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Press Release

Payers Approach Specialty Categories with Multiple Management Priorities

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As payers look to increase the management intensity of specialty therapies, they acknowledge that they cannot use a one-size-fits-all approach.

The Zitter Group's Fall 2009 Biologics and Injectables Index – primary research with 99 managed care decision-makers in large national and important regional managed care plans – finds that payers do not have one definition of management success. Payers shape their management goals to reflect the specific nuances of each specialty category.

For specialty categories where payers perceive low unmet clinical need, such as Human Growth Hormones (hGH) or Erythropoietin-stimulating Agents (ESAs), they seek to both manage access and shape therapy utilization. Because payers see agents in these categories as interchangeable, they feel comfortable adopting aggressive step edit requirements that funnel utilization to specific agents. Management success is measured by the payers' ability to drive use of specific therapies.

However, there is a different definition of management success for categories like cancer that have higher levels of perceived unmet clinical need. Due to the clinical sensitivity of these categories, payers are reticent to significantly influence prescribing patterns. Instead, payers focus on lowering drug acquisition prices and promoting appropriate use/adherence to clinical guidelines. Within these categories, management success is measured by containing costs and eliminating egregious misuse.

Because payers have multiple definitions of management success, pharmaceutical manufactures must develop specific payer strategies that speak directly to the management dynamics for that category. For both pipeline and existing products, manufacturers' payer outreach should be shaped to reflect payers' category specific management goals. Manufacturers should resist relying on a one-size-fits-all approach to payer messaging.

These variable definitions of management success, along with other significant issues across the specialty therapy landscape, are explored further in the Fall 2009 edition of the Managed Care Biologics and Injectables Index.

Key highlights from this most recent study include:

- Payer specialty management priorities are split between those categories believed to have high unmet therapeutic need and those categories with low levels of unmet therapeutic need
- Payers believe that biosimilars will impact the specialty landscape within 2-3 years; 60% of payers anticipate using prior failure requirements to drive utilization from branded agents to biosimilars
- Just over 50% of payers, representing 70% of covered lives, cite ASP as their dominant reimbursement methodology; the transition to ASP is expected to continue over the next 12-18 months
- Since the adoption of ASP, payers have witnessed cost savings without disruptions in physician networks or worsening health outcomes; they are, however, also aware of shifts in site of care
- Payers value specialty pharmacy providers for their cost effectiveness and ease of distribution; patient and provider support services are not seen as core competencies
- Payers cite therapeutic efficacy as the most important decision-making factor for specialty therapies, but they currently see more non-clinical than clinical differentiation among competing agents
- Payers report that vaccines are a good use of medical resources, believing they will reduce long-term health care costs in both children and adult populations
- Payers broadly believe that cost-sharing requirements lead to more appropriate utilization of specialty agents, but there are mixed views about the impact of differential cost-sharing requirements
- Payers express a general disapproval of manufacturer-supported patient copay cards, but are unlikely to make any effort to offset the cards' impact

COMPANY DESCRIPTION

The Zitter Group is a specialized healthcare consultancy uniquely positioned to provide strategic solutions for pharmaceutical and biotech companies specific to the role of managed markets and their influence on life science products. Since 1989, The Zitter Group has worked with life science product manufacturers and managed care organizations to develop effective access and reimbursement strategies by combining a wealth of expertise in economics, medicine, the life sciences, and marketing.