

Incorporating cell and gene therapies into your health plan

Key considerations

Introduction to cell and gene therapy

In the modern healthcare landscape, Cell and Gene Therapies (CGTs) represent a transformative shift in the approach to disease treatment.¹ **For employers and benefits consultants, understanding the impact of emerging treatments like CGTs is essential for making informed decisions about employee health benefits.**

What are CGTs?

CGTs are advanced therapies that aim to address the genetic or cellular root causes of diseases.² **Unlike traditional treatments that often require ongoing intervention, CGTs can sometimes be administered in a single dose, potentially offering a lasting cure.**¹ This novel approach is especially important when traditional treatments fail or are unavailable.¹

Potential benefits to employers

Reasons for employers to consider providing coverage for CGTs:

- 1. Access to new, transformative treatment options:** When no other treatments exist for certain diseases—or current options are costly and only temporarily manage symptoms.¹
- 2. Slowed or halted disease progression:** In some cases, CGTs can halt disease progression entirely by addressing its underlying genetic cause.^{1,2}
- 3. Reduced long-term healthcare costs:** With the right price point and benefit structure, CGTs have the potential to prevent costly lifelong medical interventions and may offset costs of long-term treatment.^{1,3,4}
- 4. Quality-of-life improvements:** CGTs may offer improved function, reduced, or eliminated pain and suffering, provide a psychological sense of well-being, and reduce strains on time and caregiving.¹

Steps for incorporating CGTs into health plans

To effectively integrate CGTs into your organization's health benefits plan, consider the following steps:

- 1. Understand CGTs:**
 - Educate your team about the potential benefits of CGTs.
 - Stay informed about the latest developments and approved therapies.
- 2. Assess coverage:**
 - Review your current health plans to understand how CGTs are covered.
 - Ensure that the Conditions of Coverage (COC) align with the needs of CGT treatments.
- 3. Learn about authorization:**
 - Understand the prior authorization process specific to CGTs.
 - Familiarize yourself with any special requirements or considerations for CGT coverage.
- 4. Explore financial models:**
 - Consider innovative financial solutions such as Centers of Excellence (COE) models,⁵ outcome-based payments,⁶ and participation in industry-specific risk pools.⁷
 - Consider leveraging a stop-loss plan to mitigate financial risks associated with high-cost claims.⁸

What this means for employers

Navigating the integration of CGTs into your health benefits design requires careful planning and ongoing management. By referring to these key considerations, the aim is to help ensure comprehensive support for your employees while managing financial risks effectively. The information shared is recommended to be used in conjunction with discussions with your plan carrier, PBM, consultants, or brokers.

1. Salzman R et al. Addressing the value of gene therapy and enhancing patient access to transformative treatments. *Mol Ther.* 2018;26:2717-2726. <https://doi.org/10.1016/j.jymthe.2018.10.017> 2. American Society of Cell and Gene Therapy. Gene therapy basics. Updated October 31, 2022. Accessed August 28, 2024. <https://patienteducation.asgct.org/gene-therapy-101/gene-therapy-basics> 3. Sun Life Assurance Company of Canada. Introduction to gene therapies. 3rd edition. Accessed February 18, 2025. <https://www.sunlife.com/us/en/about/insights-and-events/introduction-to-gene-therapies/> 4. Brennan T. White paper: gene therapy. Keeping costs from negating its unprecedented potential. CVS Health. Accessed February 14, 2025. 5. Elrod JK, Fortenberry JL Jr. Centers of excellence in healthcare institutions: what they are and how to assemble them. *BMC Health Serv Res.* 2017;17(Suppl 1):425. doi: 10.1186/s12913-017-2340-y. PMID: 28722562; PMCID: PMC5516836. 6. Cell & Gene. The promise of outcomes-based agreements for cell & gene therapies. Updated January 20, 2023. Accessed February 19, 2025. <https://www.cellandgene.com/doc/the-promise-of-outcomes-based-agreements-for-cell-gene-therapies-00017>. American Academy of Actuaries. Risk pooling: how health insurance in the individual market works. Updated June 2023. Accessed February 19, 2025. <https://www.actuary.org/content/risk-pooling-how-health-insurance-individual-market-works-0> 8. Insuranceopedia Inc. Stop-loss insurance. Updated March 11, 2024. Accessed February 20, 2025. <https://www.insuranceopedia.com/definition/4372/stop-loss-insurance>