

# OUTLOOK ON BRAND ACCESS AND INSIGHTS

## SUMMARY

A private, on-going, multi-client study.

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## Oncology Market: Outlook of Brand Access and Insights

This summary provides highlights from an annual report, available in conjunction with a live, interactive database, updated quarterly which helps to identify current and future access landscapes for Oncology to support effective identification of opportunities and risks for brands.

### Key Topics

- Evolution of the oncology brand access market
- Future stakeholder management tactics for oncology drugs by 2022
  - Payer management
  - Integrated health system and large oncology group management
- Brand access predictions based on detailed scenarios

### Methodology

- **Panel members completed an online survey in fall 2019. The panel included:**
  - Thirty-seven pharmacy executives and medical directors from leading payers, representing 124.7 million total lives
  - Twenty-five leading integrated health systems and oncology groups
- **All respondents were screened to ensure the highest level of knowledge about their organizations' management of oncology.**

### Key Findings

As costs and competition within the oncology market continue to rapidly grow over the next two years, stakeholders set goals to manage high cost. Access risks for established brands, as well as new-to-market therapies, will rise as stakeholder management grows in oncology.

Widespread adoption of clinical pathways, wide acceptance of value-based frameworks, and increased approval of genetic tests will influence access and treatment decisions over the next three years.

With the market entry of new in-office administered subcutaneous products, an influx of combination regimens, and general increased cost associated with office-administered oncology drugs, plans will increasingly focus on management strategies for the medical benefit.

### Implications & Recommendations

Segment stakeholders in terms of willingness and ability to use management tactics (e.g., step therapy, pathways) to influence brand-specific use.

Biopharmaceutical companies must create local market strategies to reflect unique influence of payers, health systems, and oncology groups on treatment decisions.

To ensure optimal access and broad prescribing of their branded oncology drugs, biopharmaceutical companies must demonstrate the clinical value of their drug within specific patient subsets through real-world evidence, especially arming oncologists with the information needed to appeal plan management tactics for their patients.

Equipping medical science liaisons with real-world evidence and HEOR data demonstrating improved clinical outcomes and decreased total costs of care may help ensure pathway inclusion.

Biopharmaceutical companies with office-administered products should focus their efforts on demonstrating product value and understand what barriers key stakeholders are implementing to empower account teams in conversations and development of patient programs.



## Evolution of Oncology Market: Overview

### Biopharmaceutical Companies Must Continue to Communicate Value of Brands for Inclusion in Care Models and Pathways

As treatment options increase and costs rise, stakeholders increasingly focus on cost of care in oncology. Organized providers will continue to leverage clinical pathways to standardize clinical care, provide cost predictability, and enable more consistent outcomes across oncologists; especially as they look to shift to more value-based reimbursement.

	Health plans	Health systems	Oncology groups
Top tactics to manage oncology market by 2022	<ul style="list-style-type: none"> <li> Reduce total cost of care</li> <li> Avoid unnecessary hospital utilization</li> <li> Improve overall care coordination</li> </ul>	<ul style="list-style-type: none"> <li> Increase use of clinical pathways</li> <li> Avoid unnecessary hospital utilization</li> <li> Utilize new reimbursement models</li> </ul>	<ul style="list-style-type: none"> <li> Avoid unnecessary hospital utilization</li> <li> Reduce total cost of care</li> <li> Increase use of clinical pathways</li> </ul>
Greatest triggers for increased management of a drug	<ul style="list-style-type: none"> <li> Sizeable cost-savings opportunity</li> <li> Multiple options with same MOA and indication</li> </ul>	<ul style="list-style-type: none"> <li> Sizeable cost-savings opportunity</li> <li> Total costs to treat patients with indication</li> </ul>	<ul style="list-style-type: none"> <li> Sizeable cost-savings opportunity</li> <li> Total costs to treat patients with indication</li> </ul>

Abbreviation: MOA, mechanism of action.

Source: Health Strategies Insights by EVERSANA, Brand Access Oncology Insights Solution, December 2019.

### Health Plans and Organized Providers Focus Management on Cancer Types with High Prevalence and Spend

Health plans	Organized Providers
1. Breast Cancer	NSCLC
2. NSCLC	Multiple Myeloma
3. Advanced prostate cancer	NHL
4. Colon Cancer	Breast Cancer
5. Multiple Myeloma	AML

Note: Respondents were asked to rate a list of over twenty cancer types; data for additional cancer types available upon request.

