ConnectiveRx

Putting Power in the Hands of Patients
The Human Side of Pharmaceutical Marketing

2023 Market Outlook

Summary

Pharmaceutical brands have realized that engaging patients and providers in ways that give them agency over their own experience is critical to building the relationship.

The healthcare system has pockets that feel like a spider's web of policies and practices designed to protect business processes when individuals need more than simple generic therapy. As a result, patients crave being engaged in their own healthcare in ways that feel productive and help them push through the (often complex) patient journey with clarity and a sense of what lies ahead. Pharmaceutical brands will find success when they deliver opportunities that empower providers and patients to take a position of power in the prescription journey.

Brand leaders are quite vocal about the fact that their jobs are more difficult than ever due to evolving challenges that complicate a once-clear path to a data-driven definition of marketplace success:

- Most physicians are now employed by hospitals and health systems, presenting sales reps with notoriously difficult access and message delivery challenges. Physicians want to continue shifting toward value-added digital services, but many are left feeling that most pharma companies are **unable to provide patients with the autonomy and access they need to have successful outcomes**.

- Payers continue to roll out cost-shifting strategies that threaten both patient adherence and brand profit margins. As **payers implement ways to save money via brand-sponsored copay programs** that once benefitted patients, the burden falls to patients who are left deciding between paying a devastatingly high price tag or foregoing therapy altogether.

- The sea of statistics from disparate data sets creates an almost incomprehensible information quagmire. This often **leaves patients and physicians unaware of available**

services, despite the good intentions of brands working to engage their constituents.

- And most importantly, patients increasingly expect to be fully engaged in their own healthcare. Between the **increase in virtual care and the ubiquity of mobile devices**, patients are demanding access to their healthcare which, in some cases, represents a legal and messaging Pandora's box.

So, what's the pharma brand team of today doing to make these wishes a reality?

They're adventurously building roadmaps for success that employ winning best practices they know they'll be forced to pivot from when the next ripple of change comes. The best of them are a resilient group who are performance-focused, flexible about tactics, and recruit proven partners to run alongside them toward the finish line.

In this report, ConnectiveRx untangles the patient journey web, particularly within the specialty space, and unlocks the keys to success that brands should be implementing in 2023 and beyond, including:

1 **Uncovering ways to make data work hard for your brand; you should not have to work hard to extract the actionable meaning behind the data.**

2 **Accessing the tools and technology that exist today to stay one step ahead of barriers to affordable therapy.**

3 **Empowering patients to take charge of and feel confident in their therapy – the next evolutionary step in the patient journey.**

1

Use data to tell a
clear, compelling patient experience story

Executive Summary

Pharma executives are looking for granular patient- and prescriber-specific information that enables manufacturer teams to provide real-time one-on-one support — the kind of support that helps patients start and stay on therapy. Fortunately, such data is already being collected by hub and copay service providers. Customizable, interoperable data, presented in user-friendly portals, promises a revolution in the continued push for medication access and affordability.

Key Takeaways

When managed correctly, data can work cross-functionally across messaging, affordability, and hub services to support brands and their patients and providers. When implementing an analytics strategy, good questions to ask include:

1 **Will custom reports have a direct impact on a patient's ability to manage his or her own health?**

2 **Will the interpreted data provide meaningful next steps to support patients?**

3 **Will the data portals be customized to address the challenges of everyone on the brand team?**

The Limitations of Big Data

"Big Data." Even before the term was coined in the early 1990s, pharmaceutical marketing departments were swimming in overflowing pools of facts and figures. Today, brand teams have amassed still more immense collections of what are often second- and third-party **statistics** on key external stakeholders, including demographic, psychographic, geographic, behavioral, and contextual data. And while these conventional data points may offer some value in designing an overall commercialization strategy, they often show up as disconnected fragments from dozens or even hundreds of siloed sources and systems. More importantly, they don't have the specificity or timeliness to dictate or inspire actions that provide meaningful support to individual patients trying to access and afford crucial drug therapy.

