

Welcome!

U.S. Payer Sentiment Study Part 2: IRA, Biosimilars, Gene Therapy & Copay Programs

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Objectives driven by YOUR pressing payer questions!

We asked Sermo clients to submit questions for our second installment of the “U.S. Payer Sentiment Series,” resulting in a core set of themes.

- What are the biggest challenges facing payers today?
- What are the roadblocks to assessing the value and benefit of gene therapies?
- How are biosimilars being handled today and into the future?
- What are perceptions of copay support programs?
- What is the role of copay maximizer programs?



In this survey, “Payer” refers to a Pharmacy Director or Medical Director from a large health plan or pharmacy benefit management company (PBM)

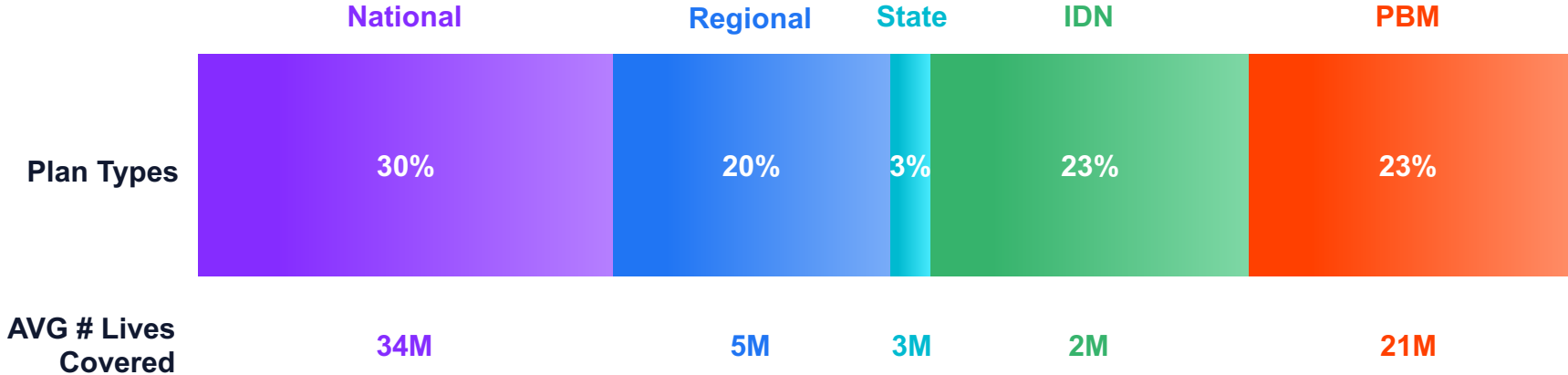
Agile quantitative survey design

- 15-minute, largely closed-ended survey conducted March-April 2023
- n=30 Pharmacy Directors, Medical Directors, and Chief Medical Officers
- Online and mobile data collection
- Broad mix of plan types
- Sample represents close to 200 million total lives covered across diverse lines of business

Sentiment tracking

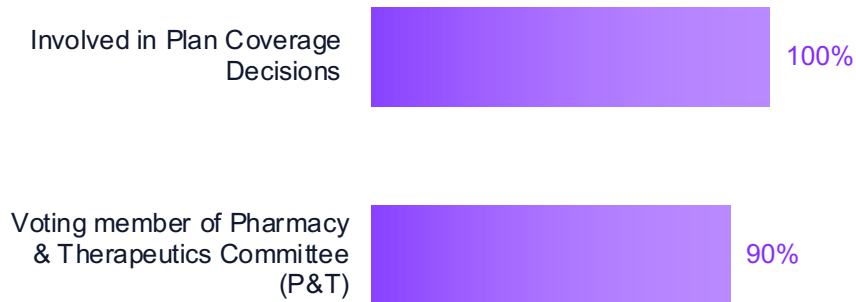
A mix of new questions this wave, as well as a subset of identical questions from our 2022 survey, enabling us to track sentiment changes over time

We recruited largely from National Plans, Integrated Delivery Networks, and PBMs

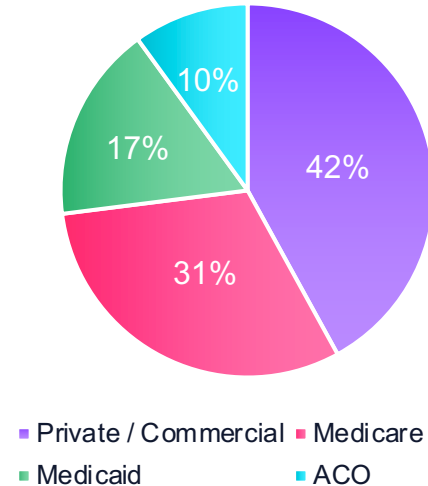


Payers were screened to ensure we targeted only executives influential in making medical and pharmaceutical products available to patients within their plan

