



BlueCross BlueShield
of Montana

WHITE PAPER

Gene therapies offer life-changing **support** **for employees.** But **without** protections, **the financial risk** can be difficult for your **business.**

We're here to help with clear,
concise, measured advice.

Gene therapy: Pioneering new paths to health.

We've entered a new era in health care. With the rapid innovation and growth surrounding gene therapies, more positive outcomes are possible for more conditions than ever before. Though they are formulated for relatively rare conditions today, there are many more of these treatments in the development pipeline — including those for more prevalent conditions.

That means gene therapies may soon be changing the lives of some of your employees. While that's incredible news for their health, currently these treatments can be prohibitively expensive. Just one claim can have huge financial implications for an organization. And as an employer, you need to be armed with a solid understanding of this rapidly evolving space, an awareness of what's to come, and the ability to protect the wellbeing of both your employees and your business. No matter how complex the circumstances around gene therapy may seem, we're here to help with clear, concise, measured advice.



How these breakthrough treatments work.

Gene therapies are a type of treatment that modify or introduce genes into a person's cells to treat, prevent or potentially cure disease.¹ DNA (including specific genes) contain instructions for making proteins that are essential to our health. Mutations, or changes in DNA, can lead to proteins that do not work properly or are missing altogether, leading to genetic disorders. Gene therapies aim to treat or cure these conditions by providing new DNA to certain cells or correcting the DNA.²

These groundbreaking treatments are typically developed to treat rare conditions that previously didn't have available treatments or for which treatments were not effective. The Food and Drug Administration has approved gene therapies for several conditions, including spinal muscular atrophy, hemophilia and sickle cell disease. Many are in development as possible treatments for cancer, osteoarthritis and other diseases.³



Gene therapies aim to treat or cure complex conditions by providing new DNA to certain cells or correcting the DNA.



Many gene therapies hold promise as treatments for a wide range of other diseases, such as cystic fibrosis, heart disease, diabetes and HIV.

Navigating unprecedented growth — and costs.

The innovation behind gene therapies is evolving at a rapid pace. There are currently 13 FDA-approved gene therapies on the market⁴ and more new therapies coming by the end of 2024.⁵ Though the likelihood of an employee being a candidate for gene therapy may be rare right now, there are treatments under investigation for a broader range of diseases. Given the rate of increase in spending for gene therapies, it's safe to assume that they may be an appropriate course of treatment for a growing number of employees sooner than any of us might anticipate. Based on this growth, it is estimated that annual spending on gene therapies in the U.S. will reach an average of \$20.4B by 2035.⁶

While more of your workforce may become candidates for gene therapy with time, the financial implications for both your organization and your employees can be considerable. A single gene therapy treatment can cost between \$850K – \$4.25M.⁷ Given the potentially stratospheric costs of these transformative treatments, employers need smart solutions in order to be prepared for what's next.



\$20.4B

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Where to focus next.

In order for employers to navigate this exciting but potentially costly time, a portfolio of gene therapy-specific protections can provide employer groups with safeguards from sudden high costs, while life-changing treatments remain available to employees alongside care management and outcomes tracking. Risk protection, patient navigation and outcomes-based agreements are solutions that can support sustainable health care benefits for both their employees and their business.



Risk protection

protects plan sponsors from overwhelming financial risks. Options range from comprehensive stop loss solutions that include any claim covered and paid under the medical plan to solutions that protect against just gene therapy claims.



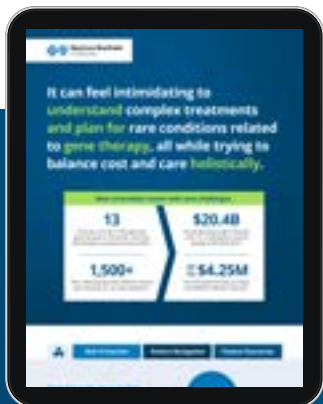
Patient navigation

with robust resources are key to optimizing the member experience and supporting better health outcomes, whether through getting the best contracted rates for administering care or providing guidance to members during their treatment journey.



Patient outcomes

ensure partial reimbursements of paid amounts if clinical results of gene therapies are not achieved as intended. Our outcomes-based agreements track members for up to five years after receiving gene therapy, regardless of employment or location changes.



To learn more details about the specific gene therapy solutions we offer, explore our latest infographic [here](#) or at bcbsmt.com/employer/resources/hub/insights.



We're here for you, so you can be there for them.

We know you want to offer your employees what they need, when they need it. We also know navigating the complexities around gene therapies can be overwhelming. That's why we have an interdepartmental team that monitors all pipeline gene therapies and meets on a monthly basis, so we can forecast appropriately and pass along that knowledge to you. Because when you have the information and resources you need, you'll have more space to be there for your employees. No matter what comes next.



Employers face a
dual challenge: **can**
we **balance** our
finances and provide
an **employee** with a
complex condition
with what's best for
their **health**?



For more information
call your account
representative today.

- 1 Alliance for Regenerative Medicine, "Gene-Based Medicine." <https://alliancerm.org/%20technologies/gene-based-medicine/>
- 2 National Heart, Lung, and Blood Institute, "What Are Genetic Therapies?" National Institutes of Health, March 24, 2022. <https://www.nhlbi.nih.gov/health/genetic-therapies>
- 3 Mayo Clinic Staff, "Gene Therapy," Mayo Clinic, April 23, 2024. <https://www.mayoclinic.org/tests-procedures/gene-therapy/about/pac-20384619>
- 4 U.S. Food & Drug Administration, "Approved Cellular and Gene Therapy Products," August 2, 2024.
- 5 Prime Therapeutics, Quarterly Drug Pipeline, July 25, 2024.
- 6 Chi Heem Wong, et al., "The Estimated Annual Financial Impact of Gene Therapy in the United States," Gene Therapy, 30, 761–763, 2023.
- 7 Fierce Pharma, "Orchard sets new gene therapy price tag at \$4.25M — the steepest of any drug." <https://www.fiercepharma.com/pharma/lillys-immunology-unit-scores-nother-fda-nod-eczema-treatment-ebglyss>