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FOLLOW THE DOLLAR: **Demystifying Market Access** **Training for Multiple Audiences**

Introductions



John Reddy

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Access and Reimbursement*
Biogen



Sean Grant

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Engage Rx Learning



Susan Baltrus

CEO
Engage Rx Learning

Learning Objectives

After participating in this workshop, you will be able to:



Build (or enhance)
an advanced market
access training track



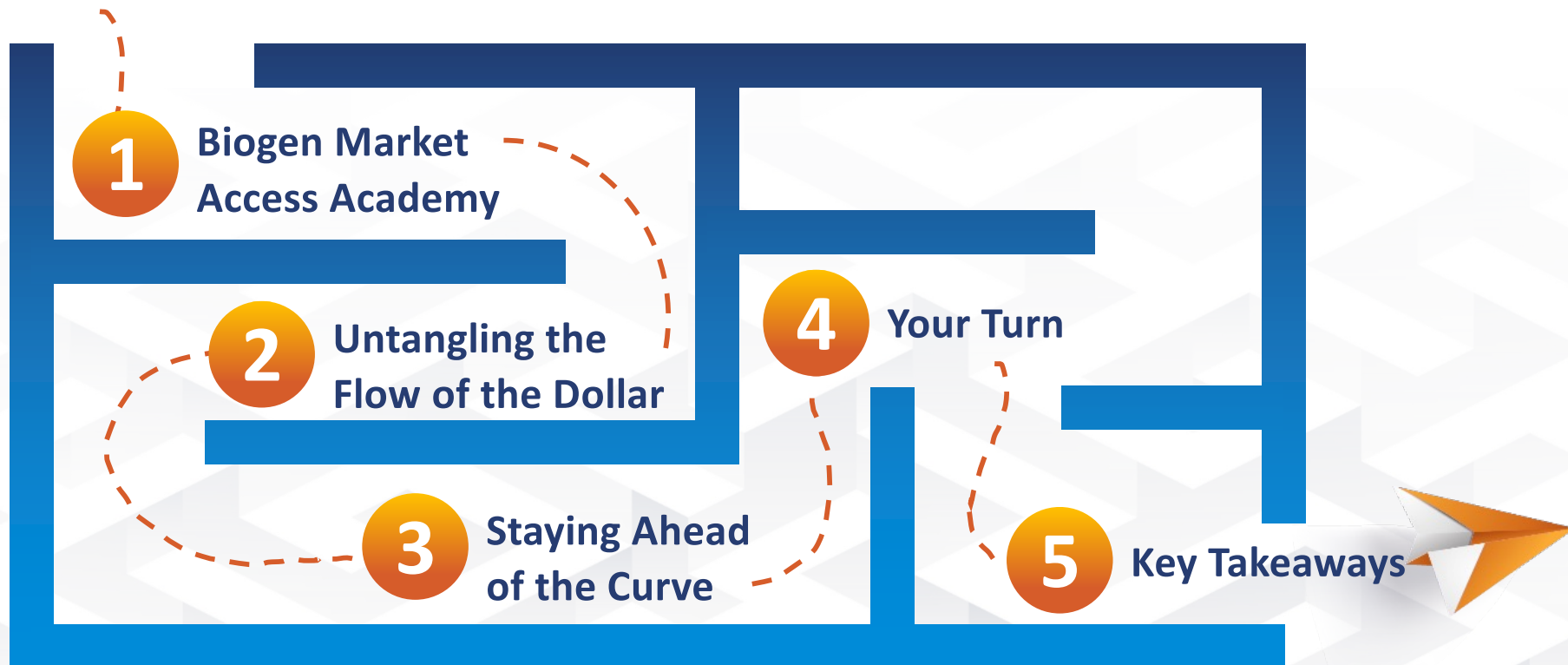
Anticipate the impact
of market access trends
on training needs



Engage learners in
activities to promote a
deeper understanding of
the flow of the dollar