Influence on Coverage Decisions



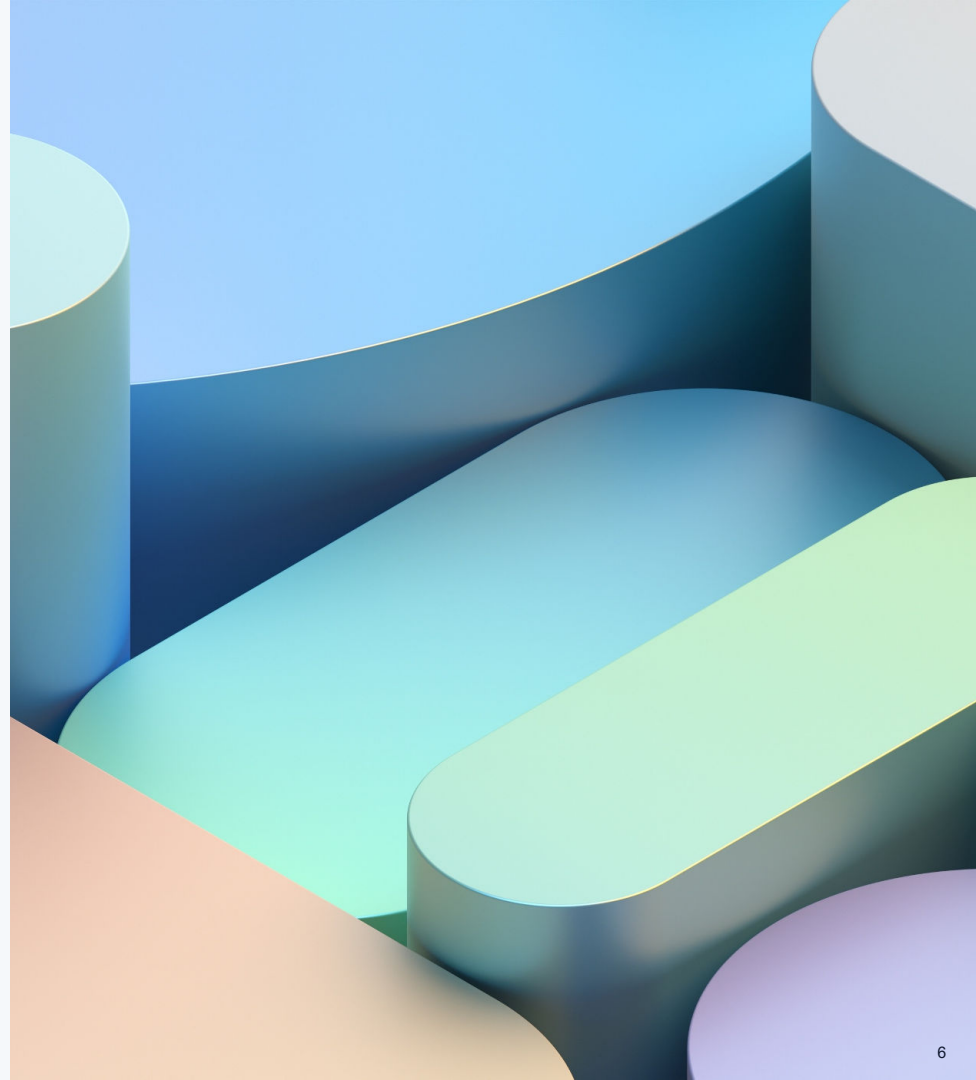
Mix of Business Lines



PART 1

Payer Challenges & the Inflation Reduction Act (IRA)

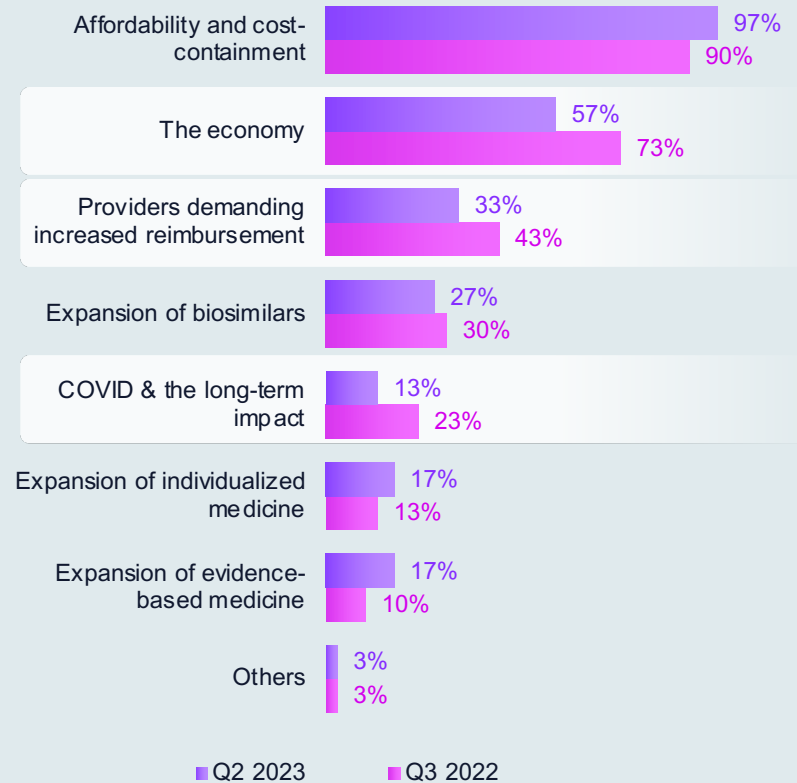
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Payers are more hyper-focused on affordability and cost-containment being the single biggest challenge

