

Budget Impact of Introducing Tapinarof Cream 1% Once Daily, a New Aryl Hydrocarbon Receptor Agonist, for the Treatment of Atopic Dermatitis in Adult and Pediatric Patients, From a U.S. Medicaid Plan Perspective

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OBJECTIVE

- To estimate the budget impact of introducing tapinarof cream 1% once daily (QD) to a US Medicaid plan for the treatment of atopic dermatitis (AD) in pediatric and adult patients
- To estimate the financial value of a treatment-free interval

CONCLUSIONS

- Introducing tapinarof cream 1% QD for AD treatment is associated with a minimal budget impact.
- Treatment free intervals (TFIs) associated with VTAMA provide measurable value by reducing the treatment costs to zero for approximately 80 days for more than half of patients.

NOTES
 *Re-calculation with updated prices caused de minimis differences between the results shown in this poster and those in the abstract. Conclusions were not affected.
 †Adjusted for a rounding error

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BACKGROUND

- Tapinarof (VTAMA®, Organon) is a non-steroidal topical aryl hydrocarbon receptor (AHR) agonist approved by the FDA for the treatment of AD in adults and children down to 2 years of age, and for the treatment of plaque psoriasis in adults, with no warnings, contraindications, drug-drug interactions, or restrictions on duration, location, or extent of use (not for oral, ophthalmic, or intravaginal use).¹
- Tapinarof, a first-in-class treatment, provides a new option for patients across all severity levels of AD.

METHODS

- A budget impact model with a 2-year time horizon was developed to compare formulary budgets with and without tapinarof cream 1% QD.
- Pediatric (<18 years old) and adult AD patients were both categorized into new or chronic patients. Published annual incidence and prevalence of AD, and age-based population estimates from the US Census were used to calculate the size of each demographic group.
- For each group, annual AD treatment utilization per patient was estimated from Merative MarketScan data.
- Comparator treatments included topical therapies such as corticosteroids, macrolide immunosuppressants, and janus kinase (JAK) and phosphodiesterase-4 (PDE4) inhibitors, as well as oral and subcutaneously administered systemic therapies, such as interleukin (IL)-13 inhibitors.
- 2025 drug prices came from Merative Micromedex RED BOOK (Table 1)[†] and CMS data.
- Year 2 tapinarof market share was assumed to be 1.0%, taken from all comparator treatments, with a gradual uptake over 2 years (Table 2).
- Cost savings for tapinarof patients were separately estimated based on avoided use of existing treatments during treatment-free intervals, as observed in the ADORING-3 clinical trial, where 51.9% of tapinarof patients experienced an average treatment-free interval of 80 days.

ASSUMPTIONS

- Medicaid plan only included individuals 0-64 years of age.
- Market share reflect the current market makeup.
- Patients do not use multiple AD agents at one time.
- VTAMA patients use 2 tubes (120 g) annually.
- No patients other than those on VTAMA experience a treatment-free intervals.
- Pricing is based on wholesale acquisition cost and not on contracted net acquisition cost.

RESULTS

Figure 1: Expected Numbers of Diagnosed and Treated (Cost-Incurring) AD Patients in a Hypothetical 1-Million Member Plan*

