THE ZITTER GROUP

Market Research

The 2009 Managed Care Biologics and Injectables Index

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

The Zitter Group

Prospectus

The Evolving Specialty Landscape

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.

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 Biologics and 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.

The Managed Care Biologics and 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
- ✓ 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 will benefit from the **Managed Care Biologics and Injectables Index**?

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

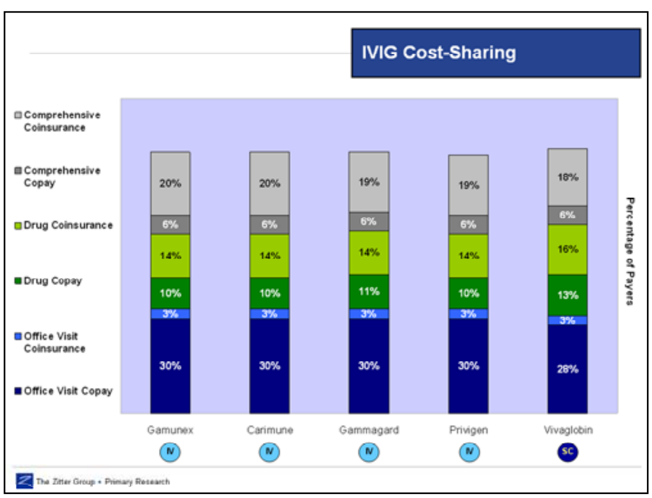
Key Research Issues

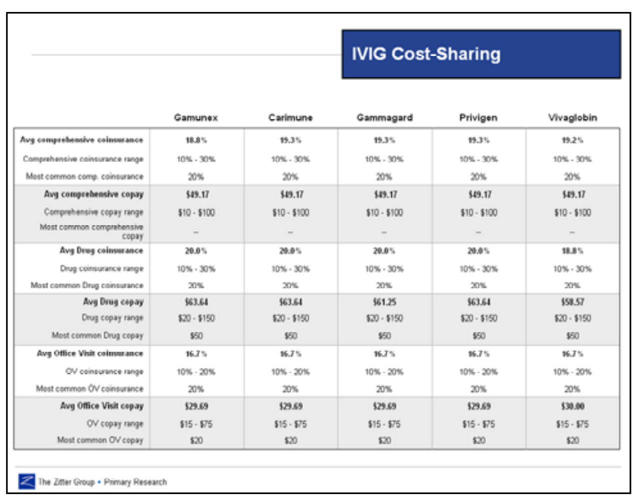
The ***Managed Care Biologics and Injectables Index*** is the most comprehensive and up-to-date analysis of the major trends underway in the evolving payer management of specialty therapies. The Zitter Group works closely with clients and subscribers to frame research questions, ensuring that each semi-annual issue provides detailed, intelligent analysis of the most important current trends.

- ✓ How are providers being reimbursed for office administered therapies?
- ✓ How has the adoption of ASP reimbursement affected the specialty landscape?
- ✓ Which specialty categories do payers view as the highest management priorities?
- ✓ Do payers anticipate changing their management philosophy for orphan therapies?
- ✓ What do payers believe the impact of biosimilars will be?
- ✓ To what extent does cross-benefit management of competing therapies affect payer management?
- ✓ What role do specialty pharmacy providers play in the specialty landscape?
- ✓ What are the preferred distribution channels for specialty therapies?
- ✓ How do payers respond to evolving site-of-care dynamics?
- ✓ How do payers differentiate between specialty therapies?
- ✓ How do payers evaluate vaccine coverage within their organization?
- ✓ What are the most common formulary/benefit designs?
- ✓ What trends do payers see in patient cost sharing?
- ✓ What do payers consider to be their management strengths and weaknesses?
- ✓ What key specialty landscape trends should manufacturers monitor moving forward?

Cost-Sharing Burdens: Select Cancer

The ***Managed Care Biologics and Injectables Index*** also tracks payer management of therapies for the most important solid and hematological tumor types, along with leading supportive care agents. The study provides an accurate portrait of current coverage policies, cost-sharing burdens, and access rules, as well as their impact on utilization.




