

# Key Success Factors in Pricing, Reimbursement and Market Access

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## Abstracts

### Key Success Factors in Pricing, Reimbursement and Market Access

Novel pricing and reimbursement models are shaping the uptake of medicines. Yet the market access goalposts keep being moved as payer policies, needs and attitudes evolve. In an ever-changing market access landscape how can pharma companies renew or upgrade their commercialisation strategies?

Key Success Factors in Pricing, Reimbursement and Market Access investigates innovative pharma-payer contracts and other market access strategies to provide actionable insights on the most appropriate approach to pricing and reimbursement. By benchmarking 10 leading pharma companies' strategies the report identifies 13 key success factors for delivering progressive pricing, reimbursement and market access outcomes.

### Discover on this page

The executive summary below, taken directly from the report, presents key findings from the research

The rigorous research objectives and methodologies employed to produce the report

Detailed report contents

Why this report is important to you

## Executive Summary

Payers and healthcare authorities are maximising their ability to influence and control treatment access. They do so by limiting coverage, introducing or changing product evaluation criteria, and exerting pressure on drug manufacturers to contain prices. Healthcare cost containment efforts across the globe have driven interest in innovative pharma-payer contracting models, such as risk-based agreements. However, these models are only one component of the market access solution. Furthermore, drug manufacturers do not yet possess adequate knowledge of the best techniques to implement such agreements with confidence. Pharmaceutical companies instead require a much broader range of pricing, reimbursement and market access strategies to ensure a sustainable trajectory both for currently marketed products and those that are still in the pipeline.

So, how can access to medicines be optimised? An analysis of the industry reveals a lack of best practice guidelines for pricing, reimbursement and market access in the new healthcare landscape. With the objective of presenting readers with key success factors for best practice, this report benchmarks the pricing, reimbursement and market access strategies and payer agreements of the following 10 pharma companies:

AstraZeneca

Bayer

Celgene

Eli Lilly

GlaxoSmithKline

Johnson & Johnson

Merck & Co

Merck Group

Novartis

Top 50 pharmaceutical company

Analysis of the case studies on the 10 pharma companies revealed that some of the common themes among pharma companies with regard to pricing, reimbursement and market access strategy include: adopting unique payer engagement methods to accomplish various objectives, such as developing improved understanding of payers to better approach them; leveraging existing payer connections; acquiring additional payer input; communicating product value; and, negotiating the price and coverage of medicines.

The report revealed comparisons between the payer structures in Europe, the US and emerging markets, emphasising the need for drug manufacturers to understand and address specific payer needs. The factors considered when deciding on the design, terms and execution of innovative payer contracts are also discussed.

The challenges to pricing, reimbursement, and market access also comprised a key topic. The challenges identified by key opinion leaders in this report include the complex implementation of pharma-payer contracts, the impact of reference pricing, the lack of internal alignment, and the lack of payer trust in pharma. Furthermore, issues around pricing limits placing constraints on investments in specialty medicines and other innovative products that are typically associated with high prices were discussed.

An analysis of the 10 pharma company case studies, together with insights from nine experts, reveals 13 key success factors that can help overcome the challenges outlined in the report. These include:

- Develop a deep understanding of the market
- Establish criteria for the selection of payers to partner with
- Go down to the local or regional payer level
- Research competitor products
- Adopt a mixture of pricing schemes
- Initiate early and continuous payer engagement
- Conduct early payer conversations for specialty medicines

Talk directly with the decision-makers at payer organisations

Select the most appropriate endpoints and outcomes to fit valuation frameworks

Generate evidence

Know your product

Be patient-centric

Collaborate internally and externally

These key success factors were explored within the case studies to gain further insight into the function and degree of their role within market access. Insights and best practices are provided on how to utilise price to design patient access schemes and optimise opportunities for innovation. These factors also reveal how drug manufacturers leverage evidence, internal teams, stakeholder partnerships and technology to support coverage and treatment access.

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## Research Methodology and Objectives

The information within this report was gathered from primary and secondary sources, including a comprehensive literature review and in-depth interviews (n=10) with individuals employed at leading pharma and healthcare consulting companies in roles that have responsibilities for pricing, reimbursement, market access, and payer strategy.

The interviews were conducted in March and April 2017 and explored: how pricing can be designed to establish balance between patient access, innovation, and affordability; how payers can be engaged and interacted with across the drug life cycle; how the involvement of other stakeholders can be leveraged to promote market access; key success factors; case studies; and, future opportunities.

Key questions explored in this report include

What are the key considerations in crafting pricing, reimbursement, and market access solutions?

What top strategies for acquiring payer input on price can pharma companies employ throughout the different clinical development stages?

What are the criteria for selecting the payer/s to contract with?

What economic modelling methods, negotiation techniques, and price optimisation strategies are being utilised in payer contracting?

What are the internal roles involved in shaping a pricing contract with a payer?

Which internal and external stakeholders should be leveraged during planning and implementation, and how?

How can payer engagement be integrated throughout the contract life-cycle?

In contracting with payers, how should evidence and value generation be approached?

In contracting, what are the required data strategies, analytical methods, and expertise?

How can patient-centricity and customer experience be reflected in price and contracting?

What is the participation of external stakeholders - patients, patient advocacy groups, clinicians, and KOLs - in shaping pricing contracts with payers?

How can companies adopt a local-based focus when it comes to pricing and contracting?

What are the barriers or challenges unique to pricing and how can these barriers be overcome?

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Why this report is important to you

Healthcare payers – governments, insurance plans, pharmacy benefit managers, and managed care organisations – have become more stringent with their criteria for price, formulary inclusion, and reimbursement. Against a constantly shifting operating landscape, pharma companies must be flexible in their approach to developing trusted working relationships and meeting specific stakeholder needs. Through unique and in depth interviews with front line experts working in 10 international pharma companies and management consultancies, you can gain a valuable insight into how market leaders are meeting today's market access challenges.

This report will enable you to

Understand why a deep understanding of a payer's needs prior to contact is critical for successful pricing and reimbursement negotiations

Identify the payers that are most appropriate for your product and know when it is best to engage with them

Learn why a one size fits all approach to pricing will not meet the need of all payers and develop a range of flexible pricing structures

Challenge payer scepticism and identify the touchpoints where trust can be built

Develop health outcomes criteria that resonate with payers and deliver commercial success

Appreciate how patient-centric thinking and support can be harnessed for market access

Create integrated cross-functional teams and single points of contact for consistent stakeholder messaging

Expert Pricing and Reimbursement Contributors

The report is informed by the front line knowledge of 10 experts who work in leading companies such as GSK, Merck, Novartis and Chugai.



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