

# BRAND ACCESS MARKETPLACE DYNAMICS: RESPIRATORY

## Summary

A private, ongoing, multi-client study.

June 2020



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This summary provides highlights from robust longitudinal insights reports released throughout the year and available at our **INTELLICENTER®** portal. The Brand Access Marketplace Dynamics reports identify current and future access landscapes providing insights to support effective identification of opportunities and risks for respiratory brands.

## Methodology

### Marketplace Dynamics Respiratory Research Methodology



Health Strategies Insights™ by EVERSANA conducts ongoing **longitudinal** research on U.S. marketplace trends, customer needs, and access barriers and opportunities for biopharmaceutical companies within the Respiratory market



Your team will have access to our **subject matter experts** and opportunities for inquiries and input into research, as well as tailored presentations on opportunities and risks for your specific pipeline and inline Respiratory drugs



Online surveys & follow-up interviews of **pharmacy and medical directors at health plans, IDNs, medical groups and PBMs\***, to provide quantitative benchmarking data and qualitative insights into best practices, skill sets, and future outlook

\*Refer to the research agenda for sample size and detailed profile



| KEY FINDINGS   | IMPLICATIONS & RECOMMENDATIONS   |
|--|--|
| <p>Respiratory drug management remains a top priority for both plans and organized providers in 2020, especially as generics create new opportunities to reduce costs.</p>   | <p>Customers remain concerned about the significant costs associated with noncompliance, so companies that can offer comprehensive and novel solutions to increase patient adherence can differentiate their products from both branded and generic competition.</p>   |
| <p>Plans anticipate increasing asthma biologics management in late 2020 or in 2021.</p>  | <p>With many health plans actively discussing increased management, now is the time for biopharmaceutical companies to offer more aggressive or innovative contracts to ensure they have better access than competitors.</p>   |
| <p>Across various forms of health economics and outcomes research (HEOR) support, plans and organized providers most value cost-offset data to guide their respiratory drug access decisions.</p>  | <p>Biopharmaceutical companies offering favorable cost-offset data on hospital admissions and ER utilization for their products helps to further differentiate in a crowded market.</p> <p>Partnering with payers on real world evidence (RWE) initiatives will lend credibility to cost-offset data, and may create an opportunity for a value-based contract offering.</p>   |
| <p>Many stakeholders recognize the benefits of implementing technology-based solutions to improve asthma/COPD management, such as data analytics to select drugs, monitoring tools to improve adherence, telehealth options, and advanced online self-management resources for patients. Groups in particular show growing interest.</p> | <p>Many stakeholders recognize the benefits of implementing technology initiatives to improve asthma/COPD management, such as data analytics to select drugs, monitoring tools to improve adherence, telehealth options and advanced online self-management resources.</p> <p>Account executives should add chief technology officers to their stakeholder engagement targets.</p>   |
| <p>Branded inhaled respiratory drugs will face increased scrutiny as payers look to drive savings through generic utilization and exclusion of high-cost class options.</p>  | <p>In a highly competitive market, companies will need to demonstrate the value of their brands against generics and lower-cost brand competitors by emphasizing programming that improves adherence and/or demonstrates lower total cost of care.</p> <p>Companies can further demonstrate value via inhaler device differentiation using data showing improved adherence and/or better clinical results.</p>   |
| <p>Payers will not manage self-administered biologics differently from office-administered products in 2020.</p>   | <p>At this stage, payers do not have enough information to determine whether preferring self-administered products will lead to lower costs and/or improved outcomes; for now, they will closely assess the costs of both forms of administration to determine whether cost savings can be achieved by favoring one over the other.</p> <p>Companies offering self-administered and/or office-administered biologics have an opportunity to advantage their products by demonstrating, via real-world data, how their administration form, dosing schedule, and/or financial terms reduce costs.</p> |