Agenda



Biogen Market Access Academy

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Biogen's Access Academy

"The Crown Jewel"

Participants: field-based reps, district managers, reimbursement managers

By invitation only

- 100% engagement required
- High visibility

Opportunity to shine

- Elevates
- Empowers
- Shapes champions

Pathway to career advancement

- Develop a bench

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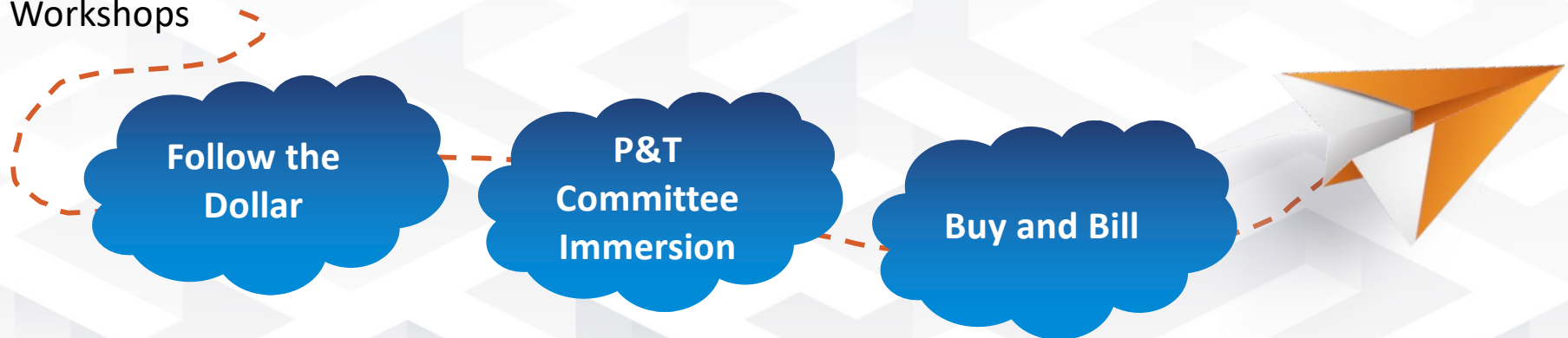


Access Academy



Program Design

- 3 days, live or virtual, offered twice annually
- Facilitators: recognized internal experts
- Activity directors: Biogen leadership, mentors
- Experiential approach
- Workshops



P&T Committee Immersion Workshop

Your Team Is the P&T Committee!

The P&T committee is conducting a class review of 8 drugs to treat rheumatoid arthritis (RA)

- 4 new drugs have been added over the last year
- You will play the role of a member of a fictitious P&T committee and decide which drugs will be on the payer's formulary
- Read all background information about RA products
- Read the profile for **ONLY** your assigned role

P&T committee meeting

- 50 minutes
 - Introductions
 - Discussion questions
 - Make a decision
- When we reconvene, be ready to share your team's decisions and rationale



All characters and product names used in this exercise are fictitious



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P&T Committee Workshop
For Non-Reimbursement Roles