Payer concern related to providers demanding increased reimbursement and the long-term impacts of COVID have subsided since last year

Most Pressing Payer Issues



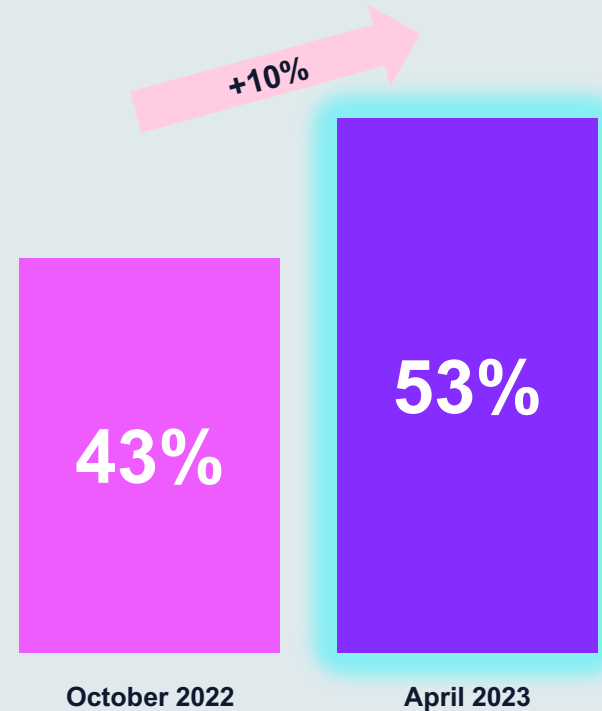
Q: Which of the following topics represent the most pressing issues facing US Payers today?

Payer familiarity with the IRA has improved but remains in the moderate range

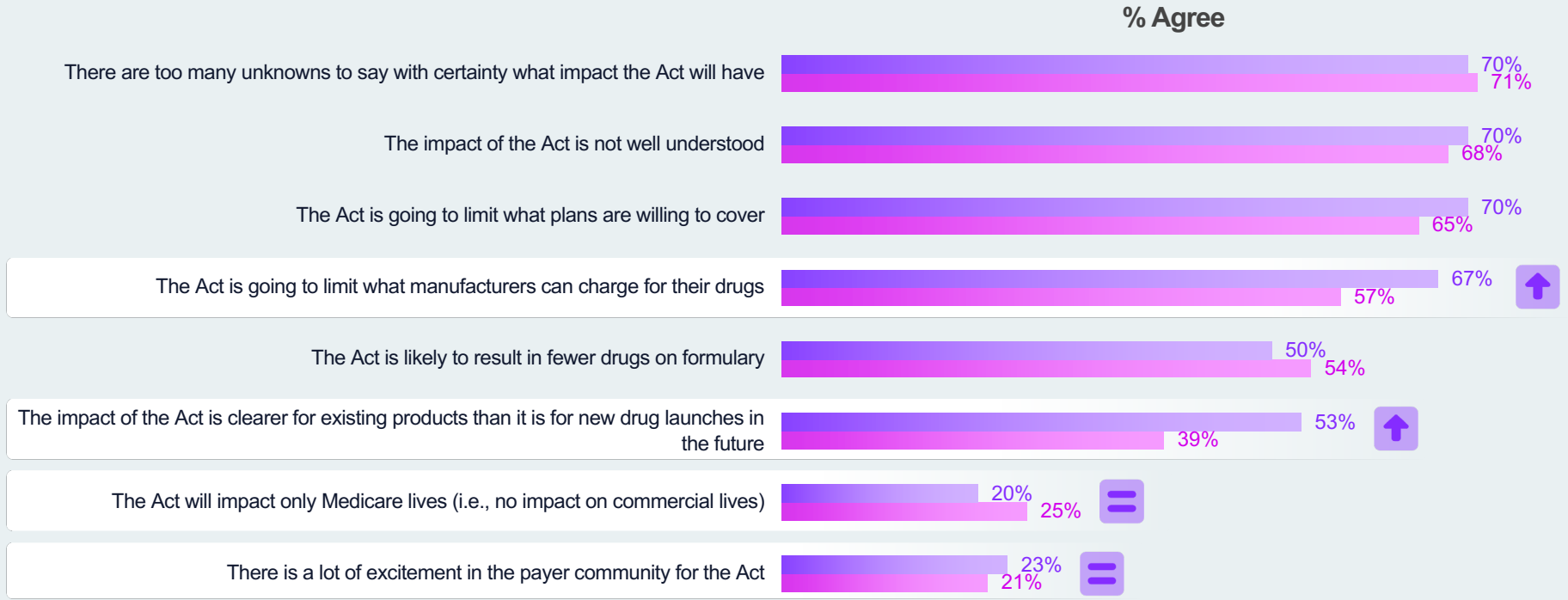
Some IRA provisions relevant to the healthcare and payer landscape:

- Federal government to negotiate drug prices in disease areas of greatest spend
- Drug companies will pay rebates if prices rise faster than inflation
- Annual cap placed on out-of-pocket spending for Medicare Part D patients (\$2,000)
- Monthly OOP caps on insulins at \$35 for people with Medicare
- Eliminate cost sharing for adult vaccines