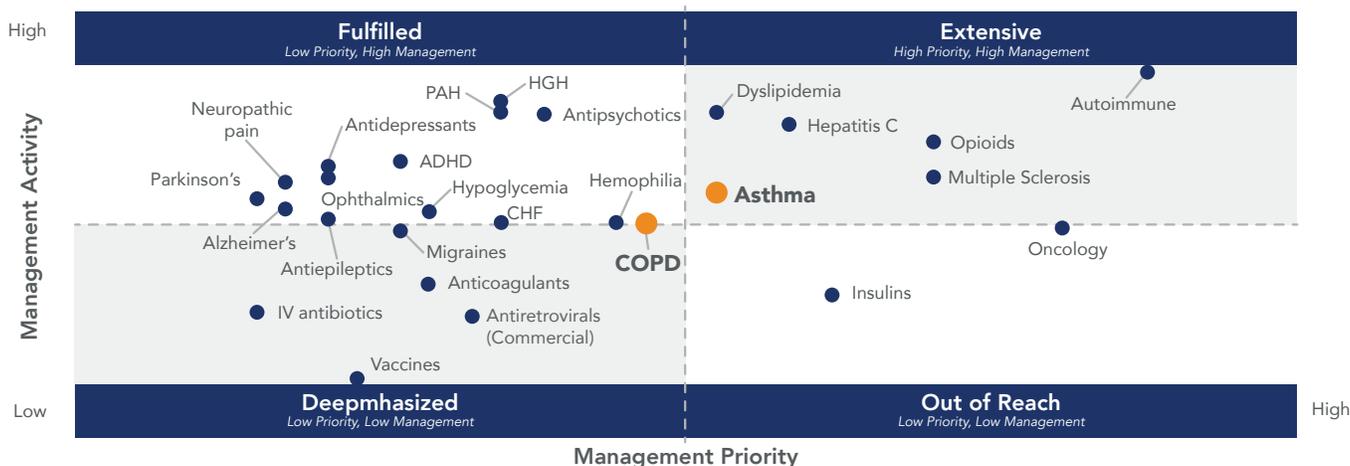


| KEY FINDINGS  | IMPLICATIONS & RECOMMENDATIONS   |
|---|--|
| <p>Plans are more willing to disadvantage or exclude biologics targeting eosinophilic asthma, as the only biologic targeting Immunoglobulin E (IgE), Xolair is not at risk.</p>   | <p>With many plans actively discussing increased management, now is the time for biopharmaceutical companies to offer more aggressive or innovative biologic contracts to ensure they have better access than competitors.</p>   |
| <p>Payers target biopharmaceutical company cost-sharing support programs in an attempt to drive formulary adherence and patient decisions.</p>  | <p>Most accumulator programs will include respiratory drugs in 2020, where plans see significant opportunities to reduce drug spend, given high prevalence and costs. With patient copay support programs at risk, biopharma must work even harder to achieve preferred status.</p>  |
| <p>Organized providers use a broad range of tools, including protocols, formularies, and preferred drug lists (PDLs) to guide respiratory treatment selection, ensuring that physicians prescribe based on current standards of care and broad formulary coverage; more sophisticated providers may periodically review current patient regimens and recommend alternative drugs that better meet individual patient needs.</p> | <p>Companies need to ensure their products align with current provider formularies and PDLs and, when they don't, identify and target internal influencers, such as key opinion leaders and clinical pharmacists, for messaging that clearly demonstrates a product's clinical, adherence, and/or financial value.</p> <p>Companies should identify organized providers that routinely review patient drug regimens, determine who in the organization performs this role, and target them for additional interventions to demonstrate clinical and financial value.</p> |
| <p>Providers remain sensitive to payer tactics and often align their own drug management tools with payer formularies.</p>  | <p>Companies should continue to optimize their products' presence on payer formularies and communicate that presence to medical groups and health systems.</p> <p>Companies should update providers on payers' evolving policies, help them navigate access barriers, and provide resources to help mitigate the administrative burden resulting from payer management tactics.</p>  |
| <p>Groups are more likely than systems to give their physicians flexibility in treatment decisions and less likely to require a medical rationale for going off protocol. Drug management tactics are often communicated through electronic medical records (EMRs) and their use encouraged through education from clinical pharmacists.</p>  | <p>Companies with off-protocol drugs will benefit from providing resources to make the process of going off protocol easier for prescribers and staff.</p> <p>Companies should work to ensure inclusion of relevant data in provider EMRs and communicate key product differentiators to clinical pharmacists at provider organizations.</p>   |
| <p>While volume-based reimbursement continues to drive the respiratory market, providers anticipate a shift to a more value-based approach in the near future; among organized providers implementing a respiratory alternative payment model (APM), groups are more likely than systems to report double-digit savings.</p>  | <p>As more organized providers begin to participate in APMs, it will be imperative for biopharmaceutical companies to demonstrate how their drugs can reduce the total cost of care for patients and to identify ways their drugs help providers meet their APM objectives.</p>  |



## Respiratory Drug Categories Remain an Important Management Focus for Healthcare Plans

The Rising Cost of Biologic Therapy Generates Greater Interest in Managing Asthma vs. COPD Drugs.