Instead, marketing and sales executives are looking for rapid and secure access to much more granular patient- and prescriber-specific information that can be used to understand and support each individual's personal medication journey. This information, otherwise known as "Small Data," enables field resources and patient access professionals to provide real-time one-on-one support to help specific patients get on and stay on therapy.

Making Actionable Data

While overwhelming, data can be harnessed into accessible insights and can be a complete game changer for brands looking to identify obstacles to medication adherence. In truth, there are two crucial steps to this process:

1 **Build interoperable data:**

In the adherence world, connected data includes points from every step of the patient journey. Every patient can be seen and analyzed by every data point within the support system, such as hub enrollment, copay program usage, messaging, Prior Authorization requirements, etc.

2 **Build responsive reporting portals:**

These reports cannot follow a one-size-fits-all model, and viewing them as such will just recall the challenges of handling Big Data in nearly raw form. Instead, data portals should be customized for different roles, such as the marketing, patient access, and sales teams.

Each team needs to be able to unpack the data, layer by layer, in a manner that reveals the specific information they need to accomplish their objectives. These customized reporting portals are key to delivering actionable strategies and next steps.

There's more to learn about actionable data on our blog.

Are We There Yet?

Looking to the rest of 2023 and beyond, when can brand managers expect their service providers to begin delivering this single source of truth? The reality is that it requires strong data governance protocols that enable complete and integrated data mastering at scale. And that requires big doses of time, money, and talent.

Building actionable reporting outputs is a long-term process that is an outflow of a company's overarching desire to enable patients to take more control of their own healthcare. Manufacturers should seek out service providers that have fully embraced patient empowerment and have begun to implement patient-first full-circle data integration into their solutions.

Here are three questions that will help identify service providers that are moving toward this goal:

1 Are they introducing products and services that empower patients to manage their own health?

Gone are the days when patients blindly obeyed what their doctors and drug makers told them to do. As patients become increasingly more involved in their care, companies that embrace the shift will be launching solutions that support patient engagement, such as patient-initiated electronic benefits verification, in-pharmacy point-of-sale support, and two-way patient-facing messaging services.

2 Does their reporting offer integrated and interpreted data to provide real insights?

If providers intend to ultimately deliver true integrated reporting, they must have demonstrated the ability to go beyond standard data dumps to deliver meaningful, actionable guidance. They must be actively helping manufacturer teams move from knowledge to wisdom.

3 Do they offer bidirectional data portals that are customized for each individual user group?

As the industry moves toward greater user autonomy, traditional standard dashboards just don't make the grade. As described above, leading service providers are delivering high-payoff data portals tailored for the unique needs of marketing teams, FRMs, sales teams, and others.

Taken together, the granularity and specificity of emerging capabilities, along with the capacity to provide those data points in customized real-time reporting portals, promise a revolution in the continued push for medication access and affordability. The most successful brands will be prioritizing these efforts to set themselves up for success in the coming years.

2 Pushing Back Against Copay Accumulator and Maximizer Programs:
Copay Program Providers Take the Lead

Executive Summary

The conflict over manufacturer copay support programs is here to stay now that most payers see the potential revenue streams that can be leveraged to maximize their profit. And nowhere is that mindset shift more apparent than in the rapid rise of accumulators and maximizers. Coinciding with the recent growth of these copay adjustment programs, copay program providers must constantly look for innovative ways to ensure all copayments made by or on behalf of a patient count towards their deductible and out-of-pocket limits.