% Very/Extremely Familiar with the IRA



Payer excitement about the IRA remains low due to perceived limits on what plans will cover

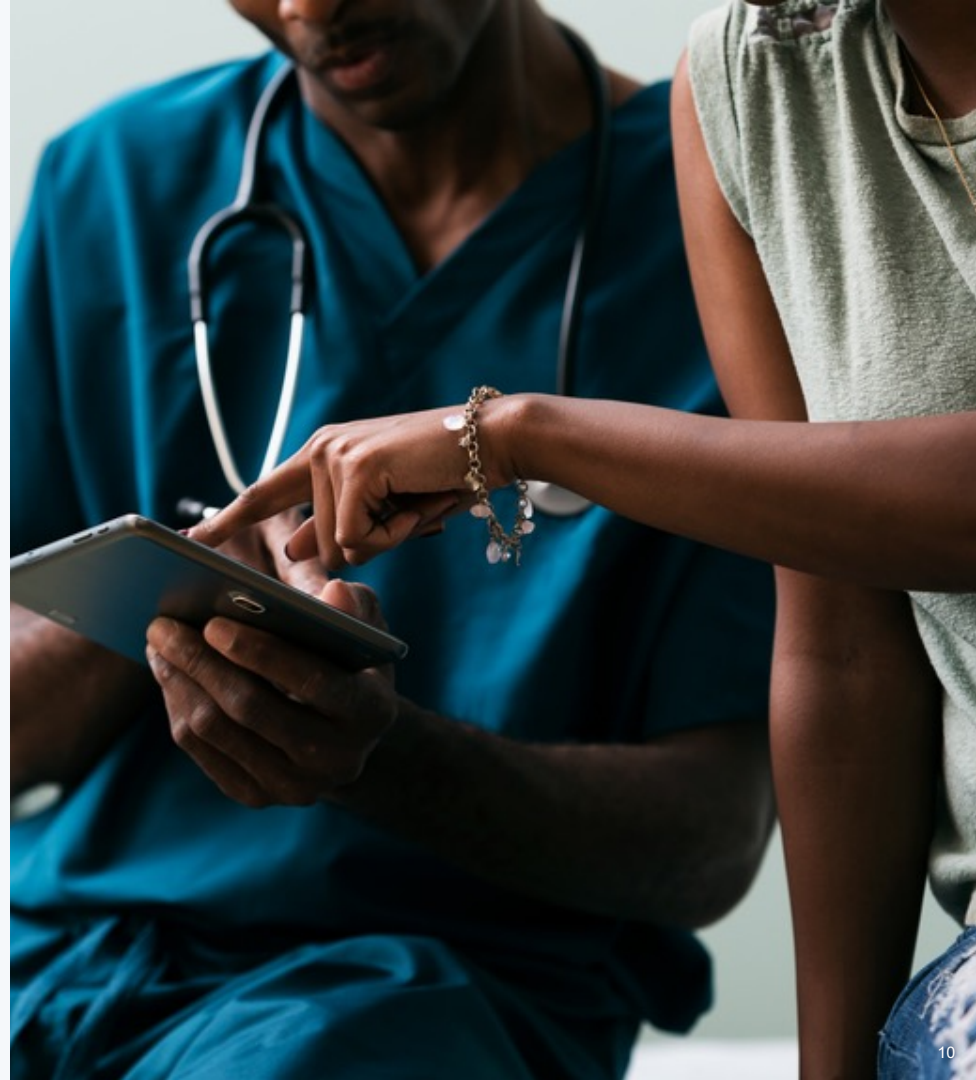


PART 2

Gene Therapy Value

Client Questions:

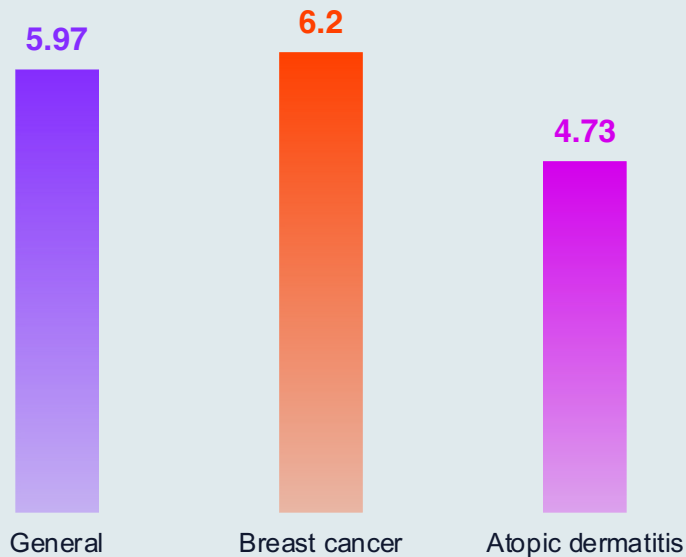
- How do Payers define “curative”?
- What’s the role of cost-sharing for potential cures that can be extremely expensive?
- What kind of data do payers expect to see to establish durability?
- Others