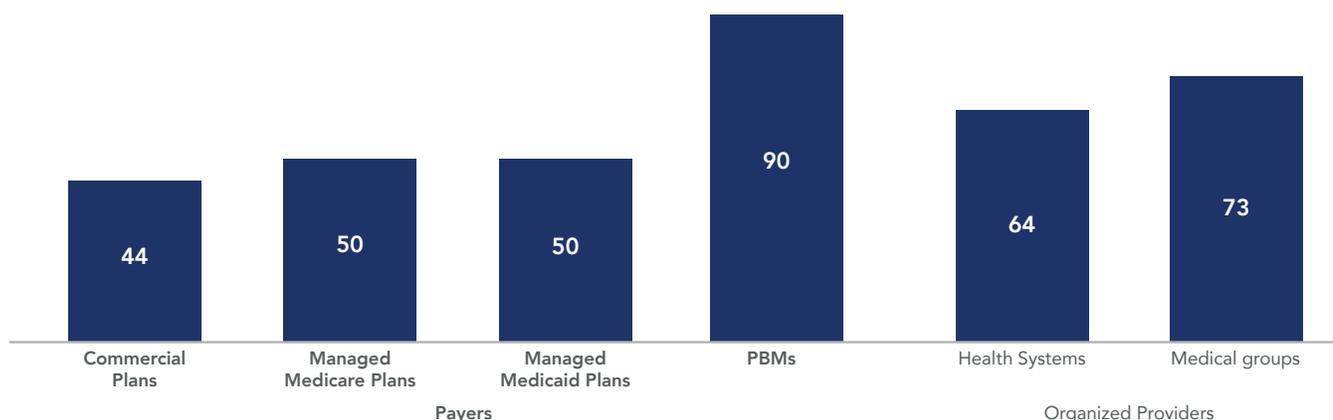
N=40 health plans. Source: Health Strategies Insights by EVERSANA, Brand Access Marketplace Dynamics, February 2020.

## Disease Prevalence and Costs Lead Many Stakeholders to Prioritize Asthma and COPD Drug Management

In an increasingly saturated inhaled drug market and a more competitive asthma biologics market, PBMs and most providers see opportunities to reduce treatment and patient out-of-pocket costs via increased management. Plans remain cautious of over-management of this category, believing in the importance of access and adherence; nevertheless, some are more willing than in prior years to implement restrictions on nonpreferred brands when competitors offer better discounts.

Biopharma should expect increased scrutiny of respiratory drugs in 2020; assuming comparable pricing in the biologics market, companies should look to differentiate from competitors on efficacy or administration frequency to ensure favorable access.

**PBMs See the Greatest Opportunity to Reduce Costs Through Aggressive Drug Management**  
*(Percentage stakeholders indicating respiratory management is highly important)*



N=40 health plans, N=5 PBMs, N=40 health systems, N=26 medical groups. Source: Health Strategies Insights by EVERSANA, Brand Access Marketplace Dynamics, February 2020.