Abbreviations: AML, acute myeloid leukemia; NHL, non-Hodgkin's lymphoma; NSCLC, non-small cell lung cancer.

N=37 health plans, N=25 health systems and oncology groups

Source: Health Strategies Insights by EVERSANA, Brand Access Oncology Insights Solution, December 2019.

### Health Plans and Organized Providers Prioritize Breast Cancer, NSCLC, and Multiple Myeloma for Cost Management

Plans continue to prioritize managing drugs in the treatment of breast cancer and NSCLC, where prevalence and spend are both high. In addition to the current top five cancer types prioritized, half of plans anticipate the management importance of metastatic melanoma to increase by 2022 reflecting the higher costs as use of PD-1/PD-L1 inhibitors continue to rise in earlier disease states.

Diverging from plans slightly, organized providers put emphasis on management of non-Hodgkin's lymphoma (NHL) and acute myeloid leukemia (AML) in 2019. Treatments for NHL and AML continue to transform as new treatment options come to market, including CAR-T for relapsed diffuse large B-cell lymphoma (the largest subset of blood cancers that comprise NHL).

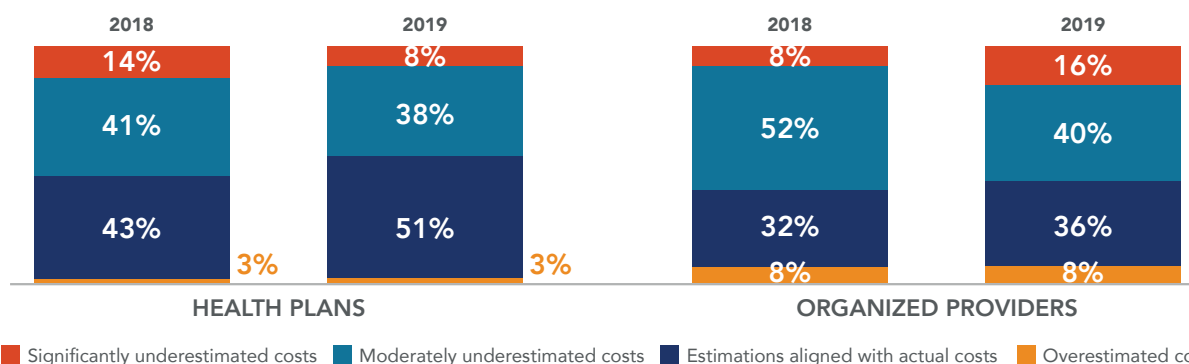


### Oncology Drug Cost Estimates

Plans exhibit some improvements in reported actuarial estimate accuracy and budgeting for oncology drugs from 2018 to 2019, with approximately half of plans indicating estimations were aligned with actual costs in 2019. This likely reflects more financial and staffing resources to dedicate to budget impact models and cost projections.

Organized providers struggle a bit more with accurately estimating costs, with 92% of executives indicating the number of oncology pipeline treatments has highly impacted their actuarial estimates and budgeting process.

**Many Stakeholders, Especially Organized Providers, Continue to Underestimate Oncology Drug Costs**  
(Percentage stakeholders)



N=37 health plans, N=25 health systems and oncology groups

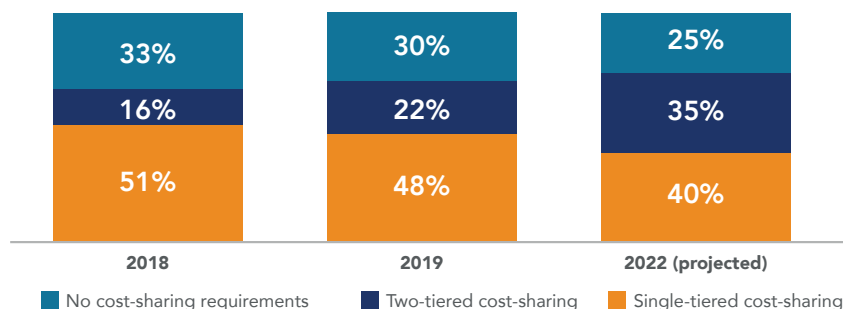
Source: Health Strategies Insights by EVERSANA, Brand Access Oncology Insights Solution, December 2019.

