

COVID-19 PULSE RESEARCH

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Introduction

The current public health pandemic is impacting healthcare stakeholders from doctors and nurses in the frontlines to payers and PBMs.

EVERSANA is monitoring the constant changes to access and benefit consideration tracking payer responses and key trends through weekly payer pulse research.

Methodology:

Weekly pulse survey and interviews with 25 medical directors and healthcare executives in leading health insurers representing over 50% of the total lives covered nationwide in commercial, Medicare (Part D and MA), and Medicaid plans.

All respondents are decision makers in policy and coverage for pharmaceutical and medical benefits.

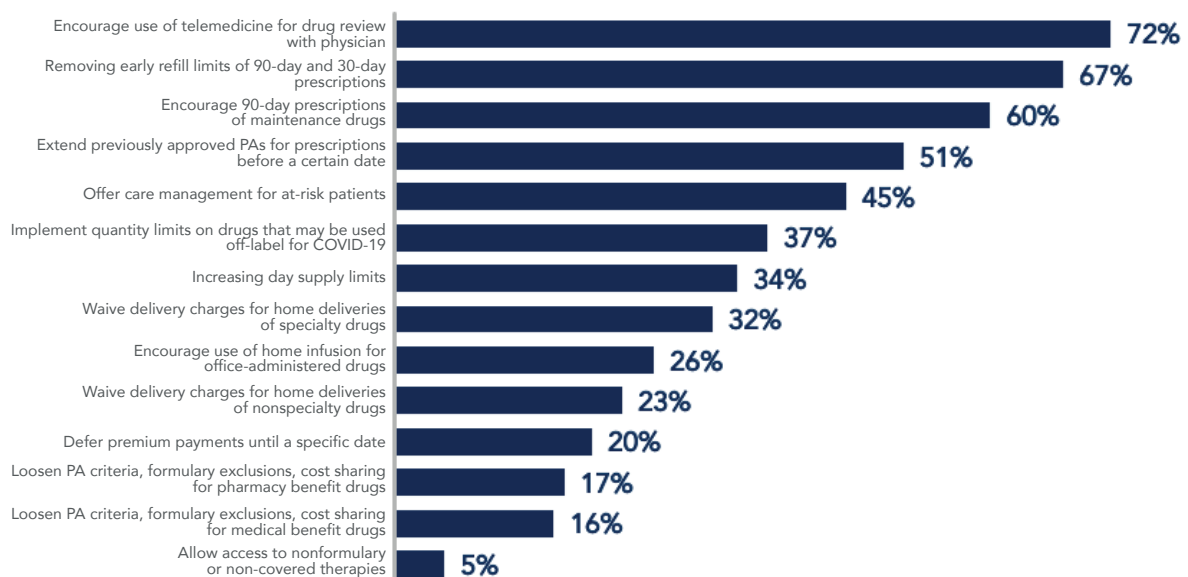
Summary of Key Findings:

- Policy changes and increased access to telehealth to ensure continuity of care for patients with chronic diseases
- Updates to coverage limitations to ensure patient access to drugs including allowing 90-day supply for maintenance medications and \$0-copay for drugs used in the treatment of COVID-related symptoms
- Expansion to telehealth access with more than 75% of insured lives being able to utilize these services
- Expanded coverage has not been translated to expensive and/or complex therapies (e.g., oncology, autoimmune, etc.)
- Supply shortage due to increased demand for COVID-19 therapies
- Rapid increase in uninsured patients and lag in patients shifting from commercial to other sources of health insurance (e.g., exchange and Medicaid)

Payers Easing Policies to Ensure Access to Necessary Therapies

Payers have implemented several changes to policies to ensure their members continuity of care including access to telemedicine (72% of covered lives), allowing 90-day supply to maintenance medications (67% of covered lives) and extending prior-auth for previously approved services (45% of covered lives). However, these changes do not apply to formulary restrictions or policies related to specialty therapies where only a few health plans are loosening their prior authorization requirements (17% of covered lives impacted) and allowing coverage for non-covered therapies (only 9% of covered lives).

