

OutcomeRx, a unit of CareMetx, announces First Independent Reinsurance Product for Rare Disease Specialty, Cell and Gene Therapies

BETHESDA, Md., Nov. 19, 2020 (SEND2PRESS NEWSWIRE) – OutcomeRx (ORx), a division of CareMetx, LLC, announced today a new reinsurance product to provide coverage access to high-cost specialty drugs including therapies in the emerging cell and gene therapy market(1)(2).



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The Patient Access to Costly and Curative Therapies (PACCT)(3) carve-out reinsurance product initially provides first-dollar coverage for payers including PBMs, health plans and employers related to three costly therapies: Spinraza®(4) and Zolgensma®(5) for Spinal Muscular Atrophy (SMA) and Luxturna®(6) for Leber Congenital Amaurosis (LCA)—an inherited retinal disorder.

By offering a first-dollar coverage reinsurance product, PACCT provides payers coverage (without deductibles) for these therapies with the goal that

payers will in turn lower the cost burden on patients with SMA and LCA. The new reinsurance product will be available with a coverage effective date of January 1, 2021.

OutcomeRx has partnered with Crum & Forster Accident and Health and IronHealth, a division of Ironshore to bring the reinsurance carve-out to leading PBMs, health plans, employer groups and benefit administrators to help change how high-cost therapies, including emerging cell and gene therapies are covered and reimbursed.

“We are excited to create this innovative reinsurance product in partnership with Crum & Forster to help ensure that families and patients needing these life-changing therapies are not hindered by the cost and coverage of treatment,” said Mark Hansan, President and CEO of CareMetx, LLC. “We are confident PACCT is the most comprehensive and cost-effective reinsurance product to help protect payers from the sudden financial impact of the high-cost therapies needed to treat these rare genetic conditions.”

Gene therapies are among the newest pharmaceutical innovations to treat and potentially cure disease. It is estimated that by 2025, 10 to 20 new gene therapies will be approved each year(7)(8). Today, the drug cost to treat a patient with these gene therapies ranges from \$850,000(9) to ~\$2.1 million(10), and future cell and gene therapies are estimated to cost \$2-3 million(11).

Gary Nidds, Senior Vice President and head of Crum & Forster’s Medical Business Unit, said “Our support for this program continues our tradition as an innovator in the [accident and health](#) insurance space. We are excited to sit at the cutting edge of coverage solutions for therapies that could, and likely would, otherwise be unattainable for those most in need.”

Added Lainie Dorneker, President of IronHealth, a division of Ironshore, “We are excited about this opportunity to provide a much-needed solution to employers and patients and to partner with OutcomeRx and Crum & Forster in the pursuit of achieving positive outcomes and driving patient access.”

“We invite all payers to sign up for PACCT as we have developed it as a carve out product available to all payers that purchase reinsurance, regardless of insurer affiliation, to help patients and their families have streamlined access to innovative SMA therapies,” said Brooks Wildasin, Associate Vice President of Strategy for OutcomeRx. “The PACCT solution covers multiple therapies in the SMA disease state to ensure that most treatment journey scenarios are addressed, such as a need for both Spinraza and Zolgensma. Coverage will include a per patient per therapy cost limit for the two SMA therapies as well as for Luxturna and be available on a Per Member Per Month (PMPM) basis. We believe all types of payers can benefit from PACCT including health plans of all sizes, reinsurers, commercial group plans, and even state Medicaid plans that require financial risk containment.”

Hansan added “Our team at CareMetx has been working for ten years with pharmaceutical and biotechnology manufacturers to help patients access and afford specialty therapies. Our division, OutcomeRx is creating the next

generation of affordability solutions including insurance and financial products that are supported by both payers and manufacturers. We are really proud to launch PACCT and we look forward to expanding to other rare diseases that have high cost therapies, such as CAR-Ts and traditional specialty drugs.”

For more information on the PACCT reinsurance product please contact Brooks Wildasin at admin@outcomerx.com.

About OutcomeRx

OutcomeRx (ORx) is a division of CareMetx, LLC formed in 2019 to address the patient, manufacturer, and payer challenges in the evolving Cell and Gene Therapy (CGT) market. CareMetx’s founding team members have a 35-year commitment to helping patients through advocacy, services and technology. OutcomeRx represents the culmination of these efforts by creating next generation reinsurance and financial products that bridge the divide between drug manufacturers and payers. OutcomeRx, in conjunction with its partners, develops and markets financial, reinsurance, and warranty products that address the efficacy and actuarial risk associated with specialty therapies including Cell and Gene Therapies, while lowering the access and affordability burden on patients and their families.