### Future Management of Oncology Drugs

#### Health Plans to Use Two-Tiered Cost Sharing on the Medical Benefit to Manage Costs

To drive use of preferred brands and increase overall member stake in oncology drug selection, many commercial plans will utilize cost sharing on the medical benefit, with two-tier cost sharing growing over the next few years. Biopharmaceutical companies should understand how their key accounts use tiering on the medical benefit in order to negotiate favorable access and utilization terms.

**Members Will Increasingly Face Cost-Sharing Requirements for Office-Administered Oncology Drugs**  
(Average percentage commercial members)



2018 n=31 health plans with 57.9 million commercial lives; 2019 and 2022 (projected) N=40 health plans with 78 million commercial lives.

Source: Health Strategies Insights by EVERSANA, Brand Access Oncology Insights Solution, December 2019.

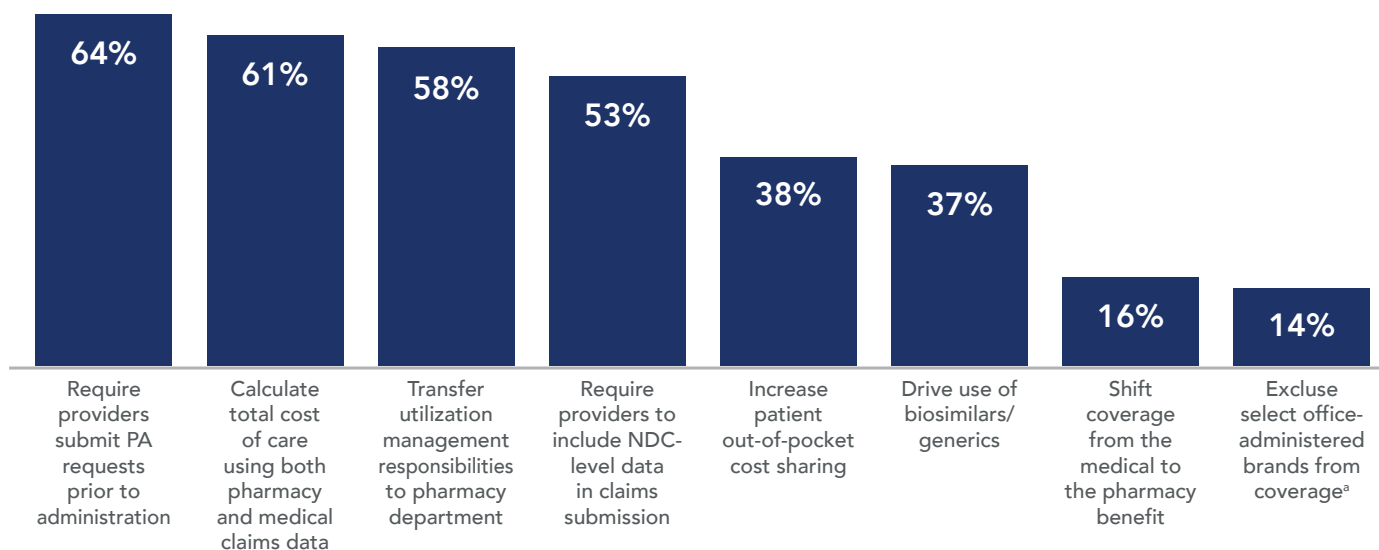


### Health Plans to Use Prior Authorization Review Process to Influence Treatment Selection and Site of Care

Health Plans will continue to monitor utilization of office-administered oncology drugs by requiring oncologists to submit prior authorization requests and require providers to include NDC-level data in claims submission. Which permits health plans to rely heavily on their pharmacy department due to their broad experience and expertise in managing drugs and assessing utilization trends.

Inclusion of NDC-level data may speed up the prior authorization process and reduce initial denials; however, the approval and release of additional drugs empower plans to narrow drug coverage. Biopharmaceutical companies should work with health care physicians and office staff to help them effectively navigate the prior authorization process.