Payers Are Allowing 90-Day Prescriptions for Most Traditional Medications
(Percentage payers by lives)



N=22 payers; N=47 million commercial lives.
Source: Health Strategies Insights by EVERSANA, COVID-19 Payer Pulse, April 2020.



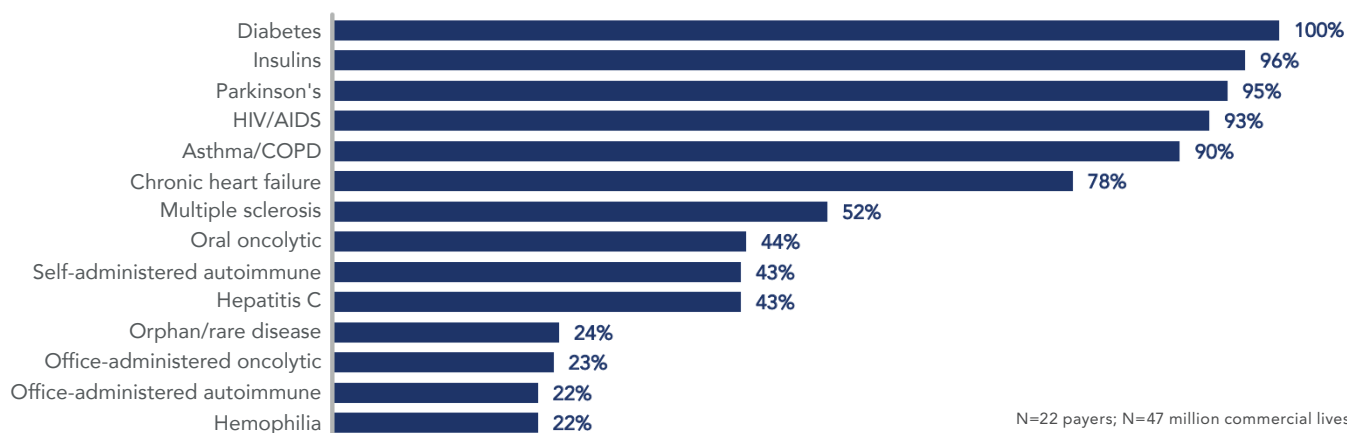
Greater Impact to Access to Specialty and Oncology Therapies

While patients suffering from chronic conditions such as diabetes and asthma are experiencing some positive policy changes that facilitate access to therapies, patients needing specialty and oncology drugs are facing greater barriers to access.

There is little evidence that this trend will change as payers express greater cost concerns related to treatments for complex conditions such as MS, Oncology and autoimmune diseases.

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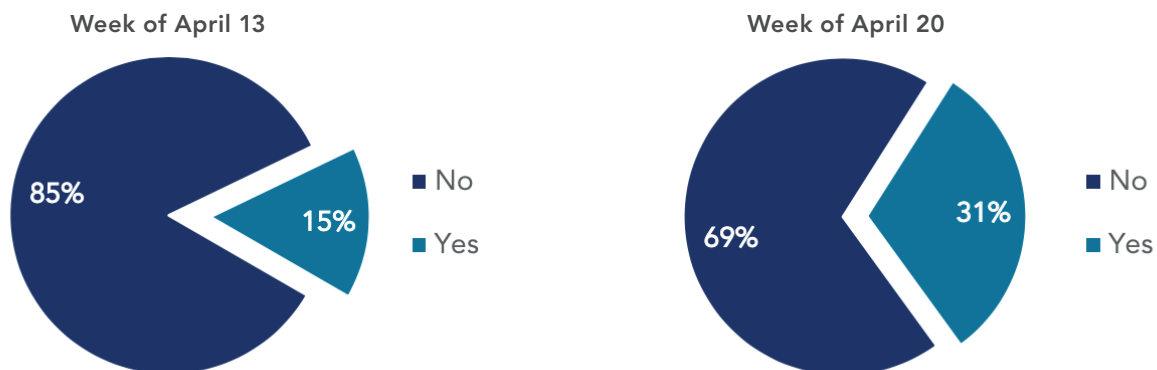
Drug Shortages Impact Patients

Drug shortage has more than doubled within the past week, and it is being driven by increased patient demand with extended days supply, pressure on complex supply chains and, in some cases, decreased supply from foreign markets.