ACCESS ACADEMY

RA MEDICATIONS SUMMARY

All products are fictitious

Product	Current status	Launch date	Delivery method	Annual WAC	# of Members	MSRP	Year On-market
Acetaminophen (Brand)	Coverage excluded	2000	Injection	\$20,000	15**	\$2.01	Covered? <input type="checkbox"/> No <input type="checkbox"/> Yes Plan ID: 123 124 125 126 127 Reimbursement: <input type="checkbox"/> PA <input type="checkbox"/> SOC <input type="checkbox"/> F100
Hydrocortisone (Generic version of Acetaminophen)	The 4 PA, SOC restriction	2020	Injection	\$8,000	80	\$2.00	Covered? <input type="checkbox"/> No <input type="checkbox"/> Yes Plan ID: 123 124 125 126 127 Reimbursement: <input type="checkbox"/> PA <input type="checkbox"/> SOC <input type="checkbox"/> F100
Insulin (Brand)	The 4 PA, SOC restriction	2001	Injection	\$20,000	1,200	\$2.93	Covered? <input type="checkbox"/> No <input type="checkbox"/> Yes Plan ID: 123 124 125 126 127 Reimbursement: <input type="checkbox"/> PA <input type="checkbox"/> SOC <input type="checkbox"/> F100
Chloride (Generic version of Insulin)	Off formulary	2021	Injection	\$20,000	10**	\$2.01	Covered? <input type="checkbox"/> No <input type="checkbox"/> Yes Plan ID: 123 124 125 126 127 Reimbursement: <input type="checkbox"/> PA <input type="checkbox"/> SOC <input type="checkbox"/> F100
Statins (Brand)	The 2 PA	2002	Self-injected	\$04,000	2,300	\$2.17	Covered? <input type="checkbox"/> No <input type="checkbox"/> Yes Plan ID: 123 124 125 126 127 Reimbursement: <input type="checkbox"/> PA <input type="checkbox"/> SOC <input type="checkbox"/> F100
Statins (Generic version of Statins)	Off formulary	2022	Self-injected	\$25,000	0	\$2.00	Covered? <input type="checkbox"/> No <input type="checkbox"/> Yes Plan ID: 123 124 125 126 127 Reimbursement: <input type="checkbox"/> PA <input type="checkbox"/> SOC <input type="checkbox"/> F100
Lotus (Brand)	The 3 PA, SOC restriction	2023	Injection	\$10,000	100	\$2.00	Covered? <input type="checkbox"/> No <input type="checkbox"/> Yes Plan ID: 123 124 125 126 127 Reimbursement: <input type="checkbox"/> PA <input type="checkbox"/> SOC <input type="checkbox"/> F100

P&T Committee Workshop
For Non-Reimbursement Roles

ACCESS ACADEMY

Profile for JAYDEN JACOBS
You are playing this role

Committee for 8 years
Rheumatologist
Rheumatology practice that was recently sold
to a large hospital

YOUR BACKGROUND

- On this P&T committee for 4 years
- Practicing retail pharmacist

YOUR PERSPECTIVE

- You are committed to bridging the gap among payers, providers, and pharmacists
- You recognize the complexity of the healthcare system and are excited to make changes that will benefit patients
- You are concerned about covering new drugs before they have established a real-world track record; in your opinion, a drug shouldn't be considered by a P&T committee until it is at least 1 year after FDA approval

Reducing the cost of drugs to treat RA is a top priority for payers. The proliferation of new drugs is unsustainable for payers. Among treatment options for RA, you want to see more outcomes, and believe that the management techniques to steer payers towards the most efficacious and cost-effective (rather than product excursions)

Profile for HARI HENDRICKS
You are playing this role

Committee for 2 years
Rheumatologist
Large multi-specialty group practice
Working in a teaching hospital

My goal is to reduce the cost of drugs to treat RA by bringing innovative therapies to the market. I believe that PAs and step therapy are unnecessary barriers placed on patients and prescribers.

Feedback

“Awesome”

“Valuable”

“Engaging”

*“Well
facilitated”*

“Amazing”

“Well done”

“Informative”




Questions?



