

Trends in Private Payers: The Impact on Access and Patient Assistance Programs

The Pharmaceutical Marketing Club of Quebec (PMCQ)
Marriott Montréal Airport

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Agenda

1. Private Insurance Coverage in Canada
2. Private Market Dynamics
3. Drug Plan Designs
4. Drug Plan Trends
5. Best Practices



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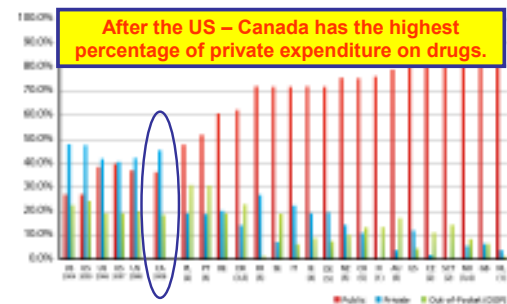
Prescription Drugs in Canada



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Relative Drug Expenditure
by Source, 2008
Select OECD Countries (n = 21)

THE RX&D INTERNATIONAL REPORT ON ACCESS TO MEDICINES, 2008/2009



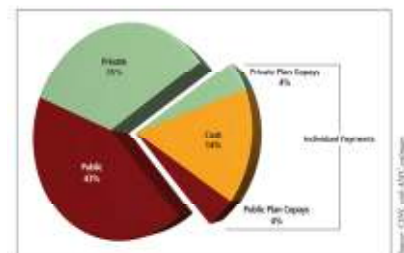
Canadian Private Market

- It can take a while to get public funding for new drugs:
 - Average **316** days
- Many new drugs are not getting public funding:
 - **20.3%** of all new drugs are reimbursed (fully or partially) by the provinces

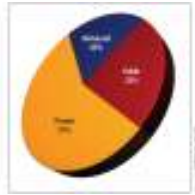
The only source of revenue during this stage is
PRIVATE

Access Delayed, Access Denied 2010 - Fraser Institute

Source of finance for drugs



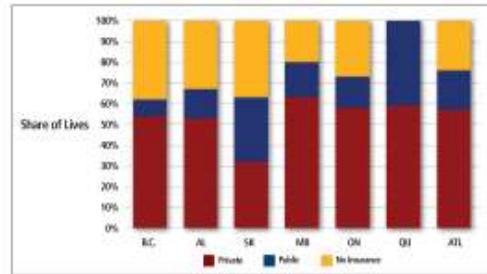
Drug coverage for Canadians



- In most cases the only source of coverage for Canadians < 65 yrs is private insurance or paying out of pocket
- Less than 25% of Canadians > 65 yrs have access to private insurance and this will continue to decline.

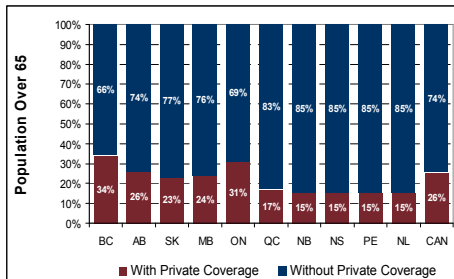
Applied Management : Prism 2010

Private coverage in Canada



Applied Management : Prism 2009

Private coverage in Canada (>65 yrs)