Overall, payers want to see an average of 6 years of data before determining whether a gene therapy is curative

Directionally longer durability data are required for life-threatening conditions than for non-life-threatening conditions

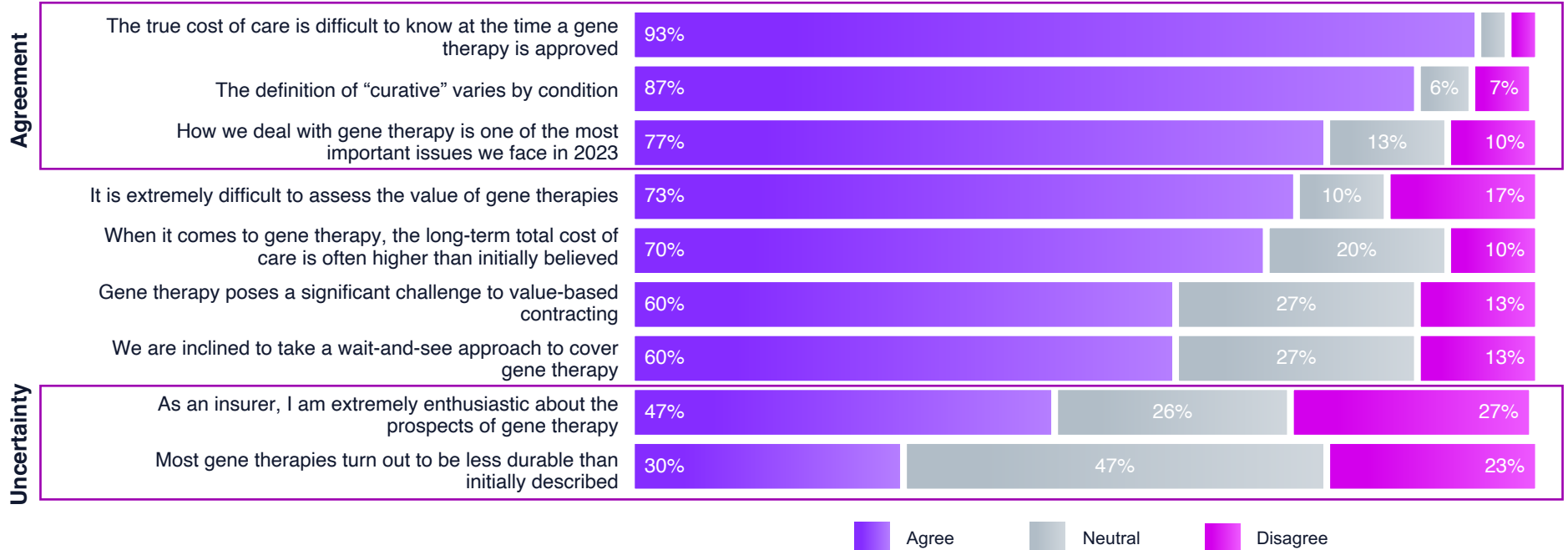
Approximately how many years of data would you want to see before determining that a gene therapy is truly curative?



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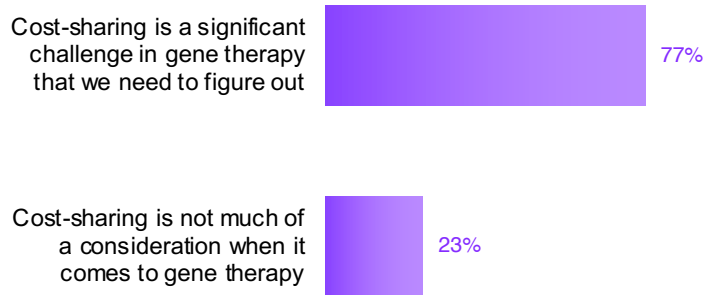
Gene therapy is a critical issue for payers. Wide-spread belief that the true cost of care is difficult to know at the time gene therapies are approved and that the definition of “curative” varies by condition

Perceptions of Gene Therapy -- % Agree / Disagree

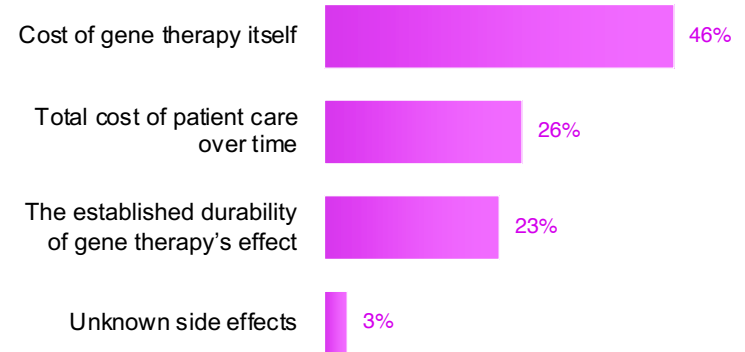


More than 3 out of 4 Payers think that gene therapy cost sharing is a significant challenge that needs solving; cost of the therapy itself is perceived as the biggest issue in assessing the value of gene therapies

Which of the following best describes your position on cost sharing for gene therapies?



In your opinion, what is the single biggest issue facing insurers when assessing the value of a gene therapy?



