

Optimal Pricing Model Identification

Situation

A new oral formulation of an existing infused product offered better adherence and less waste, but it was uncertain if these benefits would change payer, provider, and patient pain points or critical success factors for the product's pricing strategy.

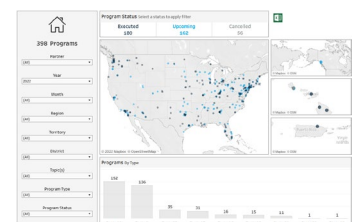
Approach and Findings

- 1 Evaluated the existing landscape by**
 - Reviewing existing pricing and contracting models of the infused product
 - Comparing the product profile of the oral formulation to infused formulation and competitors
 - Examining the policy landscape to determine if there were any existing or pending legislative actions that might impact pricing
- 2** Conducted interviews with payers, providers, and patients to evaluate the proposed benefits of the oral formulation and the implications for pricing
- 3** Developed pricing, contracting, patient assistance, and distribution strategies based on findings from landscape assessments and interviews
- 4** Delivered full gross-to-net model and recommendations for price increases and contract negotiations, given the competitive marketplace and recommendations for field tools that could be used to support the product's value and price

Outcomes

- Because the new formulation shifted patients from a medical benefit product to one covered under the pharmacy benefit, financial planning, strategy, and tactics had to be altered. The payers interviewed did not see improved convenience as justification for premium pricing. Utilization management and contracting strategy was still likely
- Payers preferred flat predictive pricing as it simplifies contracting and allows them to predict costs more accurately for formulary updates. Therefore, a flat pricing with a 25% pricing premium to the original therapy plus a 9% to 12% rebate was implemented. Revenue projections for both products estimated gross-to-net to be 14% and formulary uptake continued to be positive
- Additional data collection to support future contract negotiations and an expansion of the value proposition to show that tablet use could increase patient adherence, improve outcomes, while reducing the cost of complications is underway
- Individual tools for payer account managers, field reimbursement teams, patient assistance hub, and sales team to support product value and for use in pricing discussions were created

Implementation Tracker



Pricing Planning and Execution

Metric	Measurement Period				
	Q1 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Total HCPs Reached	1,733	1,564	1,262	801	922
FIND HCPs with 25% Premium Patients Reached	65 (+4%)	52 (+3%)	199 (+16%)	194 (+24%)	143 (+15%)
FIND HCPs with 25% Premium Patients Reached	18 (+1%)	15 (+1%)	39 (+7%)	69 (+9%)	32 (+3%)