Key Takeaways

Patients deserve the best medications available in the market to treat their conditions, but the growing usage of copay adjustment programs requires vigilant, creative, and innovative approaches toward building better patient assistance programs:

1 **Payers and PBMs are constantly finding new ways to shift costs away from themselves and onto patients. Service providers dedicated to staying one step ahead and using creative innovations of their own help protect patients and brands.**

2 **The key to supporting patients is to ensure that copay programs count toward deductibles and out-of-pocket limits. This is the biggest challenge for patients and leads to non-adherence all too often.**

3 **Actionable data can do more than measure success after a patient uses your copay program; predictive modeling can support patients before they fall into the adjustment program trap.**

A Shift in Payers' Stance Toward Copay Support Programs

The manufacturer vs. payer dustup over copay support programs has been ongoing since they were first introduced in the 2000s. Early on, payers and PBMs **argued** that while they do indeed support *income-based* pharma-sponsored drug subsidies, *non-need-based* subsidies are troubling because they can scuttle the purpose of copayments, which is to "steer patients away from costly therapies and toward less expensive, clinically equivalent, or superior alternatives." Moreover, in those initial years of the copay quarrels, payers' stated goal was to eliminate copay programs.

But in recent years that "eradicate copay programs" stance has changed rather dramatically. When payers were asked whether they agree with the statement, "copay assistance programs provide a good way to help plan payers save money," the percentage of payers agreeing shifted from just 28% in 2018 to a whopping **65% in 2021**. In other words, nearly two-thirds of payers now view manufacturer copay programs as *potential revenue streams* that can be leveraged to maximize their profit, a sentiment more than doubling in just three years.

And nowhere is that mindset shift more apparent than in the rapid rise of payers' newest cost-shifting tactics. Starting around 2018, payers began to change the way they apply and account for payments from drug manufacturers' copay programs. At this writing, the two types of these "copay adjustment programs" are *accumulators* and *maximizers*. Let's quickly unpack the basic attributes of each of these tactics.

Accumulators and Maximizers in a Nutshell

Briefly, in copay accumulator programs, payments made by manufacturer copay assistance programs are still accepted at the pharmacy, but those payments are no longer counted toward fulfilling patients' deductibles or maximum out-of-pocket (OOP) expenses. Once a patient has exhausted the copay program benefits, there may still be a large portion of the insurance deductible or OOP maximum remaining to be paid. As a result, insurance covers none of the cost of the medication, leaving patients responsible for paying the entire cost using their own funds. In some cases, this could result in the health plan paying nothing for a covered drug for the entire year.

Recently, copay maximizer programs have emerged as a supposedly more patient-friendly alternative to accumulators. At first glance, maximizers do indeed seem to live up to expectations because the program promises a $0 OOP cost to patients for enrolling in the maximizer program. In parallel, the payer adjusts the coverage for a particular drug so that patients' per-fill copay equals the maximum annual value of the drug's manufacturer-sponsored copay program divided by the expected remaining fills in that plan year. Sounds idyllic. But the cost-shifting devil is in the details.

This maneuver ensures that the manufacturer pays every dollar they are willing to pay (and conversely, the payer pays as few dollars as possible). And, as in the case with accumulators, those manufacturer dollars are *not applied* to patients' deductibles or OOP maximums. So while a maximizer reduces patients' OOP costs for *one drug*, it leaves patients still responsible to meet their overall deductible and OOP maximums in other areas of their healthcare.

Need more insight into the impact of both adjustment programs? Check out **this article** *from ConnectiveRx and* **this article** *from Drug Channels, both covering accumulators, and* **this article** *from ConnectiveRx, which includes a short video explaining maximizers.*

A Shift in Payers' Stance Toward Copay Support Programs

The key for copay program providers is developing flexible approaches that maximize patient affordability while also helping brands stay within budget. Leading copay program providers are focusing their energies on three key steps:

1 Assess the Risk
Skilled teams use predictive analytics to track the medications and patient populations at risk of being pulled into copay adjustment programs. Aspects include the therapeutic area, the cost of the drug, its formulary status, and relevant anecdotal information to identify at risk brands/patients.

2 Develop the Options
Models are customized to create multiple options that meet specific program goals, budget constraints, and legal requirements for each manufacturer. In addition to developing intervention options, related data science models optimize each of the potential interventions (i.e., program offer analysis).

3 Select and Implement the Solution
Working directly with the brand teams, multiple options and recommendations are closely vetted. Each recommendation includes a unique offer statement, access strategy, and communication plan. Ultimately, a comprehensive, brand-specific implementation plan is developed, executed, monitored, and adjusted as necessary.

