



NAVIGATING THE PHARMACY AND THERAPEUTICS COMMITTEE: THE PHARMACEUTICAL INDUSTRY’S WATERLOO?

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With the advent of Medicare Part D, the majority of pharmaceutical products are now reimbursed under an insurance arrangement. For manufacturers, this necessitates a re-thinking of the importance of the health plan Pharmacy and Therapeutics (P&T) Committee review. Now more than ever before, manufacturers need to consider the P&T review in the marketing plans for both marketed and pre-launch products. The following article presents a series of case studies in order to illustrate the various ways P&T committees make formulary coverage decisions. The article also provides advice on how to overcome several common obstacles your product may face when reviewed by the P&T committee.

Introduction

The relative importance marketing to managed care has changed radically since the inception of Medicare Part D. The advent of Medicare Part D now means that the majority of pharmaceutical costs are reimbursed under an insurance arrangement. For manufacturers, this necessitates re-thinking the importance of the health plan in marketing plans and understanding the key metrics used to review therapies.

Health plans have a very specific review process for therapies which, for the vast majority of therapies, occurs at the health plan’s Pharmacy and Therapeutics (P&T) Committee. Now more than ever before, manufacturers need to consider how products will be reviewed at the P&T committee for both marketed and pre-launch products.

Health plan P&T committees serve as the internal committees empowered to evaluate and determine access to pharmaceutical products. While managed care does not drive specific therapies used by physicians, they do provide preferred formulary positions to those seen as more valuable. Should therapies be perceived as equally efficacious and safe, then appropriate financial analysis will determine therapeutic preferences. It is important for manufacturers to keep in mind that health plans generally review each product, or class of products, in all disease states, at least once a year -- regardless of product life cycle. The rigor of these reviews is increasing in the face of several product withdrawals and additional safety scrutiny on the part of the FDA.

PTP Health Plan is a simulated health plan created to provide unbiased insight to the inner workings of a health plan’s P&T committee. Absent PTP health plan, manufacturers would have no ability to attend such a review. Several case studies from this simulated health plan’s P&T review of different disease states will be presented to illustrate the various challenges through which manufacturers must navigate to ensure optimal access to their products. These reviews are designed to provide better insight to manufacturers as to the depth, rigor and metrics by which their products will be reviewed at the P&T committee.

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Case Studies

Case Study 1: New Brand in a Crowded Generic Marketplace

Overview:

The July 2006 meeting of the PTP Health Plan's P&T committee completed a review of the antidepressant class of medications. As part of the clinical review, the committee reviewed a new entrant into the marketplace, transdermal selegiline, an MAO-inhibitor, and a new indication for bupropion XL. During the financial review, several currently marketed agents were also discussed including:

- *Sertraline HCL*
- *Duloxetine HCL*
- *Venlafaxine HCL*
- *Escitalopram oxalate*

The committee reviewed the agents within the context of their individual antidepressant classes as follows:

1. SSRIs (citalopram, escitalopram, fluvoxamine, paroxetine, sertraline)
2. SNRIs (duloxetine, venlafaxine) and atypicals (bupropion, maprotiline, mirtazapine, nefazodone, trazodone)
3. MAOIs (phenelzine, isocarboxazid, tranylcypromine, selegiline)

Committee Findings:

A manufacturer's successful launch into the antidepressant marketplace of a new therapy or, an existing branded agent touting new indications, will be difficult due to significant generic penetration. Most of the currently launched anti-depressants are available generically or will be within the next two years. Generic penetration combined with limited data showing superiority of one antidepressant agent over the others, makes the antidepressant class one of the most challenging in which to market branded agents. Managed care is unlikely to provide access to a new therapy having little empirical data unless clearly differentiated from current therapies in the eyes of the P&T committee. That being said, marketers of branded agents in any class with significant generic penetration may consider the following to increase the potential for a favorable review by the P&T committee:

- *Provide data to support differentiation of the new product versus incumbents: head-to-head studies, outcomes showing down-the-line cost savings, and/or other differentiators such as compliance data comparisons. Include these data in the AMCP dossier which is used by P&T committee when evaluating new therapies.*
- *Contract and rebate aggressively to counter generic competition particularly when there is no evidence of superior efficacy.*
- *Focus marketing efforts on product attributes where evidence differentiates the product from generic competitors*

Health plans have a very specific review process for therapies which, for the vast majority of therapies, occurs at the health plan's Pharmacy and Therapeutics (P&T) Committee. Now more than ever before, manufacturers need to consider how products will be reviewed at the P&T committee for both marketed and pre-launch products.