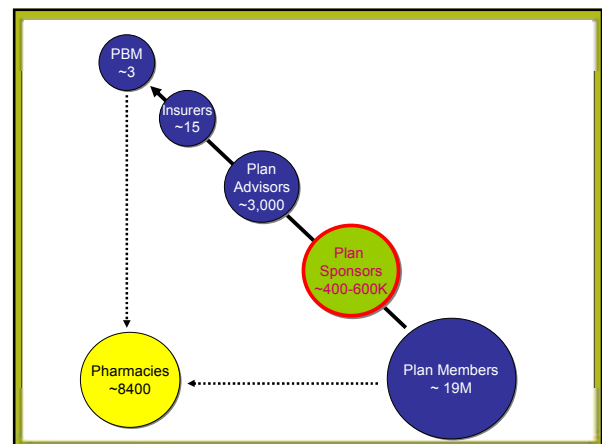
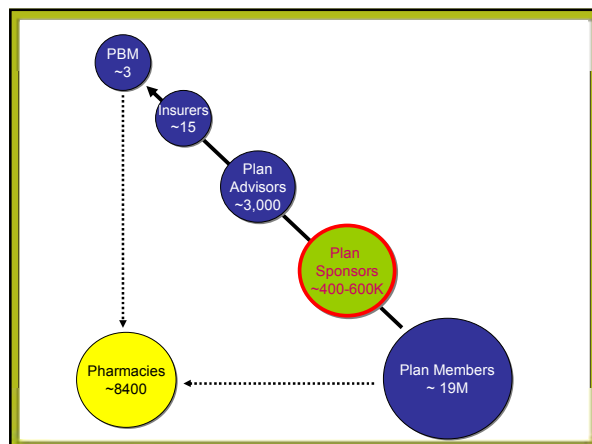


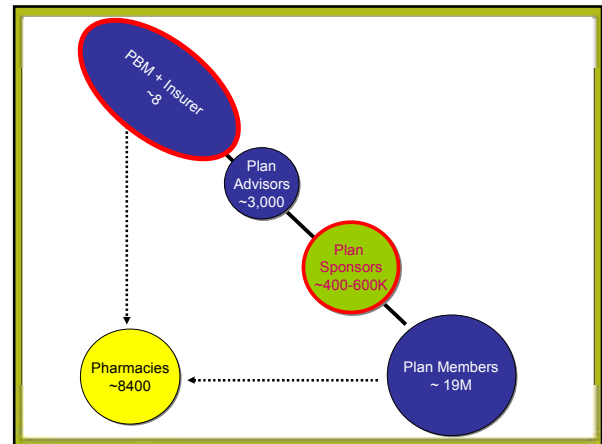
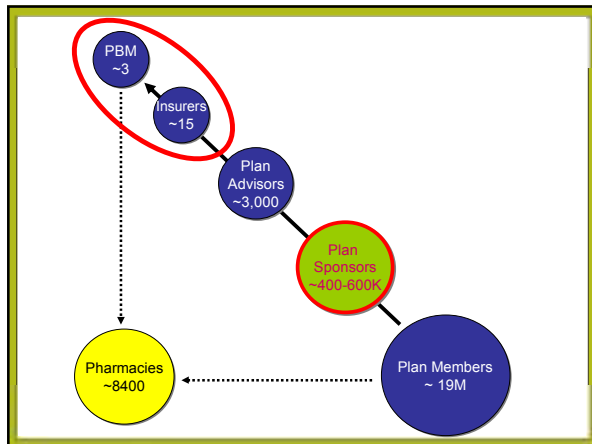
Applied Management : Prism 2010

