

THE ZITTER GROUP

## Market Research

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# ***The 2009 Managed Care Injectables Index***

**A Twice-Yearly Assessment  
of Key Trends in Biologic and  
Injectable Management from  
The Zitter Group**

## **Prospectus**



## THE EVOLUTION OF INJECTABLES AND BIOLOGICS IN MANAGED CARE

***Faced with nearly 400 such products in the pipeline, managed care, like the proverbial sleeping giant, has begun to direct its attention at injectable and biologic agents.***

Faced with a burgeoning pipeline of drugs that increasingly treat more prevalent conditions, managed care organizations (MCOs) have adopted a variety of strategies to exert greater control over injectable and biologic utilization. These include the use of specialty pharmacy providers (SPPs) to lower product acquisition costs, higher copayments to generate revenue and moderate patient demand, and, increasingly, efforts to trade preferential access for reduced or favorable pricing from manufacturers.

To date, most payer savings have come at the expense of physicians, through reduced reimbursements and mandatory vendor imposition. Some additional savings have come through benefit design changes that have generated more revenue from patients, or lowered utilization.

As payers seek to find new savings, the implications for manufacturers are clear: either demonstrate meaningful, tangible value, or risk less advantageous access.

**The *Managed Care Injectables Index* is the largest quantitative assessment of managed care market dynamics, and will help you to understand these current trends in managed care's approach to injectables and biologics, and how best to respond to them.**

**Our goal: to help you optimize product performance in the heterogeneous managed care market for biotech and specialty products.**

## BENEFITS FOR YOU

The ***Managed Care Injectables Index*** will help you to:

- ✓ Monitor changes in physician reimbursement strategies
- ✓ Understand current trends in the use of specialty pharmacy services
- ✓ Track changes in formulary and benefit design, such as co-pays and out-of-pocket costs
- ✓ Understand the implications of tier placement
- ✓ Compare prior authorization rigor by disease category
- ✓ Quantify the degree of interchangeability among products within a category
- ✓ Identify categories most likely to experience high rates of self-administration
- ✓ Assess impact of medical and pharmacy benefit classifications
- ✓ Develop effective contract strategies
- ✓ Justify your resource decisions internally with rigorous research
- ✓ Develop winning marketing strategies in an increasingly complex market

### *Who Needs This Index?*

- ✓ Market Research
- ✓ Commercial Analysis
- ✓ Brand Teams
- ✓ Managed Care Marketing
- ✓ Customer Marketing
- ✓ Sales

## KEY TRENDS IN INJECTABLE AND BIOLOGIC MANAGEMENT

Past editions of The Zitter Group's ***Managed Care Injectables Index*** identified several major trends that will affect the utilization of injectable and biologic products:

### *Reimbursement and payment*

- ✓ What is the current physician reimbursement rate? How has this rate changed?
- ✓ What is the projected adoption of ASP by disease category?
- ✓ Have falling reimbursement rates resulted in changes in site of care?
- ✓ How do physician reimbursement rates compare to the costs of other arrangements, including SPP direct shipment, retail, and HOPD administration?

### *Use of specialty pharmacy services*

- ✓ What are the historical and current specialty pharmacy utilizations?
- ✓ Which categories are most likely to be managed by specialty pharmacy vendors? The least likely?
- ✓ Are specialty arrangements voluntary or mandatory for network physicians?
- ✓ How satisfied are payers with SPPs? Against which metrics are SPPs evaluated?
- ✓ Do payers value the services bundled with products when obtained through limited manufacturer distribution networks?

### *Category Management*

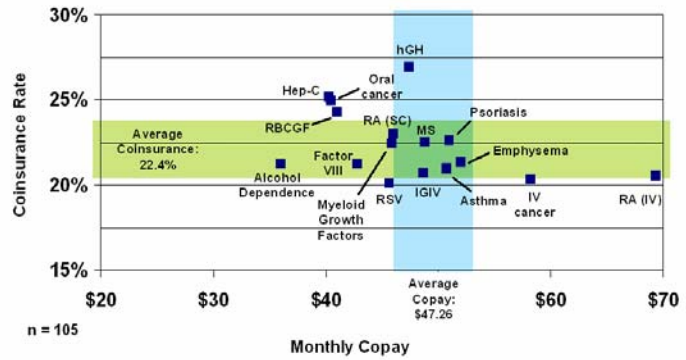
- ✓ Which categories are most likely to be managed aggressively? How will that evolve?
- ✓ What are the main barriers to biologic product management?
- ✓ What are the different category management strategies? How prevalent is their current use, and how will usage change in 12 months?
- ✓ For products within a specialty category, which product attributes serve as key differentiators?
- ✓ In which categories do specific injectables or biologics enjoy preferred status?