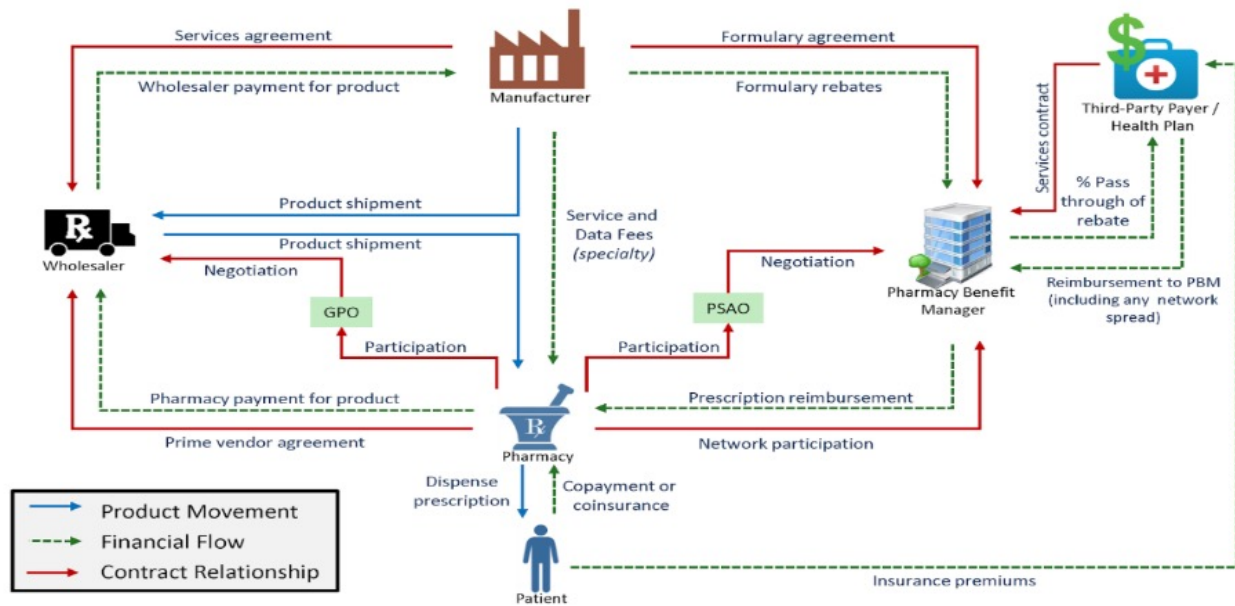
Untangling the Flow of the Dollar

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Look Familiar?

U.S. Distribution and Reimbursement System: Patient-Administered, Outpatient Drugs



Source: Fein, Adam J., *The 2017 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers*, Drug Channels Institute, 2017. Chart illustrates flows for **Patient-Administered, Outpatient Drugs**. Please note that this chart is illustrative. It not intended to be a complete representation of every type of financial, product flow, or contractual relationship in the marketplace.
GPO = Group Purchasing Organization; PSAO = Pharmacy Services Administrative Organization

There has to be a better way....

There Has To Be a Better Way!



Team Activity: Follow the Dollar (Pharmacy Benefit Drug)



Employer



Payer



PBM



Specialty
Pharmacy



Wholesaler



Manufacturer



Patient

Each member of your team:

- Plays the role of a different stakeholder (employer, payer, PBM, SP, wholesaler, manufacturer, or patient)
- Takes a stakeholder card and a matching name tag
- Receives \$5,000 in fake currency



Follow the Dollar (Pharmacy Benefit Drug)

List Price:
\$5,000



1	Wholesaler pays manufacturer (6% discount)								
2	Specialty pharmacy pays wholesaler (4% discount)								
3	Patient has 25% coinsurance but pays only \$100 because patient has copay card								
3	Manufacturer offsets patient cost with copay card								
4	PBM pays specialty pharmacy 75% of list price less 2%								
5	Manufacturer pays rebate to PBM of 12% of list price								
6	Payer pays PBM list price less 2.5%, less patient's coinsurance; PBM gives most of rebate to payer (8% of list price)								
7	Employer pays payer list price, less patient coinsurance, receives 95% of the payer's rebate								
	Total								

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Follow the Dollar Debrief



What is the difference between your starting amount and ending amount?



Your thoughts?



Your reaction?


Insights?

Ideas?