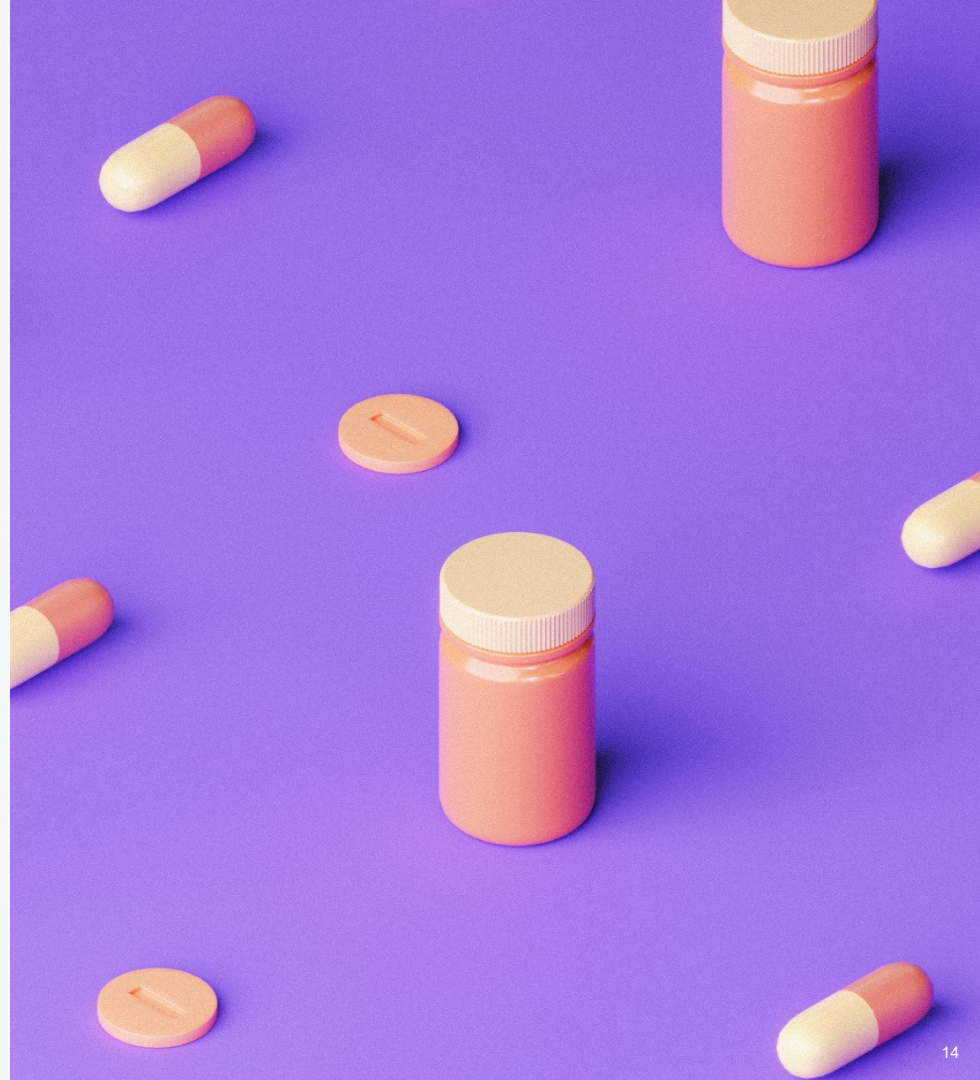
PART 3

The Biosimilars Market

Client Questions:

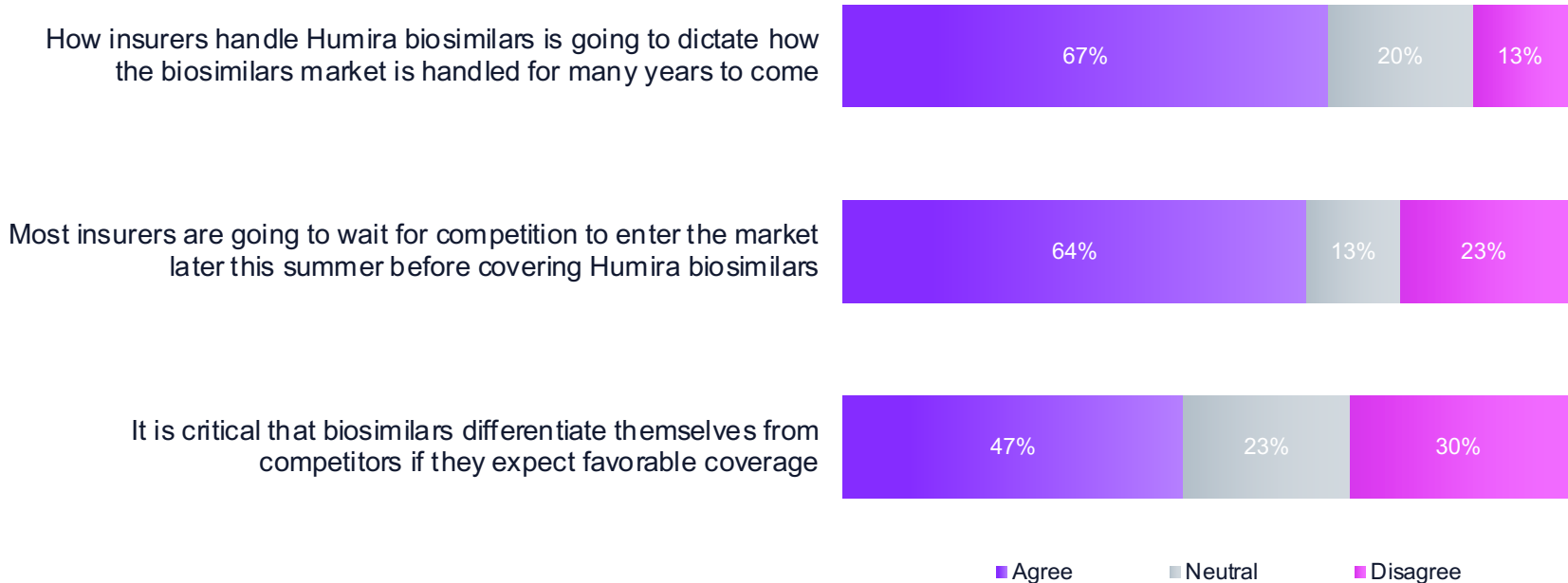
- How are payers handling and planning to handle Humira biosimilars?
- Will first-mover biosimilars be covered or will payers wait for competition to drive prices down before covering?
- How will payers require biosimilars to differentiate from other biosimilars?