Private Market Dynamics

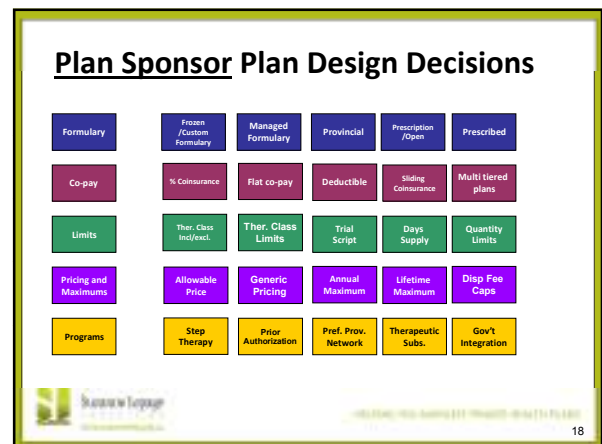
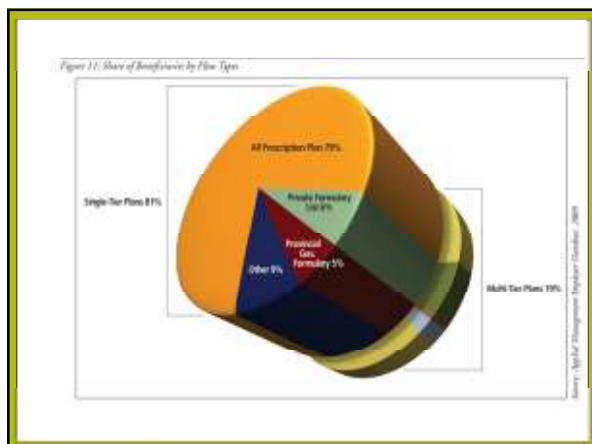
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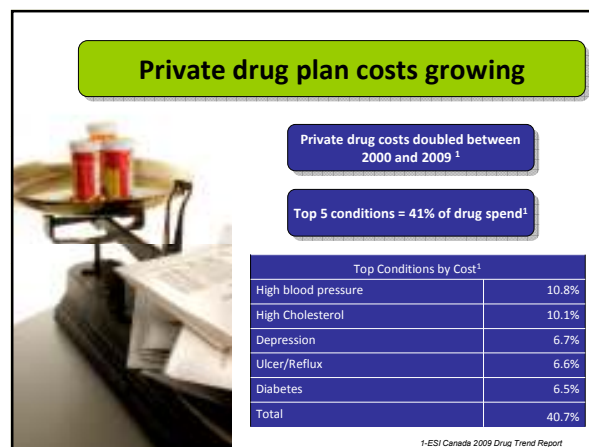
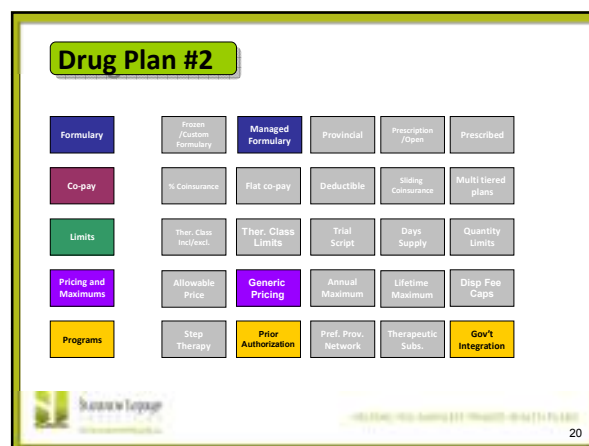
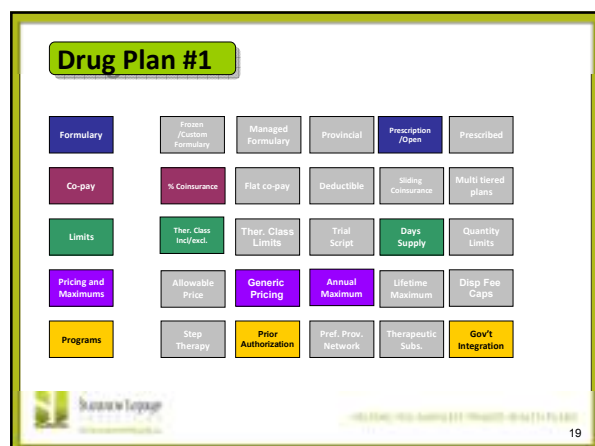
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Drug Plan Designs







Prices are negotiable

- Private Plans – Pharmacy Agreements
- Preferred Provider Networks (PPN)
- Private Plans – Pharma agreements
- Private Plans – Buying Groups



