

Actions to consider

Partner with your health plan carrier, consultant, and/or broker to develop a plan for cell therapy coverage that's right for you and your employees.

Reference

1. Data on file. Market research interview. Janssen Biotech, Inc. January 9, 2025.