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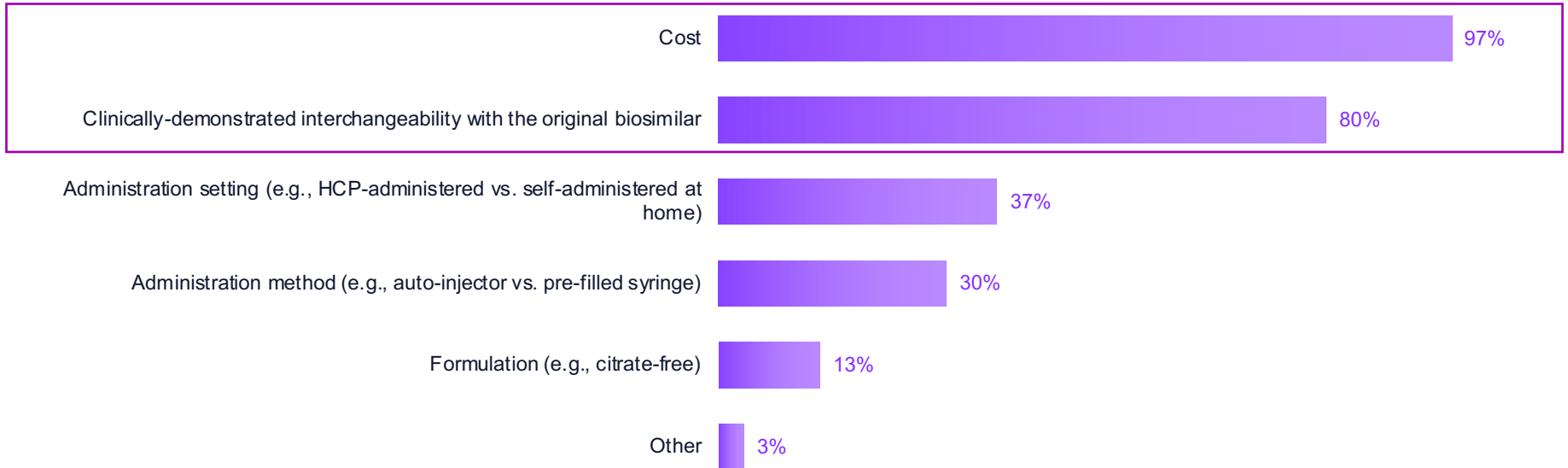
Payers believe that how Humira biosimilars are treated will dictate the future of the biosimilar market

% Agree/Disagree with the Following Statements on Biosimilars



Cost and clinically-demonstrated interchangeability are the top differentiators Payers seek for biosimilars