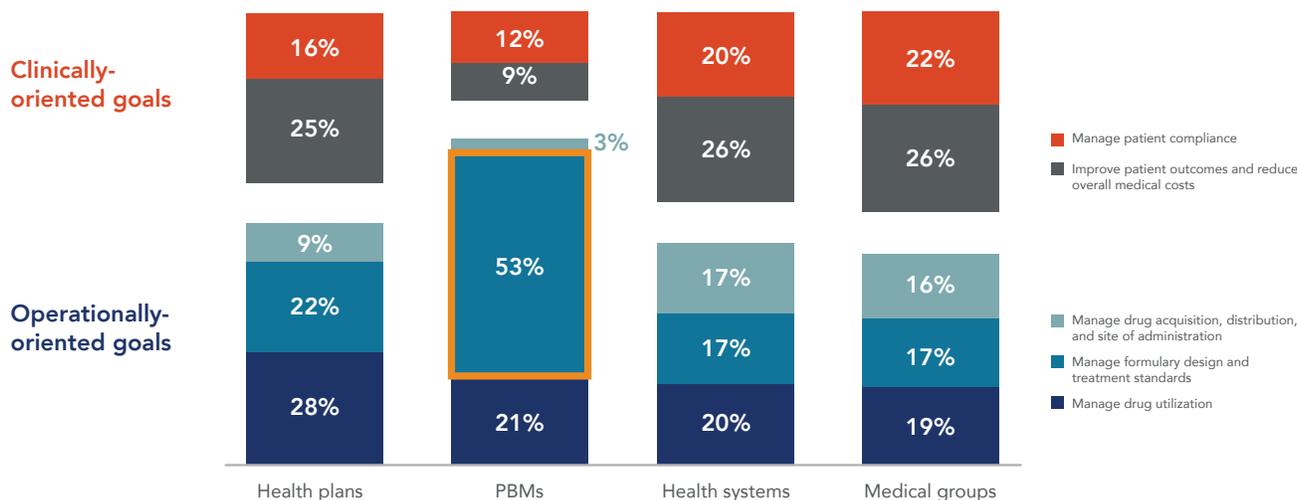
## PBM Push to Streamline Asthma/COPD Formulary Designs in Favor of Generics are a Threat to Branded Manufacturers

Having already developed and implemented effective drug utilization strategies, PBMs push to streamline asthma and COPD formulary designs; biopharmaceutical companies should expect plans and organized providers to follow suit.

Providers emphasize reducing out-of-pocket costs by recommending low-cost generic and branded options; they also seek to better align their protocols with payer formularies to avoid administrative burdens.

As generics and additional biologics are introduced, biopharmaceutical companies need to understand how customer management strategies are evolving and ensure that product messaging targets their individual organizational goals.

Stakeholders Prioritize Different Goals Based on Business Strategies  
(Average proportion across respiratory market, 100-point allocation)



N=37 health plans, N=5 PBMs, N=40 health systems, N=26 medical groups. Source: Health Strategies Insights by EVERSANA, Brand Access Marketplace Dynamics, February 2020.



Our top 2020 priority is to make sure that biologics like Nucala and Dupixent are used appropriately.

– Blues Plan Medical



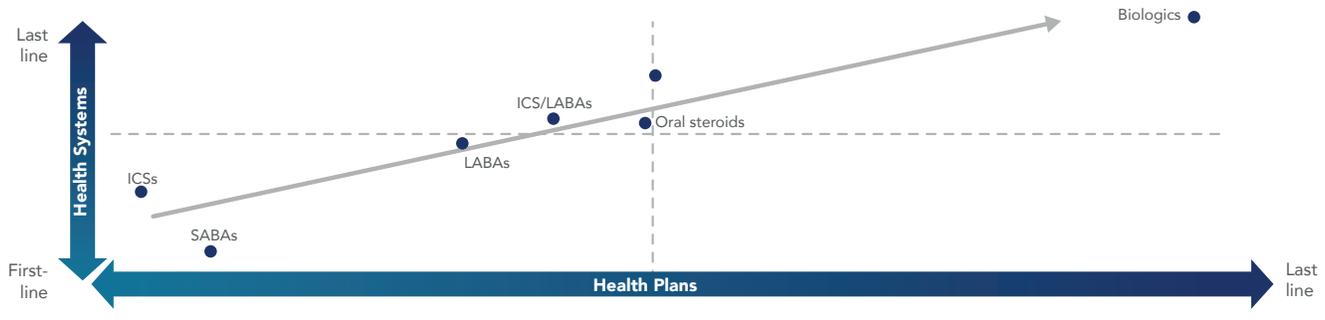


## Ensuring Appropriate Use of Asthma Biologics Remains a Top Payer Goal within the Respiratory Market for 2020

Payers and health systems remain tightly aligned on asthma line of therapy; nearly all plans require use of an ICS/LABA, with many encouraging use of the strongest dose available, prior to authorizing a biologic. Assuming FDA approval of Trelegy for asthma in 2020, plan management policy will vary early on; most will defer to physicians, but a considerable minority will require a trial of the triple combination therapy prior to using biologics or suggest its use in guidelines.