This trend is likely to continue, placing pressure on payers to expand coverage on non-preferred drugs to ensure patient continuity of care.

Payers Experiencing Shortages Doubled in the last Week

(Percentage payers by lives)



N=22 payers; N=47 million commercial lives.

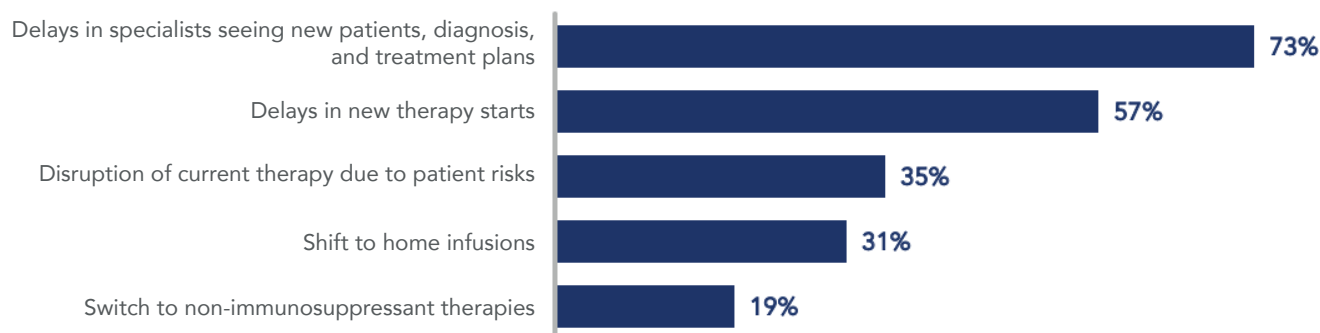
Source: Health Strategies Insights by EVERSANA, COVID-19 Payer Pulse, April 2020.



Declining in Specialist Visits is Impacting Access to Specialty Therapies

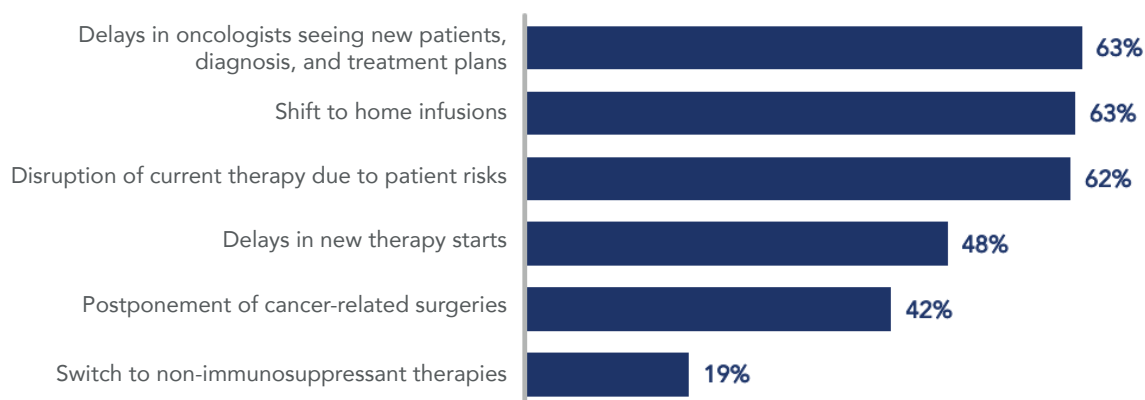
New patients are seeing significant delays in access to specialist providers with many physicians refusing to start a patient on a new therapy without a full physical exam and diagnosis. In addition to that, therapies that require infusion or patient training are facing greater challenges due to lack of resources.

Changes in Immunosuppressant Therapy (Percentage payers by lives)



N=22 payers; N=47 million commercial lives.
Source: Health Strategies Insights by EVERSANA, COVID-19 Payer Pulse, April 2020.