Staying Ahead of the Curve

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Market Access Trends

- 1 Declining financial performance
- 2 Evolving payer restrictions
- 3 Increasing out-of-pocket costs
- 4 The rise of AI

HEALTHCARE

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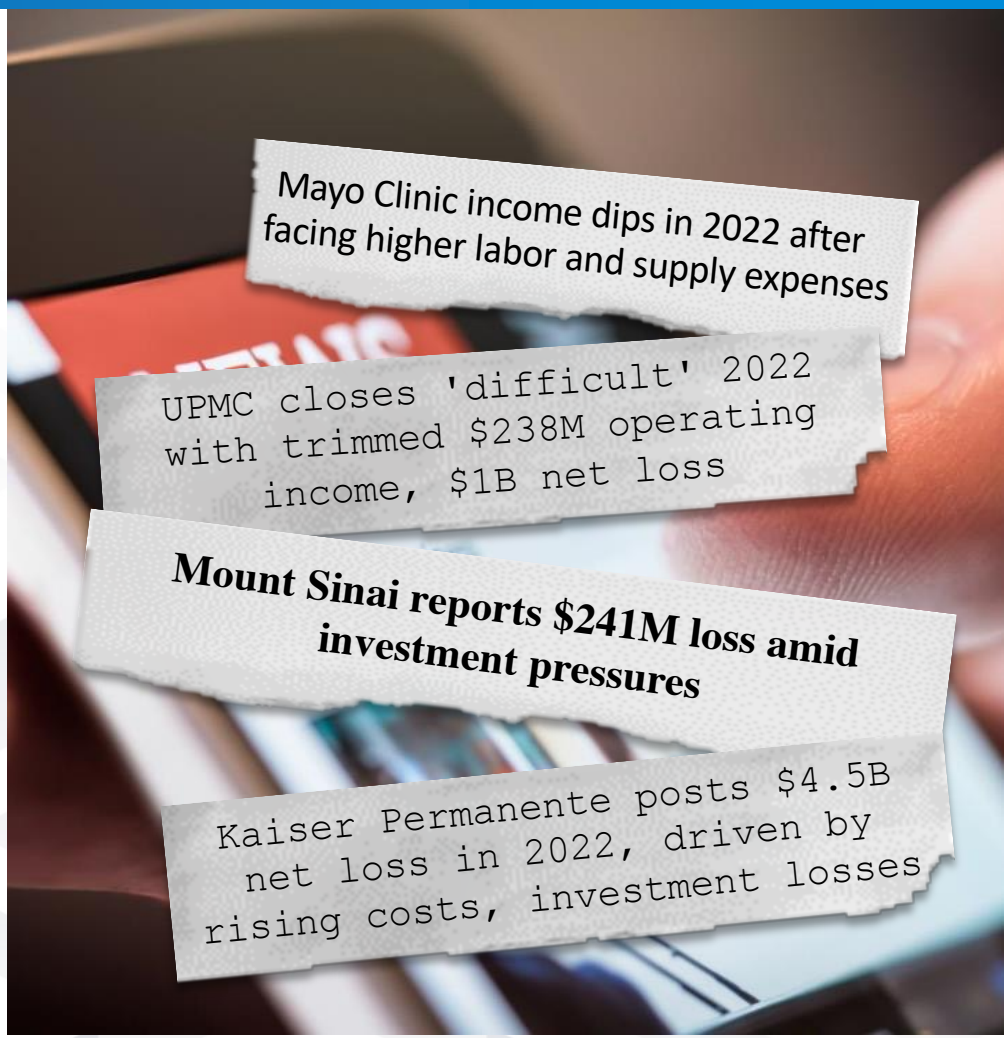
Declining Financial Performance

