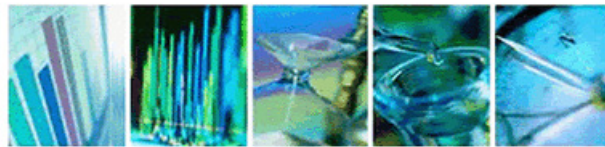




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## Managed Care Research Throughout the Product Life Cycle

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As the US healthcare landscape continues to evolve, ensuring coverage and access are critical for pharmaceutical and biotech manufacturers to grow, to maintain utilization, and to continue to bring to market innovative therapies. Product teams can maximize their resources by identifying the key issues affecting utilization and focusing time and attention on these priorities. While some of these issues are specific to a given drug's category and clinical considerations, others can be derived based on the therapy's stage in the product life cycle.

During development stages, pharmaceutical new product planning teams must identify which therapies in the pipeline are worth bringing to market. Although there is the tendency to assume that market research is only valuable after the product has been launched and is beginning to face competitive threats, manufacturers will be best served by conducting market research earlier and integrating findings into product planning efforts. In this issue, we will briefly discuss market research that a team with a product in the developmental stage of the drug life cycle (drug discovery, Phases I, II) should prioritize.

Managed care market research is a critical input for three key components of development stage product assessments: market sizing, opportunity identification, and category management. Coupled with utilization and patient data, market research with payers and other stakeholders at the development stage can help life sciences manufacturers understand how market share will change and identify potential patient populations, including those that may expand by the time the product enters the market. If there are multiple potential indications for a developmental therapy, market sizing and development studies can help manufacturers identify the indication most likely to garner significant use from the onset (highest initial cash influx), the indication most likely to have a sustained growth trajectory, as well as the indication most likely to escape payer radar, among others. This type of research can address both market sizing and opportunity identification needs.

Besides identifying target patients, gauging population sizes, and testing indication potential, manufacturer teams must be able to articulate what payer and government policies will be for their drugs when on market and how therapies may be managed relative to competitors. Investigating stakeholder preferences and decision-making, including management philosophies and goals, will enable manufacturers to distinguish stakeholder concerns and the relative importance of each. Recent years have seen the market react to significant safety issues, resulting in additional restrictions on therapy use and payer pressure to reduce off-label use. Later years will see more drastic changes, largely driven by rising healthcare costs coupled with increasing government involvement in healthcare coverage and spillover of public payer plan policies into commercial managed care organizations.

Successful product launches can be bolstered by beginning market strategy and planning assessments early in the drug life cycle. Suggested research at this stage includes testing and defining product management, competitive threats, and market potential. By beginning this work early, manufacturer teams can then turn their attention to more specific clinical and management issues closer to launch. Final studies can then focus on refining the optimal value proposition and market strategy for a product in time for launch.

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