There is little doubt that the conflict over manufacturer copay support programs will continue for the foreseeable future. The most successful brands and service providers will be constantly looking to innovate new ways to ensure that all copayments made by or on behalf of patients count toward their deductible and out-of-pocket limits.

3

Taking the Pain Out of the Prescription Process:
Why High-Impact Point-Of-Care Messaging Matters

Executive Summary

Pharma brand teams can no longer rely solely on sales representatives to deliver key marketing messages to prescribers. They must find alternative ways to access HCPs and deliver key sales messages. Fortunately, technology is already working to fill the gap. A corps of expert providers is stepping up to implement sophisticated, in-workflow, omnichannel messaging solutions that reach key stakeholders in real time. In many cases, these solutions are completely customizable to meet the specific needs of each brand. What's more, they're configurable to create a stream of end-to-end messaging options designed to integrate with and complement established hub and copay programs. Today's messaging providers are working with manufacturers to foster meaningful conversations that help patients understand and manage their own healthcare.

Key Takeaways

Ask marketers in any industry about their keys to success, and the first thing they will tell you is that targeting the right audience, at the right place and time, with the most relevant message, is imperative to winning business over their competitors. For brand managers, thinking like a marketer means:

1 **The "set it and forget it" method is dead:**
Long gone are the days when throwing up a banner ad would grab enough responses to justify the cost, because without the right context, the message will be meaningless to most of the audience.

2 **Rep access is dying:**
Some prescribers still prefer face-to-face encounters, but time will inevitably replace the holdouts with younger generations who will generally prefer digital communication over in-person rep visits.

3 **Digital technology is alive and thriving:**
Options to reach patients and providers through digital channels are plentiful, and variety empowers patients to take charge of their healthcare.

Representative Access to HCPs Remains a Challenge

Drug marketers have long relied on sales representatives who meet with prescribers to present approved product information. And while rep access to HCPs has been declining for years — and cratered during the COVID pandemic — **recent research** suggests that access may be on the rebound. But that bit of good news comes with important caveats: 1) of accessible HCPs, more than 50% now meet with reps via a hybrid mix of in-person and video channels, and 2) most of the accessible HCPs only meet with select companies.

To make matters worse, **more than half** of US physicians (52%) were employed by hospitals or health systems at the end of 2021, a new record high. Unfortunately, these prescribers present notoriously difficult access challenges to reps. For instance, in privately owned practices, **only about one-third** reported "no rep access," while in practices owned by hospital/health systems the number was almost double that.

And to render rep access even more challenging, the majority of prescribers are now **digital natives**. They completed their medical training in the age of technology, so they have a deep understanding of digital channels and interact with them often and easily. These millennial HCPs are more than comfortable gathering drug information on their own terms, and many have little interest in meeting with an actual drug salesperson. And going forward, every new HCP graduate will be an even more entrenched digital native.

New Messaging Channels Deliver Content in Real Time

Since rep access is no longer a reliable channel, a cadre of expert providers is stepping up to implement sophisticated, in-workflow, omnichannel messaging solutions that reach prescribers in real time. After all, physicians report spending at least 50% of their time in the EHR, and this is where the biggest ROI opportunities lie for brands. Even more impactful is the ability to target a very specific audience that will very likely be interested in the message, making the investment more effective. In many cases these solutions are completely customizable to meet the specific needs of each brand. What's more, they're configurable to create a stream of end-to-end messaging options designed to integrate with and complement established hub and copay programs. But these solutions don't reach just prescribers; they also reach pharmacists, patients, and caregivers. Let's take a quick look at five recently introduced messaging options:

1 Pre-prescription awareness:

Real-time in-EHR messages, triggered by patient-level data, appear on screen during the patient encounter to help identify candidates for new or additional therapy and treatment options, and deliver educational information to prescribers.

2 Brand-specific messaging:

Messages are delivered to patients before they leave the doctor's office via print, SMS, or patient portal, and automatically send copay offer details to the patient's pharmacy once the prescription is submitted.