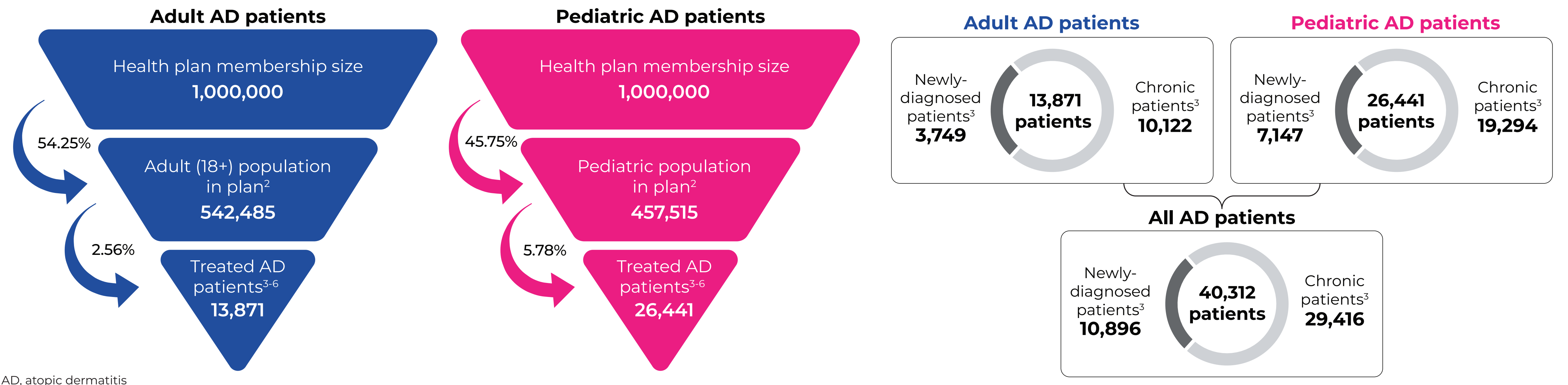


Figure 2: Budget Impact of Tapinarof Cream 1% QD PMPM

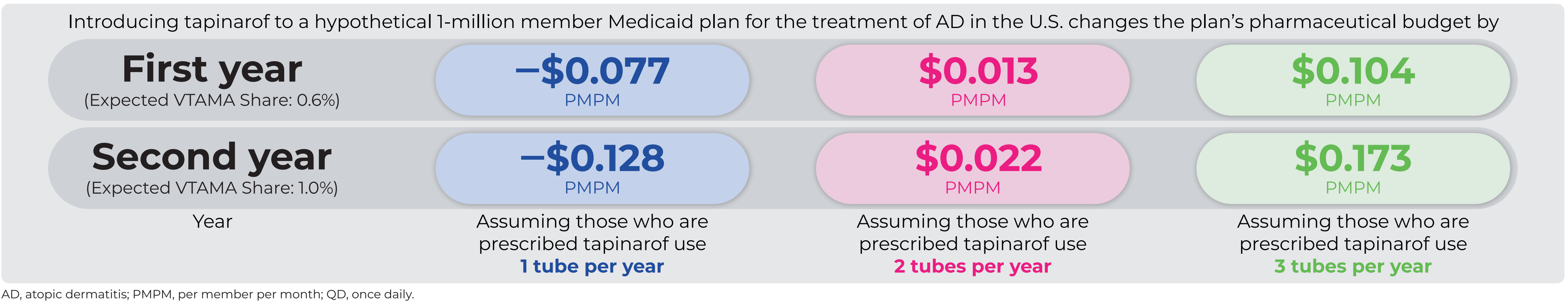


Figure 3: Value of Treatment-free Intervals



Provided pursuant to FDAMA § 114. PMPM, per member per month; QD, once daily. 1. Data on file. VTAMA - Support Material for Budget Impact Model.

- In a hypothetical 1-million member Medicaid plan, the model estimated that 10,122 chronic adult, 19,294 chronic pediatric, 3,749 new adult, and 7,147 new pediatric patients would receive AD treatment in a typical year, totaling 40,312 patients (Figure 1), with 403 receiving tapinarof cream 1% QD in year 2.
- The introduction of tapinarof was associated with a net budget impact of \$0.013 in year 1 and \$0.022 in year 2 per member per month (PMPM) assuming that patients are prescribed 2 tubes (120 g) of tapinarof per year (Figure 2 and Table 3).
- Deterministic sensitivity analysis varying key inputs confirmed the robustness of these results.
- The financial value of the 80-day treatment-free intervals was \$0.019 PMPM in year 1 and \$0.032 PMPM in year 2 (Figure 3).

Table 1: Wholesale Acquisition Cost*

Drug	Standardized unit cost [†]	Standardized unit size
Dupixent (dupilumab)	\$3,993.36	2,300 mg injectors
Adbry (tralokinumab)	\$4,069.37	2,300 mg injectors
Cibinqo (abrocitinib)	\$5,845.69	30 T
Rinvoq (upadacitinib)	\$6,752.77	30 T
Zoryve (roflumilast)	\$928.01	60 g
Opzelura (ruxolitinib)	\$2,094.00	60 g
Eucrisa (crisaborole)	\$793.41	60 g
Protopic (tacrolimus)	\$150.50	60 g
Eldelid (pimecrolimus)	\$500.68	60 g
Topical corticosteroids (TCS)	\$68.71	60 g
VTAMA (tapinarof)	\$1,510.03	60 g

Table 2: Budget Impact Breakdown (Therapies)

Therapies	Table 2A: Market Shares for AD Treatment			Table 2B: Expected Market Share Taken from Current Therapies by Tapinarof cream 1% QD	
	Current market share (baseline year) (%)	Projected 1st year with tapinarof (%)	Projected 2nd year with tapinarof (%)	Current therapies	Expected market share taken from current therapies (%)
Topical corticosteroids	77.8	77.54	77.40	Topical corticosteroids	33.2
Dupixent	12.5	12.49	12.48	Protopic	18.0
Eucrisa	2.1	1.97	1.92	Eldelid	15.8
Protopic	2.5	2.41	2.34	Eucrisa	13.9
Eldelid	2.1	2.01	1.95	Rinvoq	6.1
Rinvoq	1.6	1.58	1.56	Opzelura	5.7
Opzelura	1.2	1.17	1.15	Adbry	3.3
Adbry	0.2	0.17	0.16	Dupixent	2.9
Cibinqo	0.1	0.05	0.05	Cibinqo	0.8
Zoryve	0.0	0.00	0.00	Zoryve	0.3
VTAMA	0.0	0.6	1.0	TOTAL	100
TOTAL	100	100	100		

Table 3: Budget Impact Breakdown (Patient Type)

Patient category	Number of patients in plan	Expected number of scripts (baseline year) [†]	Current cost (baseline year)	1st year cost with tapinarof**	Change from baseline (1st year) (%)	2nd year cost with tapinarof**	Change from baseline (2nd year) (%)
Newly-dx adult AD pts	3,749	14,304	\$4,154,481	\$4,200,209	1.10	\$4,230,694	1.83
Chronic adult AD pts	10,122	113,214	\$148,467,386	\$147,954,677	-0.35	\$147,612,870	-0.58
Newly-dx ped AD pts	7,147	26,493	\$3,697,554	\$3,799,350	2.75	\$3,867,214	4.60
Chronic ped AD pts	19,294	159,448	\$72,306,288	\$72,832,499	0.73	\$73,183,296	1.21
TOTAL	40,312	313,458	\$228,625,709	\$228,786,734	0.07	\$228,894,074	0.12
PMPM					+ \$0.013		+ \$0.022

AD, atopic dermatitis; dx, diagnosed; ped, pediatric; pts, patients; PMPM, per member per month; QD, once daily. *Measured in standardized scripts for AD treatment. **Base case scenario without VTAMA time off.