Case Study 2: Evaluation of Efficacy with Lack of Head-to-Head Trial Data

Overview:

The March 2006 meeting of the PTP Health Plan's P&T committee reviewed biologic agents for Rheumatoid Arthritis (RA). The review consisted of analyses of clinical and financial data for the following drugs:

- *Abatacept*
- *Adalimumab*
- *Etanercept*
- *Infliximab*
- *Rituximab*

As there were no head-to-head trial data, the drug information specialist devised a comparison combining outcomes data measuring similar endpoints from placebo-controlled published trial data on each drug. Despite the differences in the populations studied, as well as in the overall study designs, the committee deemed the comparison to be valid as a tool to inform decision making in the absence of head-to-head trials.

Committee Findings:

This common situation applies to many branded agents currently on the market as well as those that may launch in the near future. Pharmaceutical marketers should minimize the risk associated with ad hoc comparisons of their product against others in the class. This can be done several ways:

- *Complete head-to-head comparison trials when possible, even if the sample size is smaller than drug approval trials*
- *In the absence of head-to-head comparison trials, develop a marketing plan that takes into account potential ways in which P&T committees may compare agents in a class:*
 - *Perform internal war game comparisons of placebo controlled trial data within the class to identify areas where competitor-data may appear superior. Prepare marketers to be articulate on both positive and negative differences.*
 - *Ensure safety and efficacy data are available and easy-to-understand.*
 - *Include these data analyses in product dossiers so P&T committees can have easy access to them. Not all pharmacy directors or medical directors sit on the P&T committee so information shared with them may not be communicated to the P&T committee who ultimately decides on the access of therapies*

Case Study 3: The “Convenience” Factor

Overview:

In the March 2006 meeting, the P&T committee reviewed the contraceptives class. As part of this review, the committee discussed some newer, branded agents which allowed for reduced menstrual periods with their use. These agents are being marketed heavily to consumers and committee members anticipate receiving many requests for them. However, the consulting gynecologist, acting as an ad hoc member, discussed how to adjust the dosing of the currently

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available generic agents to also reduce menstrual periods. This information factored heavily into the committee's coverage decisions in this class to continue to prefer generic agents over branded ones.

Committee Findings:

Generally P&T committee members are not swayed by attributes that make an agent more convenient for patients, unless there is cost-saving associated with the attribute (such as in self-injected vs. infused) or the improved convenience leads to substantially increased compliance. P&T committees recognize that clinical outcomes will improve with increased compliance to therapy. However, P&T committees will require compelling data correlating the added convenience to increased compliance prior to basing coverage decisions solely on this factor. Marketers in this situation can take the following steps to increase the chances of favorable review by a P&T committee:

- *Partner with a health plan to perform retrospective compliance analyses used to assess compliance benefits or perform clinical trials supporting the compliance benefits*
- *Highlight these benefits in managed care marketing materials identifying financial benefits and cost offsets as appropriate*
- *Include these data in the product dossier*

Case Study 4: Re-launch of a Product Withdrawn for Safety Concerns

Overview:

At the July 2006 meeting, the committee reviewed agents used to treat multiple sclerosis (MS). Of special interest in this category was the consideration of the re-launch of natalizumab which had been temporarily withdrawn from the market for safety concerns. The committee spent a great deal of time discussing the safety data and the risk minimization program for natalizumab.

In the MS class, the most meaningful product attribute was unquestionably safety. As one member stated "...to me it's safety first, efficacy second and cost third. If the safety is not there, then it doesn't matter what the cost is."

Committee Findings:

Marketers in this situation can improve their chances of a favorable P&T committee review by:

- *Ensuring all safety data are available in the dossier and easy-to-understand with limited options for interpretation*
- *Providing managed care with all information regarding the post-launch risk minimization plan*
- *Revisiting the marketing plan to ensure that as more safety data becomes available, it is shared with managed care and optimally, included in the dossier*

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Putting it all Together

Understanding and planning for P&T committee reviews is crucial for manufacturers to have a successful launch of a product, or to ensure that their product stays accessible when faced with new therapies, branded or generic, entering the marketplace. The P&T process is of particular importance during the launch of a new product, with the launch of a branded competitor or with the launch of a generic within the class. There are several key factors that manufacturers must plan for to successfully navigate the P&T committee review. (Table 1)