3 Personalized pharmacist and patient support:

The Rx triggers messaging that encourages filling or refilling a prescription, provides educational information, and ultimately supports healthy behaviors and adherence, all based on current and historical prescriptions.

4   State-of-the-art mobile tools:

A direct digital relationship is built and facilitated through multiple methods of enrollment and communication, including easy enrollment, copay support, refill information, and much more.

5   Adherence-boosting refill reminders:

Automated, in-workflow reminders are sent to prescribers to facilitate timely chart reviews, patient consultation, and Rx renewal creation to ensure continued adherence.

Want to learn more about these messaging options? We've got you covered.

Top-tier messaging providers are taking two additional steps to bring about a true revolution in the continued push for medication access and affordability. First, they are carefully collecting data from every touchpoint across all patient support solutions and creating a single source of truth for a given patient or prescriber. Second, they are delivering this rich content via responsive reporting portals customized for each manufacturer team based on their unique needs. You can read more about this capability elsewhere in this report.

Today's messaging providers are working with manufacturers to foster meaningful conversations that help patients understand and manage their own healthcare. These new messaging solutions can provide sophisticated in-workflow, omnichannel messaging that reach all key stakeholders in real time. Whether it is simply supplementing sales rep activity or replacing it altogether, there is little doubt that direct-to-stakeholder messaging will continue to increase in both sophistication and utilization. After all, the patient journey begins with awareness, so get that message in front of those who need to see it!

4

Expanding Frictionless
Patient Support Services

Executive Summary

Specialty drugs now account for 51% of total pharmacy spending. And as they become more expensive and command an ever-larger share of insurers' budgets, payers are instituting increasingly aggressive cost-shifting strategies that now include accumulators, maximizers, and specialty drug carve-outs. To win the contest for access and adherence, specialty-brand prescribers and patients rely on comprehensive manufacturer-provided support services, including fully customizable prescriber-facing portals and a broad array of prescriber-facing electronic support services.

What's more, emerging patient-facing technology-based tools are now taking the stage. This new service genre includes patient-facing portals as well as the newest entrant — patient-initiated electronic benefits verifications. These technologically advanced offerings help patients better understand their access to specialty meds even prior to prescription. There's good evidence the provider community is in support of empowering patients in this way. A **2023 report** revealed that 89% of providers range from neutral to positive on discussing a patient's own presented research during a visit and 52% of providers say they discuss specific drug brand questions from patients on a weekly basis.

Key Takeaways

The natural evolution in the patient support space is ensuring patients have the power to control their own healthcare journey. In the face of increasingly more complex barriers to care, brands that can help patients understand and navigate the system will be rewarded with increased loyalty. Use technology to:

1 **Educate**
Patients don't know what they don't know, so using patient-facing tools that help them understand the steps needed to gain approval for their medication is crucial.

2 **Automate**
There are plenty of support services to offer patients, so they should all be automatically available in one place for easy access on a user-friendly platform.

3 **Communicate**
It's never been easier to reach patients with the wealth of information available, so share it all digitally everywhere they are.

Access Pain Points Continue to Plague the Specialty Market

Despite the significant encroachment of biosimilars, the specialty pharmacy market is projected to continue growing by **8% per year through 2025**. That growth will be largely driven by new-to-market drugs, which are anticipated to account for $62 billion of the expansion. Most importantly for patients, the price of most specialty drugs is high and getting higher. The **average cost of a specialty drug** on the pharmacy benefit increased from $3,604 in 2016 to $4,562 in 2021. And, when you add in the ongoing barriers presented by payer adjustment programs (see section 2 for more), access and adherence have never been more challenging in the specialty space.

These programs aren't the only hurdles that stand in the way. After a specialty medication is launched, significant barriers exist based on the current access system:

1 As of July 2022, the Big Three PBMs restrict access to more than 1,150 medications, and brands without a generic or biosimilar alternative account for nearly half (47%) of those.