# Trends in Cost-Sharing and Co-insurance

**Key Findings:**  
 • Average coinsurance and copay levels have increased slightly since Spring 2006, coinsurance rising to 22.4% from 20.5% and copay to \$47.26 from \$44.51

## Cross-Category Cost-Sharing Comparison



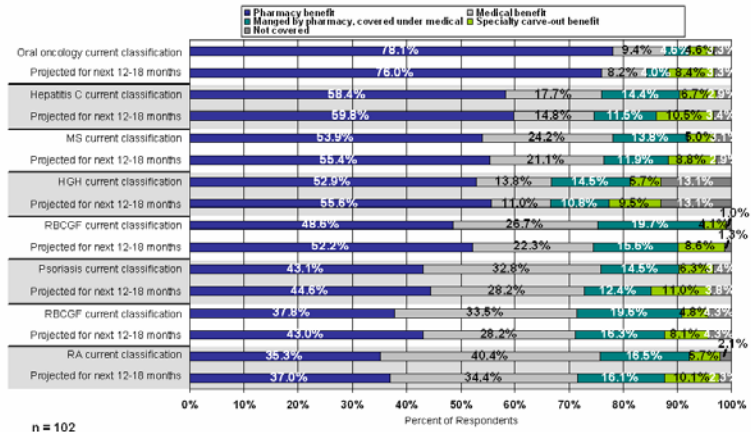
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# Benefit Classification by Category

**Key Findings:**  
 • Payers project a slight increase in pharmacy benefit classification across all categories with the exception of oral oncology  
 • Payers project an increase in specialty carve-outs across all therapeutic categories

## Benefit Classification by Category



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Additional quantitative and qualitative information is collected in order to refresh the index, and to chart important trends.

Additional analysis may be obtained for an additional fee.

## METHODOLOGY

Valuable market research is accurate and actionable. That requires methodological rigor and an understanding of how pharmaceutical marketers develop and implement strategies and tactics. The Zitter Group has surveyed managed market executives to understand their perceptions, needs, and decision-making criteria across numerous product categories and strategic issues. Now you can access this sophisticated intelligence with a special focus on evolving pharmacy benefits in the managed care world.

The ***Managed Care Injectables Index*** utilizes semi-annual surveys of 100 top decision-makers in large national and important regional managed care plans, including both pharmacy and medical directors. The survey uses a constructed sample designed to approximate the overall managed care market.

In its research into managed care for pharmaceutical manufacturers, The Zitter Group has introduced a level of methodological rigor usually reserved for patient and physician populations. We are so confident that you will find our results valuable that we stand behind this study with a full money-back guarantee.

## PRICING

The price for an annual subscription to The Zitter Group's ***Managed Care Injectables Index*** is \$46,950.

The Zitter Group will provide an electronic copy of each semi-annual report along with a limited license to reproduce and distribute the content within your organization. The report will detail the study methodology, describe study participants, outline conclusions, and present an executive summary of the research findings. In addition, in order to limit our carbon footprint, TZG allows customers to opt-in to receive up to five (5) bound copies of each semi-annual report, at no additional cost.

## SCHEDULE

The ***Managed Care Injectables Index*** has been produced twice annually since 2003. The publication schedule is as follows:

Vol. 7, No. 1 (Spring 2009)	May/June 2009
Vol. 7, No. 2 (Fall 2009)	October/November 2009

## THE ZITTER GROUP

### **LINKING YOU TO YOUR CUSTOMERS**

For nearly two decades, The Zitter Group has worked with life science product manufacturers and managed care organizations to develop effective strategies and programs. Combining a wealth of expertise in economics, medicine, and the life sciences with a strong brand name, The Zitter Group is uniquely positioned to provide leading-edge strategic solutions to help you achieve your business objectives.

### **NEARLY TWO DECADES OF SUCCESS STORIES**

Throughout its history, The Zitter Group has provided product manufacturers with innovative programs to strengthen relationships with their customers, enhance appropriate product use, dramatically improve treatment results, and build brand allegiance.

### **COMBINING INSIGHT AND EXPERTISE**

Blending best-in-class expertise in the delivery of health care with rigorous and reliable analytic methods, The Zitter Group provides manufacturers with the most actionable and reliable strategic insight possible. Whether you are launching a new product or seeking to maximize the performance of an existing product, The Zitter Group is uniquely qualified to provide the insight you need to ensure optimal decision-making.

### **FOR MORE INFORMATION**

The Zitter Group is pleased to provide the following proposal to you. To discuss this proposal, please contact The Zitter Group at 415-547-1000 or 973-376-1300.