Table 1: Rallying to Overcome the Challenges

The Challenge	Perception by P&T Committee Members	Pharmaceutical Marketers' Solution
Limited safety data	Generally, committees will prefer to disadvantage products with limited safety data until more is available	<ul style="list-style-type: none"> Provide as much safety data as possible, in an easy-to-understand fashion Emphasize post-launch trials or disease registries focusing on collecting more safety data Revisit the marketing plan to ensure that as more safety data is available, it is made available to managed care
Safety and efficacy comparable to other agents in the class	Cost will become the primary driver of coverage decisions	<ul style="list-style-type: none"> Ensure data showing superiority is easy to understand and not open to interpretation Plan a marketing strategy that takes into account costs including rebates and contracting for competitors
Crowded class with many generics	Generics will always trump branded agent without sufficient product differentiation	<ul style="list-style-type: none"> Focus marketing efforts on product attributes that differentiate it from generic competitors particularly if supported by cost offsets or savings Aggressive contracting and rebate programs may counter generic competition
Perception of attribute as just a "convenience" to patients	Managed care is generally not swayed by attributes that make an agent more convenient for patients (such as extended release versions)	<ul style="list-style-type: none"> While convenience is not a compelling argument, increased compliance is—develop marketing materials that showcase increased compliance with a particular product and support with financial data
Multiple Competitors in Class	Committee members prefer to use data from head-to-head trials to make decisions regarding superiority of one agent over another. However, in the absence of head-to-head trials, the committee will compare agents in the class by analyzing data based on internal methodologies.	<ul style="list-style-type: none"> Complete head-to-head comparison trials, even if smaller than FDA trials In the absence of comparison trials, develop a marketing plan that takes into account potential ways in which P&T committees may compare agents in a class Ensure efficacy and safety data are available and easy-to-understand, with limited options for interpretation
Re-launch of a product withdrawn for safety concerns	Safety is always the number one concern of P&T committee members. Therefore products that are in this situation will probably incur increased scrutiny. P&T committees may decide to defer a coverage decision for three to six months post-relaunch to allow for more safety data to be accumulated.	<ul style="list-style-type: none"> Ensure all safety data are available and easy-to-understand with limited options for interpretation Provide managed care with all information regarding the post-launch risk minimization plan Revisit the marketing plan to ensure that as more safety data is available, it is made available to managed care

Data Comparison

P&T committees struggle with performing effective comparisons of agents within a drug class or therapeutic category in the absence of head-to-head studies. It is especially important for manufacturers to keep in mind that generally P&T committees will compare data for all products in the same class even without head-to-head trial data. While P&T committees will acknowledge the differences in clinical trial design, in the absence of true head-to-head

comparison trials, these committees will create their own comparisons based on available outcomes data for all agents in the class. Depending upon the methodology used, the comparison may inaccurately lead the committee members to decide one agent is more or less efficacious than another. Ideally, the manufacturer should complete head-to-head comparison trials, even with smaller sample sizes than those required for FDA approval, to reduce the likelihood of inaccurate comparisons.

Safety data are the most important data evaluated by P&T committees.

Manufacturers must take time and care to ensure that all relevant data to support their product is available to managed care and included in the dossier. Additionally, manufacturers must understand how their data will compare to other products in the space. Further due diligence must be taken to provide the data in a transparent fashion that is not open to interpretation.

Safety First

Managed care is currently reacting to multiple outside pressures to both contain premium costs while assuring access to safe and effective therapies. The current political atmosphere regarding the safety of pharmaceutical products is forcing managed care companies, through the P&T committee, to be cautious when approving coverage for new or existing therapies. Safety concerns which are not supported by compelling efficacy data may result in disadvantaging certain products.

Safety data are the most important data evaluated by P&T committees. The safety data must be robust enough to allay any concerns the committee members may have for the drug. An unfavorable safety profile will most likely prevent adequate consideration of the product's efficacy data, unless these data are compelling enough to outweigh safety concerns. However, in a less-debilitating disease state, P&T committees will give more weight to safety data over efficacy data, even if the efficacy data are vastly superior to other treatments in the class. Additional post-launch monitoring systems may not be enough to put aside safety fears, especially if they may incur additional costs related to extra testing or treatments for side effects.

Conclusion

The importance of successful formulary reviews by managed care will only increase with the aging of the U.S. population and the subsequent increase in citizens eligible for Medicare drug coverage. More than ever before, a successful launch of a new product will hinge upon good formulary positioning. Manufacturers must have a good understanding of the P&T process and how their product will be perceived by managed care when deciding upon access for their product. Understanding and planning for the P&T review will be crucial to optimal managed care uptake of new and existing pharmaceutical products.

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