9 Health Systems Hit With Credit Downgrades

Hospitals Estimate Bleak financial Outlook for 2022

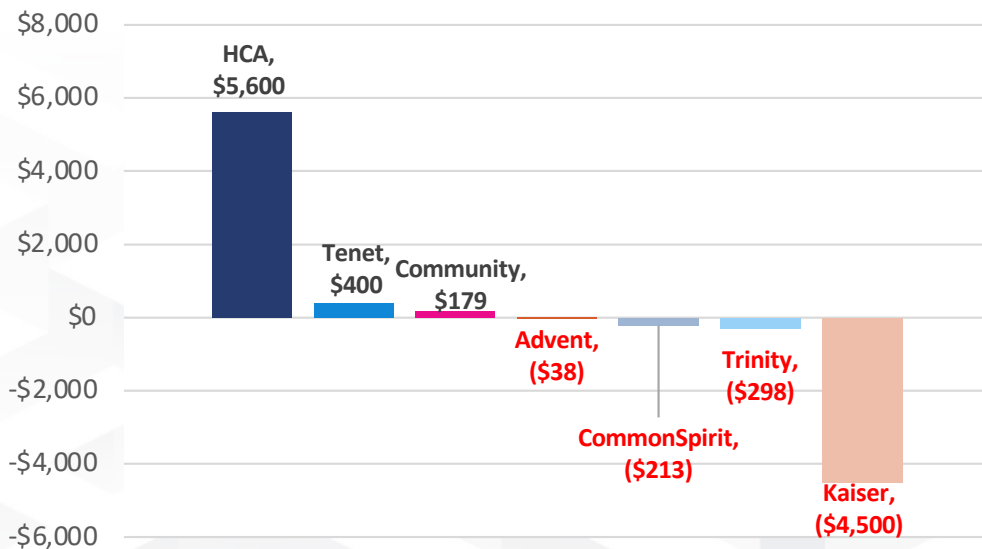
Hospital Finances Are Grim: Here's What They're Doing About It

85% Of Facilities Facing Allied Healthcare Professional Shortages

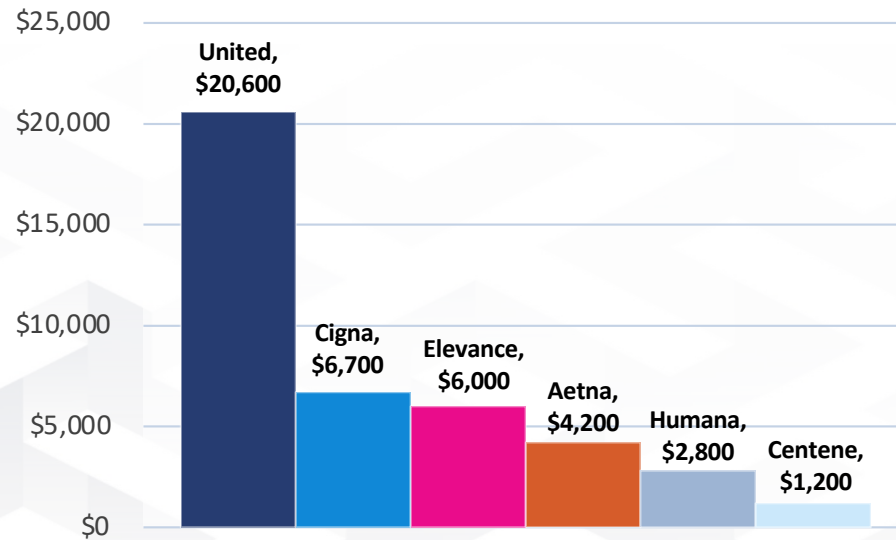


2022 Financial Performance: Providers vs Payers

2022 Large Health System Profits (in millions)



2022 Payer Profits (in millions)



- 53% to 68% of hospitals finished 2022 in the red (compared to 34% in 2019)
- For-profit health systems had much stronger performance in 2022 than nonprofit systems

- None of the large payers posted a loss, but most are insulated by other businesses
- Humana announced it's exiting the commercial business

At Odds...

Providers



Payers

The House Always Wins:
Insurers' Record Profits Clash
With Hospitals' Hardship

Goldman Sachs forecasts positive
outlook for insurers in 2022,
buoyed by shift to value-based care

Patients



**How Your Health Insurer and Your Doctors
Scheme to Screw You Over**

"There's not a great deal of incentive on the part of any players to bring the costs down."