Specialty drugs are in the cross hairs

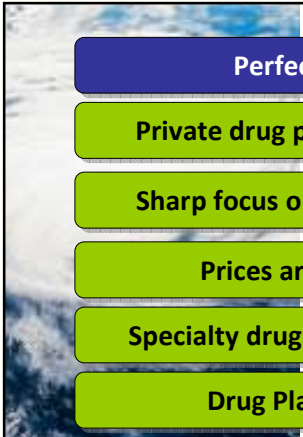
- 17.5% of drug spend
- < 1% of claims
- Avg cost per Rx is \$1,186
[vs \$51 for other drugs]
- Growing @ 13.2% per year
[vs 0.8% for other drugs]
- RA, Psoriasis and Cancer represent 71% of specialty growth
- Est. to be 25% of drug spend in 2015

ICI Canada 2010 Drug Trend Report



Drug Plan Evolution

- Lowest cost therapeutic alternative
- Look to CADTH/CDR/PCODR for guidance
- Prior authorization – right drug, right person, right time and right location
- Integration with government, hospital and pharma programs



Perfect Storm ?

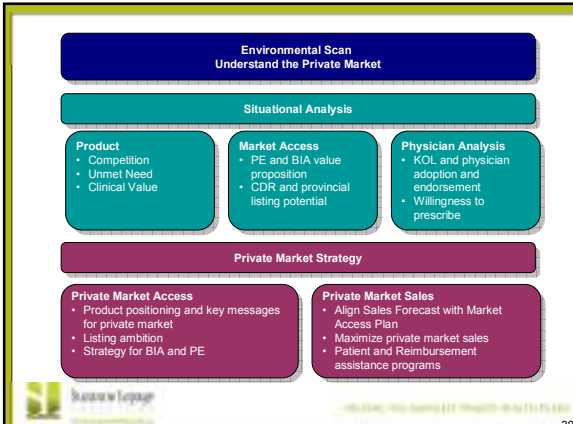
- Private drug plan costs growing
- Sharp focus on drug plan issues
- Prices are negotiable
- Specialty drugs in the cross hairs
- Drug Plan Evolution

Best Practices

Private Market Access Strategy and Patient Programs

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Environmental Scan
Understand the Private Market

Situational Analysis

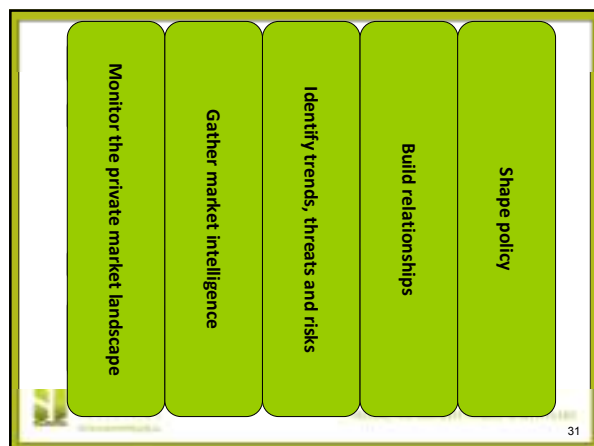
- Product**
 - Competition
 - Unmet Need
 - Clinical Value
- Market Access**
 - PE and BIA value proposition
 - CDR and provincial listing potential
- Physician Analysis**
 - KOL and physician adoption and endorsement
 - Willingness to prescribe

Private Market Strategy

- Private Market Access**
 - Product positioning and key messages for private market
 - Listing ambition
 - Strategy for BIA and PE
- Private Market Sales**
 - Align Sales Forecast with Market Access Plan
 - Maximize private market sales
 - Patient and Reimbursement assistance programs

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Patient Programs

1. Have you optimized turnaround times on coverage investigation?
2. Is your program integrated with Market Access Strategies?
3. Are you profiling program to private payers?
4. Are you providing the right info to private payers?
5. Reporting – are you getting the right information?
6. Have you minimized risk with financial assistance and cards?



Questions and Discussion

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