Learn more at: <https://caremetx.com/outcomerx/>

About Crum & Forster

Crum & Forster,* rated A (Excellent) by A.M. Best (2019), is a national property and casualty insurance company wholly owned by Fairfax Financial Holdings Limited. Since 2000, Crum & Forster’s Accident & Health Division has offered a robust portfolio of specialty insurance and reinsurance products nationwide, including medical stop loss, pet, travel and other voluntary and affinity benefits.

In 2019, following seven years of writing product in the captive insurance space, the division scaled to include international product capabilities through its wholly owned offshore captive facility, Crum & Forster Segregated Portfolio Company (SPC). Situated in the Cayman Islands and registered with the Cayman Islands Monetary Authority, Crum & Forster SPC is a Cayman Islands company that reports through United States Fire Insurance Company. Additional global relationships with other Fairfax entities provide our partners with even broader flexibility in underwriting solutions.

We place a strong focus on product development and creative distribution methods, along with excellent client service and support. The qualities and capabilities of Crum & Forster Accident & Health demonstrate our philosophy of building meaningful, long-term partnerships and our dedication to providing alternative strategies in an ever-changing insurance market.

Learn more at: <https://www.cfins.com/>

*Crum & Forster is a registered trademark of United States Fire Insurance

Company.

About Ironshore Specialty Insurance Company

Ironshore, a Liberty Mutual Company, provides broker-sourced specialty property and casualty insurance coverages for varying risks. Ironshore is prepared to meet clients' complex needs promptly, with a local service and in-depth underwriting experience across a broad spectrum of industries.

Following Ironshore's acquisition by Liberty Mutual in 2017 and integration as a key part of the newly formed Global Risk Solutions, Liberty Mutual enables us to bring even greater scale, expertise, innovation and product offerings to market. As a combined operation with approximately \$17.5 billion in gross written premium, brokers have access to a top-tier insurer with greater capacity and product lines for a wide range of risks.

Within the Stop Loss space, our mission is to be a leader through outstanding services, relationship building and innovative products. We understand that relationships are one of the driving forces in our industry today. We are committed to meeting the special needs of our broker partners and, most importantly, our self-funded employers. Through every step of the way, we pay great attention to details and respond promptly to all different aspects of the industry. When you partner with Liberty Mutual, you benefit from the financial strength, security, and capacity of a Fortune 100 carrier.

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*Notes

(1) Not affiliated with any specific health plan or PBM and available to all financial risk takers.

(2) Availability subject to applicable state insurance department approval

(3) PACCT offered through OutcomeRx Insurance Management Services LLC

(4) Registered Trademark of Biogen MA Inc.

(5) Registered Trademark of Novartis AG

(6) Registered Trademark of Spark Therapeutics, Inc.

(7) Quinn, Casey, et al. "Estimating the clinical pipeline of cell and gene therapies and their potential economic impact on the US healthcare system." Value in Health 22.6 (2019): 621-626. Available at

[https://www.valueinhealthjournal.com/article/S1098-3015\(19\)30188-3/fulltext](https://www.valueinhealthjournal.com/article/S1098-3015(19)30188-3/fulltext)

(8) FoCUS Paying for Cures Toolkit. Expected availability to 2031.

<https://www.payingforcures.org/toolkit-overview/pipeline/> Accessed April 2020.

(9) Luxturna: FDA documents reveal the value of costly gene therapy.

<https://www.sciencedirect.com/science/article/abs/pii/S1359644618305282>.

Accessed August 2020.

(10) Sinal Muscular Atrophy Therapies: ICER Grounds the Price to Value Conversation in Facts.

<https://www.jmcp.org/doi/pdf/10.18553/jmcp.2019.25.issue-12#page=12>. Accessed August 2020.

(11) Hopkins, Jared.

<https://www.wsj.com/articles/biomarin-explores-pricing-experimental-gene-therapy-at-2-million-to-3-million-11579190318>. Accessed August 2020

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*LOGO link for media:

<https://www.Send2Press.com/300dpi/20-1119s2p-OutcomeRx-300dpi.jpg>