While updated GINA guidelines recommend that all patients use an ICS in conjunction with their rescue inhaler, plans will not revise their guidelines or management policy to reflect this, once again deferring to physicians.

Asthma Line of Therapy Assignments by Class Across Payers and Providers



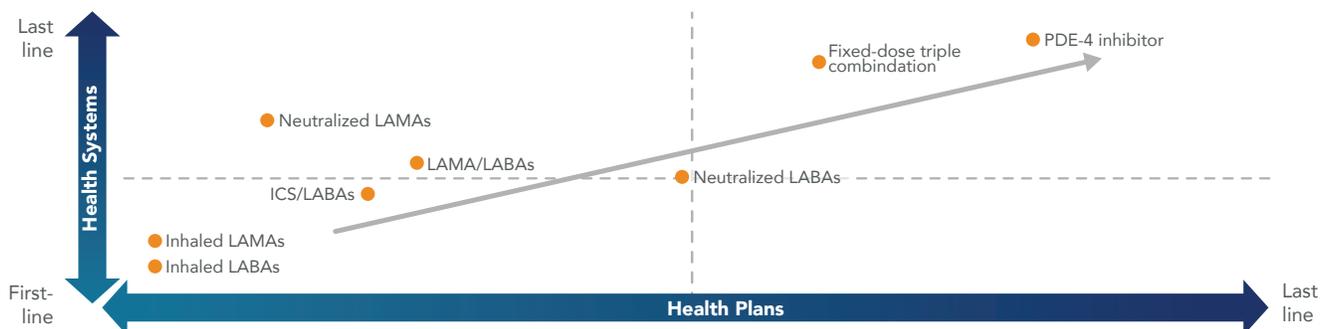
N=37 health plans, N=40 health systems. Abbreviation: GINA, Global Initiative for Asthma. Source: Health Strategies Insights by EVERSANA, Brand Access Marketplace Dynamics, February 2020.

## Plans More Likely than Systems to Assign Multiple COPD Maintenance Products as Early Line Therapies

Stakeholders encourage use of singles and duals as early-line therapies, typically recommending a fixed-dose triple as a third line option; despite its later line status, most plans do not impose higher copays or significant restrictions on a fixed-dose triple.

LAMA/LABA companies should actively promote data demonstrating clinical superiority over LAMAs and ICS/LABAs and promote the revised GOLD guidelines recommending earlier LAMA/LABA use for certain patients.

Line of Therapy Assignments by Brand Align Across Payers and Providers



N=37 health plans, N=40 health systems. Source: Health Strategies Insights by EVERSANA, Brand Access Marketplace Dynamics, February 2020.



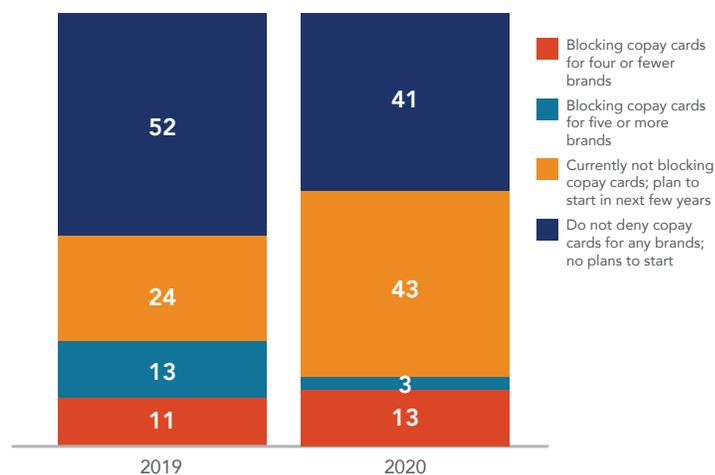
## Forty-Three Percent of Plans Surveyed Will Block Copay Card Use in the Next Few Years, Requiring Pharma to Adapt

Blocking copay card support will significantly impact patient access to nonpreferred asthma and COPD options; companies must prioritize achieving preferred formulary status to lower patient cost exposure, or experiment with other creative means of providing cost support (e.g., debit cards) to retain patients.

To date, the impact of copay card blocking has been limited, given the multiple challenges involved; nevertheless, expect use of this tactic to grow as payers look to contain rising costs.