Private equity refers to the capital that investors invest directly into private companies or use to buy public companies and make them private.

1

Benefits of PE investment

- Access to capital enables GI practices to invest in innovation and infrastructure development
- Medical practice leaders can potentially share in the equity investment

Criticisms of PE investment

- Short-term profits are maximized by raising prices without improving healthcare
- Loss of clinician autonomy and pressure to meet quotas, sell products, and refer patients to affiliated specialists
- Closure of unprofitable practices can cause communities to lose access to medical care



Implications for Providers, Payers, and Trainers

Providers

Exploring new ways to control costs and maximize revenue by boosting performance on value-based reimbursement metrics

- Restrict access to medications?
- Increase standardization?

Payers

Intensifying efforts to control costs

- Expect an even fiercer focus on reducing drug spend



TRAINING OPPORTUNITIES

KAMs

- Value-based payments
- EHRs
- HEOR
- Navigating health systems
- Executive sell
- Financial literacy

ADs

- Negotiation skills

Reps

- Team-based selling
- Pull through



2 Evolving Payer Restrictions

Rise in Formulary Exclusions

- CVS Caremark, Express Scripts, and OptumRx process 3 out of every 4 prescriptions
- Each one has 600+ drugs on its exclusion list

Exclusion Scenarios

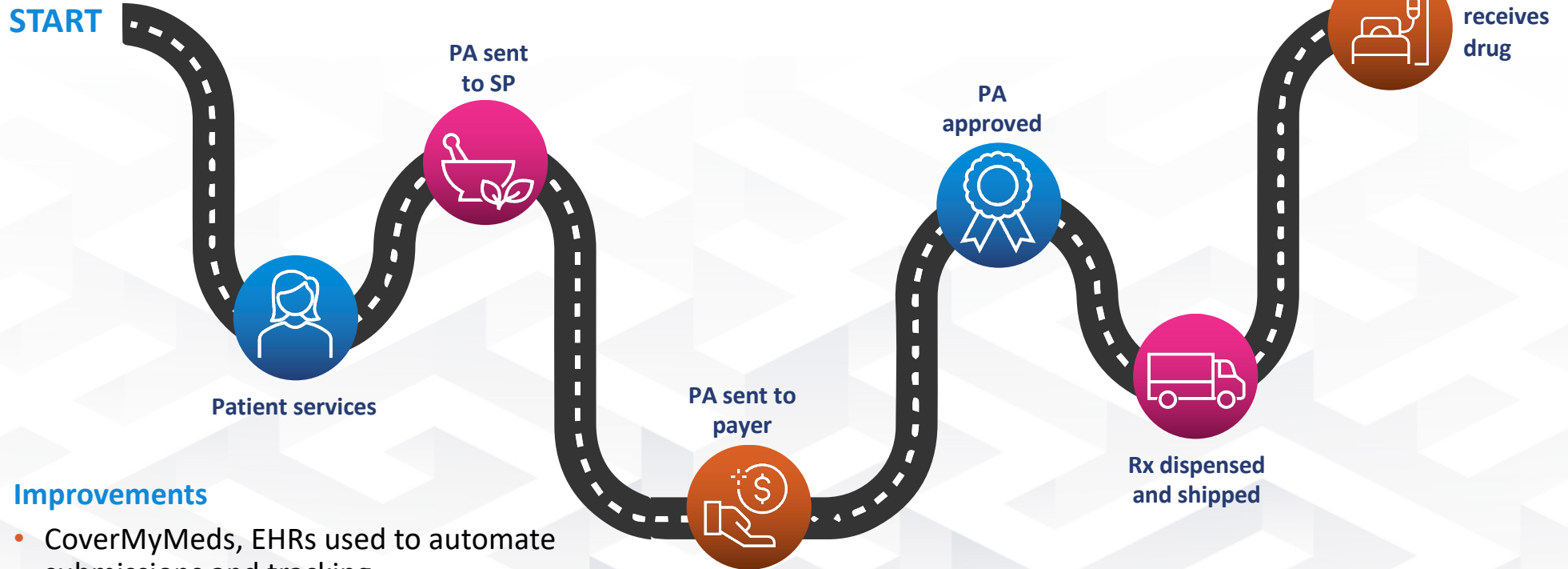
- **Generic** displaces brand drug
- **New brand** drug negotiates lower pricing for all medications in the class, excluding other brands
- **New indication** for a competitor forces tougher negotiations for all competitors and ousts high-cost competitors