2 Payers are hyperfocused on controlling specialty brands. With 88% of the drug market consisting of generics, the remaining 12% are driving over 50% of the drug spend.

3 Prior authorizations, step edits and OOP costs continue to hinder patients' ability to start and stay on their medication.

On top of this, only 16% of patients are aware of services that can help them adhere to a therapy or treatment plan, with the highest awareness, 29%, for "informational services" and the lowest, 11%, for "financial support." And the signal is not only getting lost in reaching patients, but in reaching physicians as well.

Prescribers and Patients Benefit from Comprehensive Support Services

To overcome the struggle for access and adherence, brands must continue to raise awareness among specialty-brand prescribers and patients for comprehensive manufacturer-provided support services, aka hub services. In the early days of specialty meds, support services were centered on a live case manager taking calls from HCPs. And while case managers are often still a part of the equation, today's support services are built on a foundation of advanced technology. It is these emerging technology-based support services that increasingly empower prescribers and patients to take control of the healthcare journey. Read on for a quick tour of two high-tech offerings.

1 Fully customizable prescriber-facing portal

To streamline the prescriber and patient journey, support services providers are introducing prescriber-facing portals that simplify the patient journey by providing access to both hub and affordability programs in a single portal. Moreover, these portals offer easy-to-use all-in-one gateways that integrate case management, product ordering, specialty pharmacy status, prior authorization, patient enrollment, inventory management, reimbursement support, trade support, EMR integration, and reporting.

2 Broad array of prescriber-facing electronic support services

Today's support services providers are rolling out an assortment of technology-based solutions that make the prescriber's tasks easier:
- Electronic Patient Enrollment
- Pharmacy Electronic Benefit Verification
- Medical Electronic Benefit Verification
- Electronic Prior Authorization
- Annual Reverification and Renewal

Integrated effortlessly within a broader solution, today's new prescriber- and patient-facing technologies deliver time-saving automation that helps untangle complex prescription processes. Whether they're seamlessly enrolling patients electronically, accelerating eBVs and ePAs, supporting copay enrollment and annual renewals, or letting patients access their own portals and conduct their own electronic benefits investigations, these technologically advanced offerings help patients access the specialty medications they need without undue hassle.

Looking Ahead:
Our Predictions

1 | **Payers and PBMs will lean heavily into maximizer programs as accumulators continue to be shot down by legislative progress.**

Maximizers are viewed as a better option than accumulators, but that does not make them patient friendly. Finding ways to identify and combat maximizer programs now will help brands stay one step ahead of the growing threat from this cost-shifting program.

2 | **More digital tools will emerge with a focus on providing transparency into the benefit investigation process.**

Tools that encourage a high level of patient empowerment will be necessary to combat the ongoing patient access challenges in the industry. And just as importantly, patients have shown that they want to take more control of their healthcare journey. Giving patients this autonomy will be mutually beneficial for them and for brands.

3 | **Small data will increasingly be seen as the ultimate goal for service providers and manufacturers.**

Breaking down large amounts of data into actionable, digestible bites allows for easier strategy building that manufacturers can implement right away. Versatility allows for faster pivoting through an ever-changing industry—and better results for patients and the brand's bottom line.

As the year progresses we will be tracking the success rates of these key strategies, identifying areas of needed improvement, and discussing the ever-evolving market in our **Industry Insights blog**.

We don't change the system.
We change the system experience.

At ConnectiveRx we take the pain out of the prescription process. We don't treat patients and we don't make the medications that do. We use both innovation and human empathy to cut through mountains of red tape and create access to specialty medications for patients who have chronic disease—taking a process that can be expensive and difficult and making it as painless as possible. As one single partner, we connect patients with prescribed medications through hub services, affordability, awareness, and adherence solutions. The result? Happier patients who have a stronger connection to their medication brand. We've done this for hundreds of pharma companies and more than 500 and thirty drug brands. Let us facilitate great patient-to-drug experiences that make you shine.

Learn more at ConnectiveRx.com

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