“Operationally, I don’t think copay card blocking is the easiest thing to figure out how to do.”  
– National Plan Pharmacy

More Than Half of Plans Will Deny at Least Some Copay Cards for Respiratory Brands  
(Percentage plans)



N=37 health plans. Source: Health Strategies Insights by EVERSANA, Brand Access Marketplace Dynamics, March 2020.

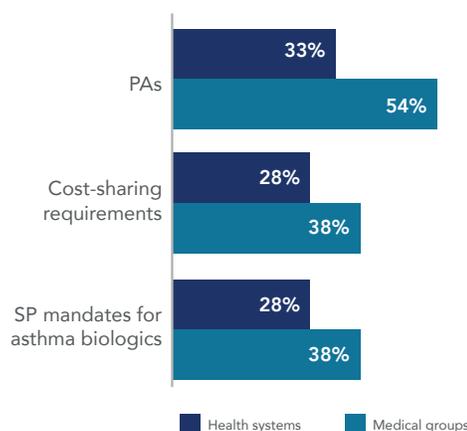
## Payer Tactics for Biologics Increasingly Play into Provider Respiratory Treatment Decisions

Organized providers are concerned that plans are increasingly adopting the stricter management tactics of other specialty categories (e.g., autoimmune, MS) to limit access as crowding continues in the asthma biologics market. The majority of medical groups indicate that plan PAs for asthma biologics highly impact prescribing decisions as providers contend with comprehensive criteria, processing paperwork, and steep out-of-pocket expenses for patients.

With more plans using a two-tiered cost-sharing model for asthma biologics, providers are also more carefully monitoring how these new models impact out-of-pocket costs for their patients.

Biopharmaceutical companies with asthma biologics should offer competitive rebate contracts and potentially outcomes contracts to reduce barriers that adversely impact prescribing decisions.

PAs Have High Impact on Medical Group Asthma Biologic Treatment Selections  
(Percentage providers indicating high level of impact on treatment selection)



N=25 health systems, N=28 medical groups. Source: Health Strategies Insights by EVERSANA, Brand Access, Marketplace Dynamics - Respiratory, May 2020.



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“These tactics can really present a challenge. You’ll do a PA for a drug, it’s rejected, and then you appeal, typically with a letter, supporting documents, and some patient records, provide more data, and are usually approved. If you are again rejected, it’s often peer to peer, which is the prescribing doctor talking to another physician, by phone, explaining why something is needed and trying to see if you can get them to allow that to happen.”

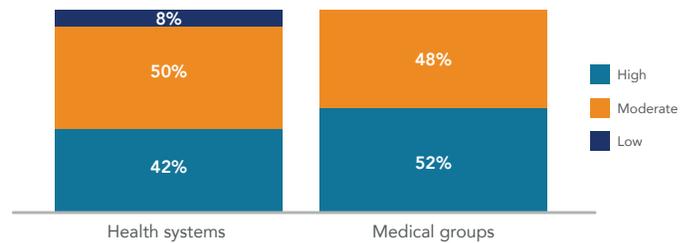
– Medical Group Executive

## Medical Groups are More Likely to Align Their PDLs with Plan Formularies Than They Were Last Year

In an effort to reduce patient out-of-pocket expense and to lower discontinuation of therapy, organized providers have high alignment to payer respiratory formularies and preferred drugs. Organized providers typically believe that most current respiratory therapies are highly effective at maintaining symptom control and therefore choose products based on cost to patient rather than on minimal differences in efficacy.

Groups are significantly more likely to tightly align their PDLs with plan formularies than they were last year, as they want to ensure that physicians are promoting low-cost generic and branded options.

**Groups Report Higher Levels of Alignment to Payer Formularies Than Systems**  
(Percentage providers indicating level of alignment)



N=25 health systems, N=28 medical groups. Source: Health Strategies Insights by EVERSANA, Brand Access, Marketplace Dynamics - Respiratory, May 2020.



### About EVERSANA™

EVERSANA is the leading independent provider of global services to the life science industry. The company’s integrated solutions are rooted in the patient experience and span all stages of the product lifecycle to deliver long-term, sustainable value for patients, prescribers, channel partners and payers. The company serves more than 500 organizations, including innovative start-ups and established pharmaceutical companies to advance life science solutions for a healthier world. To learn more about EVERSANA, visit [EVERSANA.COM](https://EVERSANA.COM) or connect through [LinkedIn](#) and [Twitter](#).

