

# Identifying the Market, Business, and Reimbursement Potential for Cell Therapies

## Leveraging market expertise to identify best targets for cell therapies

A biopharma company engaged Magnolia to assess which type of cell therapies and disease states offered the greatest potential for development. The company was considering 12 disease states of interest and wanted to further understand the benefits of creating an autologous or allogeneic product.



### Assembling and Assessing the Data

Magnolia conducted **secondary research** using peer-reviewed published literature and “grey” literature to identify the following for each disease state:

- **Market Potential:** unmet need, market size by current/projected spend, disease prevalence, competitive market, and cost offsets
- **Business Model:** product development considerations (regulatory, clinical trial needs), logistics, monitoring and partnership needs, infrastructure needs for data, and quality control
- **Reimbursement:** coding, coverage, and payment methodologies within potential sites of care



### Stratifying the Market by Product Type and Indication

- Magnolia created a **rating scale** for each category (market potential, business model, and reimbursement potential) using a green, yellow, orange, or red indicator. Each indicator signified the **level of challenge** a cell therapy was likely to face in each category, with green being few challenges and red meaning significant challenges. Magnolia then evaluated each of the disease states and assigned them an indicator. Of the 12 disease states **2 emerged as the strongest candidates**, 2 could be strong follow-on candidates, and 2 were not recommended
- Magnolia also emphasized how the **patient was central** in the delivery of any cell therapy, based on the increased number of touchpoints compared to traditional small molecule development. This helped when assessing whether to “buy, build, or blend” manufacturing capabilities, in order to be scalable and cost-effective



### Recommendations, Actions, and Outcomes

Based on its research, Magnolia identified key factors that the biopharma company could take to its research and development team for discussion. The findings were used as key components of their decision-making process to move forward with specific cell approaches and disease states. The 4 most highly rated disease states were in line with the company’s expectations, but 2 of the disease states that were neither strongly recommended nor recommended were unexpected and provided unique insights into those markets. Magnolia also engaged with operational stakeholders from the company to understand which aspects of the manufacturing process the company wanted to keep in-house and which would likely involve a 3rd party (CDMO), to ensure that a scalable, patient-centered cell therapy manufacturing business unit was being developed from the outset.