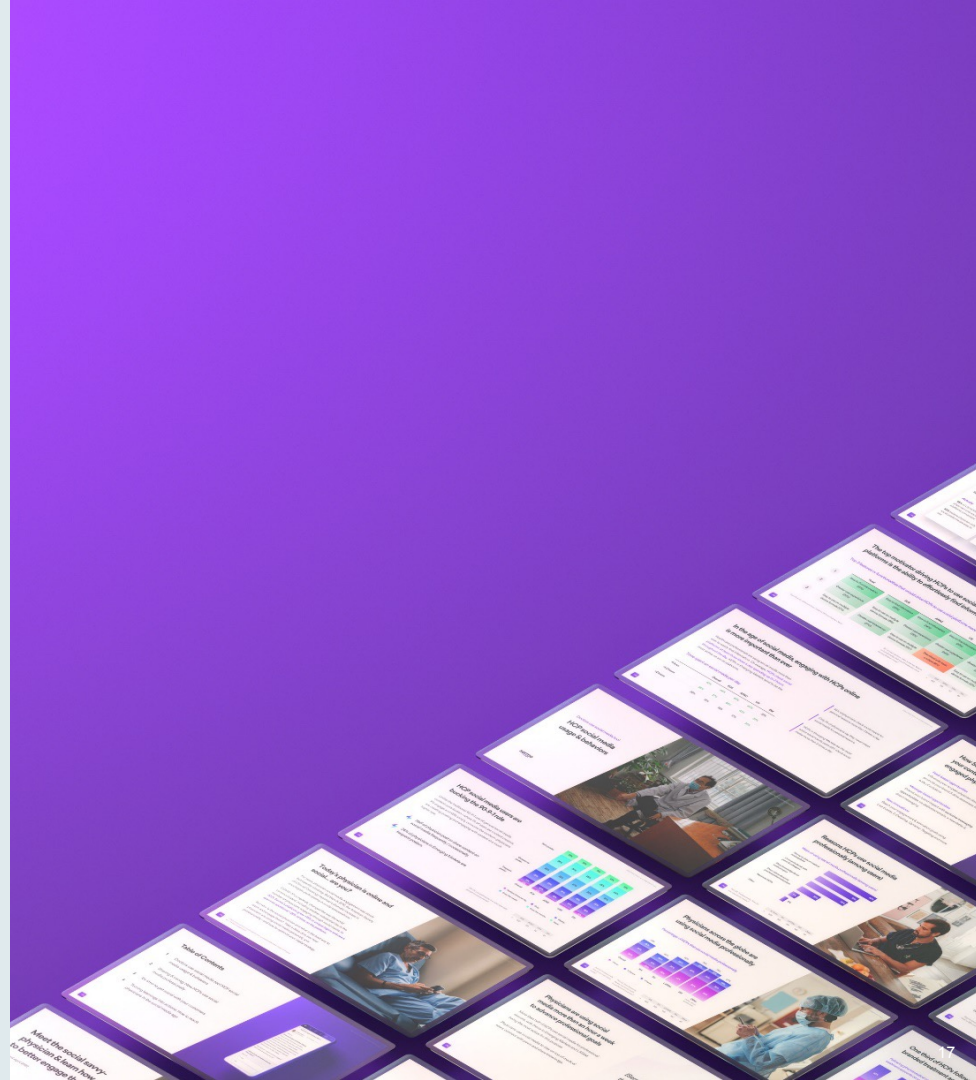
Best Ways for Biosimilars to Differentiate from Other Biosimilars



PART 4

Copay Assistance Programs and Cost-Sharing

- What concerns, if any, do payers have about copay support programs?
- What's the future of copay maximizer/optimizer programs



Copay Support Programs vs. Copay Accumulators and Maximizers



Copay Support Programs

Financial assistance provided by pharmaceutical or medical device manufacturers to help patients cover their out-of-pocket costs, such as copayments or coinsurance, for their prescribed medications or devices.

The manufacturer typically offers copay cards or vouchers that can be presented at the pharmacy to lower the patient's out-of-pocket expenses.



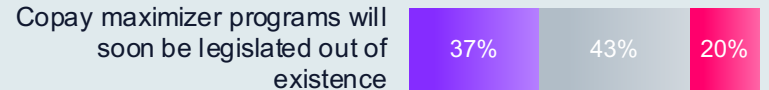
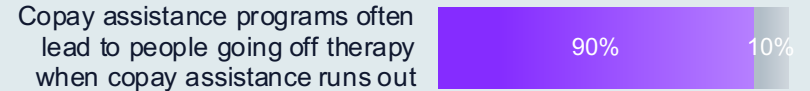
Copay Accumulator & Copay Maximizer Programs

Copay Accumulators and Maximizers are strategies used by insurance companies and PBMs to promote cost-sharing between patients and insurers.

Specifically, these programs exclude copay assistance provided by manufacturers from counting toward the patient's contribution to cost-sharing (i.e., their out-of-pocket maximum).

Payers do not like aggressive copay assistance programs because they are perceived as leading patients to discontinue therapy when the copay benefit runs out

% Agree/Disagree with the Following Statements on Copay Programs



■ Agree ■ Neutral ■ Disagree

Study summary



Inflation Reduction Act

- Familiarity with the IRA is up, but only slightly
- Still too many unknowns to be certain of the Act's full impact
- Payers are less concerned today about the economy and COVID than they were in October 2022



Biosimilars

- Humira biosimilars are paving the way for future biosimilars
- Most payers anticipating waiting for biosimilar competition before covering
- Biosimilars need to be prepared to compete – Cost and data on interchangeability are critical



Gene Therapy

- Payers say it's hard to know true cost of care at the time gene therapies are approved – need long-term data
- Payers want to see an average of 6+ years of durability data to consider a gene therapy curative (varies by Dx)
- The price of therapy and the struggle to get cost-sharing worked out are among the biggest anticipated challenges



Copay Accumulator and Maximizer Programs

- Payers do not like aggressive copay assistance programs because they are perceived as leading patients to discontinue therapy when the copay benefit runs out
- Payers believe Copay Accumulator/Maximizers are a critical part of optimizing cost-sharing objectives, but the future of these programs remains unclear

Thank you

To learn how Sermo can support your Payer and HCP insights goals, email us at business@sermo.com

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