**Plans Will Require Prospective PA Requests to Manage Office-Administered Oncology Drugs by 2022**  
*(Percentage enrollment at plans indicating high likelihood)*



<sup>a</sup>e.g., using a NDC block

N=37 health plans representing 124.7 million total lives

Source: Health Strategies Insights by EVERSANA, Brand Access Oncology Insights Solution, December 2019.



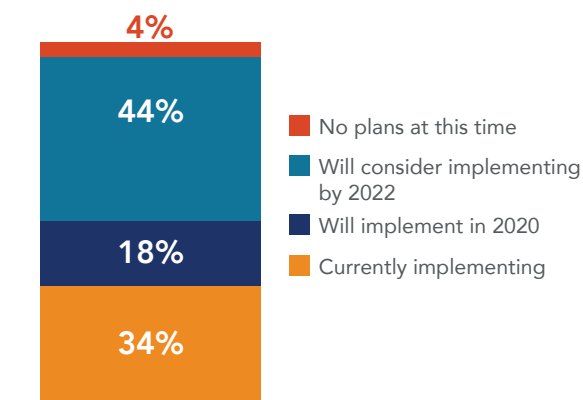
### Health Plans Embrace Step Therapy for Part B Drugs to Drive Utilization to Lower Cost of Oncology Therapies

In 2019, CMS changed the rules to allow for step edits to be placed on Part B drugs for the first time, as well as allowing cross management between Parts B and D within Medicare Advantage plans. In this new rule in place, health plans may start requiring patients to try more cost-effective oral therapies before approving access to costly infused products.

Biopharmaceutical companies should prepare for health plans to leverage step therapy strategies in the oncology market as biosimilars launch and competition within select classes grows.

### Part B Step Therapy Requirements are Currently Limited in Oncology But May Expand Significantly by 2022

(Percentage enrolled)



n=32 health plans representing 23.5 million MAPD lives

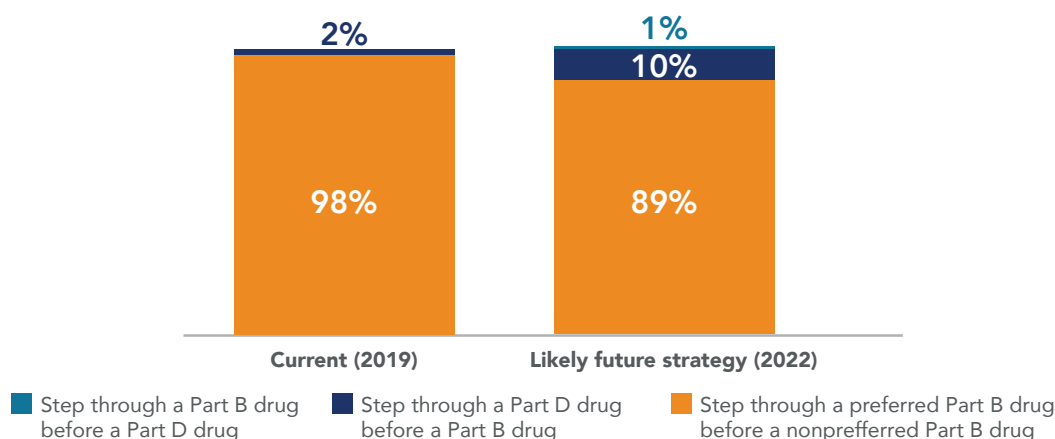
Source: Health Strategies Insights by EVERSANA, Brand Access Oncology Insights Solution, December 2019.

### Medicare Advantage Plans Will Limit Cross Management of Step Therapy Between Benefits for Oncology Drugs

Medicare Advantage plans are experimenting with cross-management of products in select therapeutic areas, particularly in autoimmune and asthma where multiple lower-cost treatment options exist on Part D. For oncology, step therapy will likely be limited to within a single benefit design and leveraged where there are multiple options with the same mechanism of action and indications in the near term.

### Plans Will Look to Leverage Step Therapy Within the Part B Benefit

(Percentage enrollment)



Current n=10 health plans representing 7.9 million MAPD lives; Future n=28 health plans representing 22.5 million MAPD lives  
Source: Health Strategies Insights by EVERSANA, Brand Access Oncology Insights Solution, December 2019.