IVIG Cost-Sharing

	Gamunex	Carimune	Gammagard	Privigen	Vivaglobin
Avg comprehensive coinsurance	**18.8%**	**19.3%**	**19.3%**	**19.3%**	**19.2%**
Comprehensive coinsurance range	10% - 30%	10% - 30%	10% - 30%	10% - 30%	10% - 30%
Most common comp. coinsurance	20%	20%	20%	20%	20%
Avg comprehensive copay	**$49.17**	**$49.17**	**$49.17**	**$49.17**	**$49.17**
Comprehensive copay range	$10 - $100	$10 - $100	$10 - $100	$10 - $100	$10 - $100
Most common comprehensive copay	--	--	--	--	--
Avg Drug coinsurance	**20.0%**	**20.0%**	**20.0%**	**20.0%**	**18.8%**
Drug coinsurance range	10% - 30%	10% - 30%	10% - 30%	10% - 30%	10% - 30%
Most common Drug coinsurance	20%	20%	20%	20%	20%
Avg Drug copay	**$63.64**	**$63.64**	**$61.25**	**$63.64**	**$58.57**
Drug copay range	$20 - $150	$20 - $150	$20 - $150	$20 - $150	$20 - $150
Most common Drug copay	$50	$50	$50	$50	$50
Avg Office Visit coinsurance	**16.7%**	**16.7%**	**16.7%**	**16.7%**	**16.7%**
OV coinsurance range	10% - 20%	10% - 20%	10% - 20%	10% - 20%	10% - 20%
Most common OV coinsurance	20%	20%	20%	20%	20%
Avg Office Visit copay	**$29.69**	**$29.69**	**$29.69**	**$29.69**	**$30.00**
OV copay range	$15 - $75	$15 - $75	$15 - $75	$15 - $75	$15 - $75
Most common OV copay	$20	$20	$20	$20	$20

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Contents

Reimbursement and ASP Adoption

Explores the scope and pace of payer changes in reimbursement, and their impact on regimen selection, patient access, and site of care.

- ✓ Current use of AWP, ASP in commercial market, by geography, and payer/ practice size
- ✓ Anticipated timeline for ASP adoption
  - o Adjustments to non-drug fees
- ✓ Impact on drug mix and regimen selection
- ✓ Changes to site of care

Payer Management Systems and Practices

Focuses on the evolving management systems payers use to manage access, track utilization, adjudicate claims, and pay providers.

- ✓ Current Management Systems
  - o Data and claims management
- ✓ Prior authorization/utilization management
  - o Current PA systems
  - o Step edits
  - o Reimbursement
- ✓ Distribution Systems and Arrangements
  - o Buy-and-bill
  - o Specialty pharmacy arrangements
- ✓ Planned Management Changes
  - o Mandatory distribution arrangements
  - o Reimbursement reductions
  - o Preferred drugs/category management
  - o Capitation/risk-sharing arrangements
  - o Management of Orphan Therapies

Current and Anticipated Product and Category Management

Provides a detailed analysis of current and planned payer management of each key category, including coverage policies, OOP costs, benefit classification, and prior authorization rules.

- ✓ Multiple Sclerosis
- ✓ Osteoporosis
- ✓ Biologic Response Modifiers (BRMs)
- ✓ Erythropoietin Stimulating Agents (ESAs)
- ✓ Hemostatics
- ✓ Hepatitis
- ✓ Human Growth Hormone (hGH)
- ✓ Hereditary Emphysema
- ✓ IgE-Mediated Asthma
- ✓ Respiratory Syncytial Virus (RSV)
- ✓ IVIG

Category Profiles

Provides product specific attribute ratings and in-depth analysis of category management philosophies and policies.

- ✓ Multiple Sclerosis
- ✓ Biologic Response Modifiers (BRMs)
- ✓ Erythropoietin Stimulating Agents (ESAs)
- ✓ Hemostatics
- ✓ Hepatitis
- ✓ Human Growth Hormone (hGH)
- ✓ IVIG

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 ***Managed Care Biologics and 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.

The Zitter Group uses multiple analytic methods, including rank-order (ordinal), Likert scales, discrete-choice analysis (including conjoint designs), and other techniques in order to produce reliable quantitative results. Quantitative data are augmented with extensive open-ended, qualitative information, included to enrich the understanding of this dynamic market.

Timing

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

Spring 2009: 13th Edition – May/June 2009
Fall 2009: 14th Edition – October/November 2009

Subscription Options

There are two ways to subscribe to the ***Biologics and Injectables*** Index.

The **Live Subscription** includes:

- ✓ Two semi-annual editions
- ✓ Up to five printed copies of each edition
- ✓ Up to four formal presentations of findings (two on-site, two webcasts)
- ✓ Up to three customized reports/data cuts per edition (each containing up to five unique data cuts), and access to the research team for follow-up questions, data clarification, or additional insight (up to ten hours of telephonic support per edition)

Alternately, there is a basic subscription available that includes:

- ✓ Two semi-annual editions
- ✓ Up to five printed copies of each edition
- ✓ Two formal presentations of findings (one on-site, one webcast)

The Zitter Group

Nearly Two Decades of Success Stories

Since 1989 The Zitter Group has worked with life science product manufacturers and managed care organizations to strengthen relationships, enhance appropriate product use, dramatically improve treatment results, and build brand allegiance.

Unmatched Payer Market Insight

Since its founding, The Zitter Group has worked in the payer market, developing unmatched domain expertise. Unlike other companies that dabble in the managed care world, we have lived there since the beginning, and that experience and insight informs everything we do.

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 clients 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.