Can result in perverse incentives

Express Scripts offered patients a \$500 debit card if they switched from Cosentyx, which it took off its formulary, to Taltz or other drugs for psoriasis and psoriatic arthritis

Improved Management of Prior Authorizations (PA)

2



Improvements

- CoverMyMeds, EHRs used to automate submissions and tracking
- Legislative restrictions on onerous PA processes

Implications for Providers, Payers, and Trainers

Providers

- Restrictions are increasingly black and white
- PAs are becoming less of a nuisance

Payers

- Assessing most effective controls and doubling down on those



TRAINING OPPORTUNITIES

KAMs

- EHRs
- Navigating health systems

ADs

- Pull through

Reps

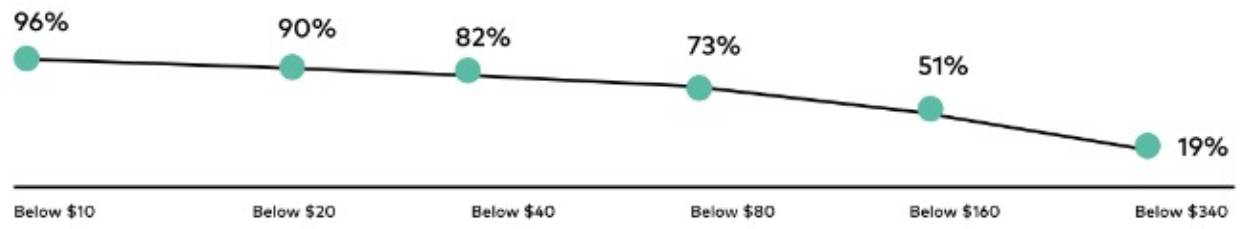
- Pre-call planning
- Selling through restrictions
- Hub support
- Verbalization practice



3 Increasing Out-of-Pocket Costs

Half of consumers find it very or somewhat difficult to afford their healthcare costs

Payment Conversion Rates at Varying Copay Amounts *



Only 3% of eligible patients take advantage of patient services programs

TRAINING OPPORTUNITIES



KAMs

- Key stakeholders in health systems
- EHRs

ADs

- Pull through

Reps

- Patient access journey
- HUB programs
- Verbalization practice

4 The Rise of Artificial Intelligence

Health Systems

- Prior authorization
- Medication recommendations
- Revenue cycle management

Merger and Acquisition Deals

BioNTech acquires InstaDeep to add AI technologies for drug discovery, manufacturing

Microsoft acquires Nuance to expand healthcare platform

R1 RCM purchases Cloudmed to uncover added revenue streams



88% of C-suite executives anticipate widespread implementation of AI within the next five years, impacting clinical documentation improvement, coding, and other parts of the revenue cycle.



Implications for Training



4

REPS NEED TO

- Move beyond the clinical sell
- Be aware of shifts in the access landscape and access opportunities
- Be armed to fluently handle first line access questions

KAMS NEED TO

- Uncover access processes and stakeholders in health systems
- Conduct a “total system call” to educate and motivate key stakeholders in access
- Lead team-based selling efforts that recognize the importance of access

ADS NEED TO

- Communicate effectively with reps and KAMs
- Support ongoing education efforts
- See the total picture





**YOUR
TURN!**

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TABLE TEAM DISCUSSION WS

Please view in Notes Page

Summary



What are
your **KEY**
TAKEAWAYS?



Thank you for your participation!