Oncology Treatment Negatively Impacted During Quarantine (Percentage payers by lives)



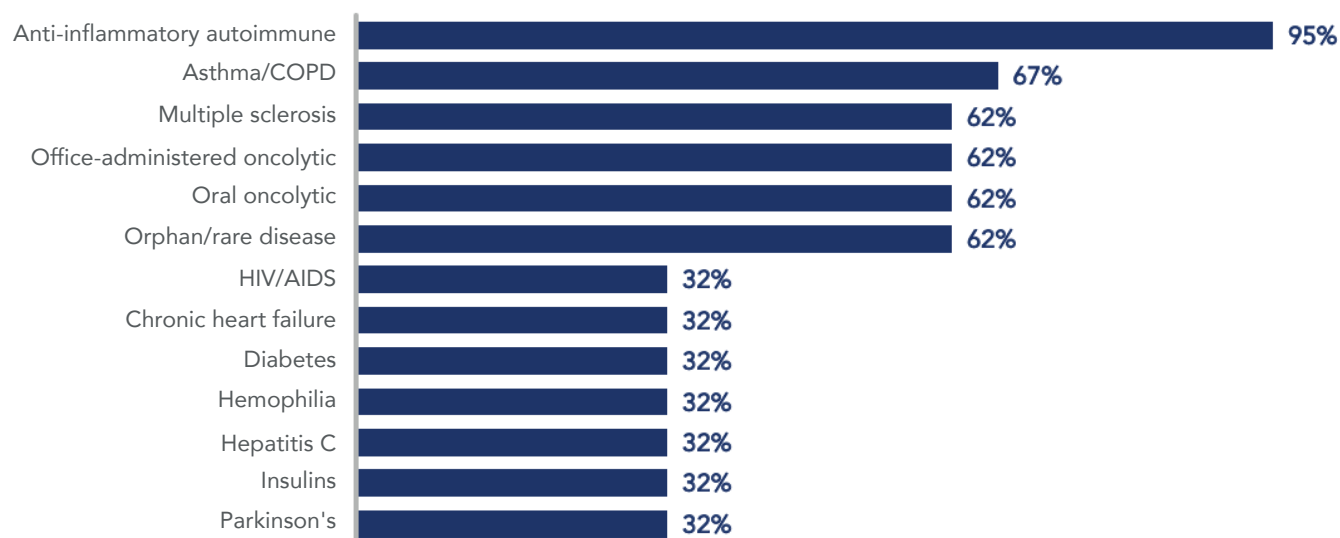
N= 20 payers, N=65 million lives
Source: Health Strategies Insights by EVERSANA, COVID-19 Payer Pulse, April 2020.



Formulary Reviews Slowed Due to COVID-19

Formulary reviews and decisions are anticipated to be delayed in the third and fourth quarters of the year due to lack of access to key opinion leaders and resources which will result in lagged approval time for new drugs and delayed changes in contracting. There will certainly be exceptions for drugs in unique or rare diseases areas, but therapies entering crowded classes can expect more challenges to obtain a review.

Some Payers Delay Formulary Decisions
(Percentage payers by lives that expect delays)



n=6 payers; n=25 million lives.
Source: Health Strategies Insights by EVERSANA, COVID-19 Payer Pulse, April 2020.

Implications

Payers are reacting to the rapidly changing environment by updating their coverage determination process and policies, allowing for access to telehealth services and addressing drug shortage as they occur. However, there has been a decline in engagement with pharmaceutical manufacturers which may represent a risk to short-term planning.

Pharmaceutical companies will need to assess supply chains, identify approaches to support new patient starts with physicians, and prepare for a prolonged decision process from payers while keeping an open channel of communication. This will dramatically impact new therapies and specialty drugs.

We anticipate this to be only the beginning of the changes as payers move into the formulary and future coverage reviews in the third and fourth quarters of the year. Insurances will face pressure from employers as they look into make more significant changes to formulary decision, coverage limitations, copays and coinsurance.