Strategic Foresight to Maximize Product Access

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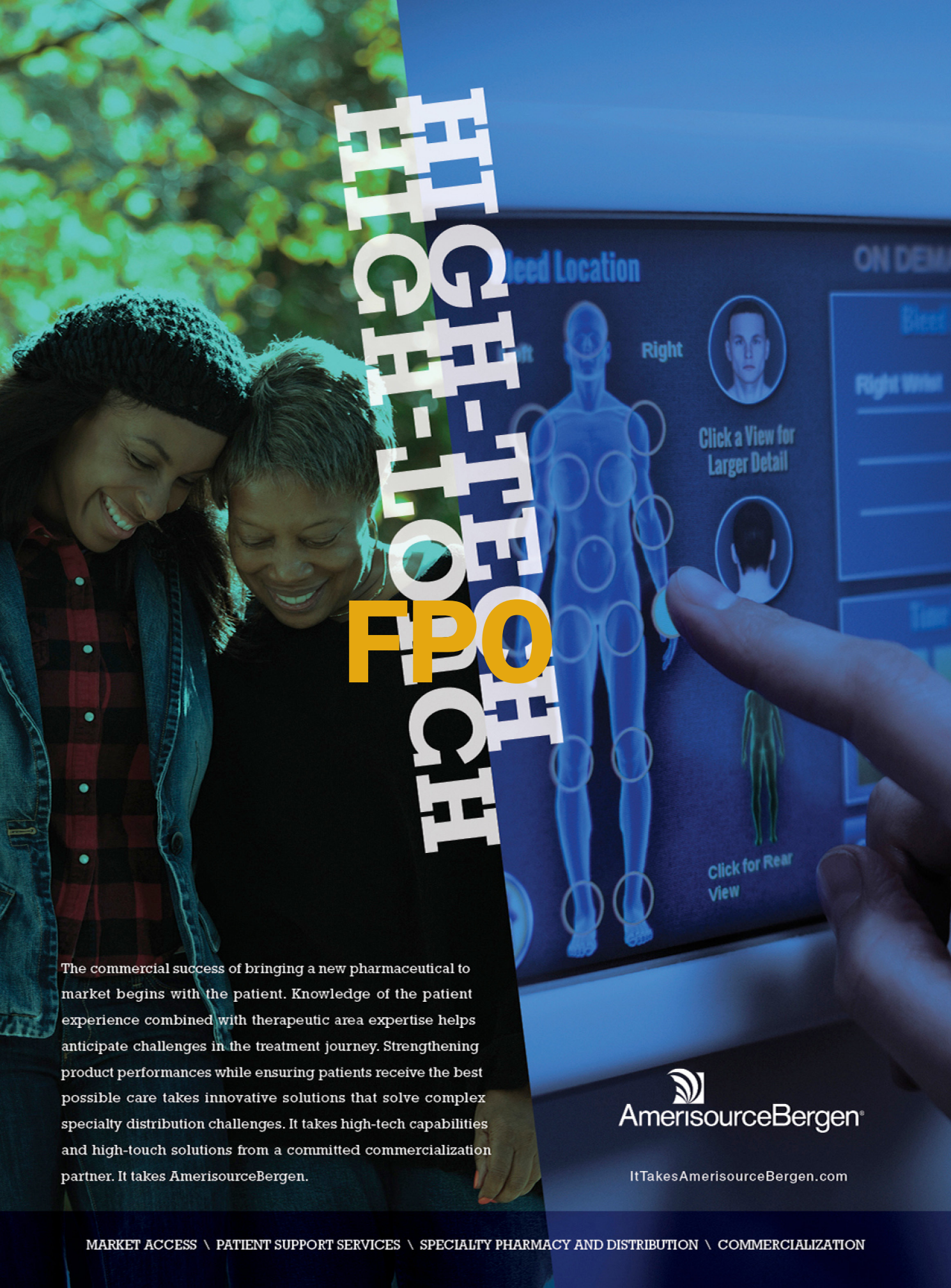

The commercial success of bringing a new pharmaceutical to market begins with the patient. Knowledge of the patient experience combined with therapeutic area expertise helps anticipate challenges in the treatment journey. Strengthening product performances while ensuring patients receive the best possible care takes innovative solutions that solve complex specialty distribution challenges. It takes high-tech capabilities and high-touch solutions from a committed commercialization partner. It takes AmerisourceBergen.

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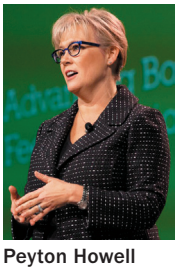
MARKET ACCESS \ PATIENT SUPPORT SERVICES \ SPECIALTY PHARMACY AND DISTRIBUTION \ COMMERCIALIZATION

STEADY HANDS: AMERISOURCEBERGEN'S PEYTON HOWELL

BY WILLIAM LOONEY
EDITOR OF PHARMACEUTICAL EXECUTIVE



Peyton Howell
President for Global Sourcing and Manufacturer Relations
AmerisourceBergen

Drug distribution today is more than just the passive physical act of moving product from factory to pharmacy—in fact, it's now one of the most "customer centric" functions in the business of health, playing a substantive role at virtually every step in the long continuum of patient care. Structural changes in the supply chain, technology advances and rising payer and patient desires for better value are creating new opportunities to serve customers in ways beyond what have traditionally been expected from a distribution partner.

To underscore this transformation, *Pharm Exec* recently sat down with Peyton Howell, President for Global Sourcing and Manufacturer Relations and

a key member of the executive management team for AmerisourceBergen, the nation's second largest integrated drug distributor. Howell highlights how the company is navigating through some unexpected headwinds on generic pricing; building a more focused organization centered on services that create patient value; taking on a more prominent role in industry-wide policy and reputation issues; and investing significant sums to maintain its pole position on strategic partnerships.

Regarding the latter, Howell details important new investments underway to gird AmerisourceBergen's groundbreaking 2013 pact with Walgreens Alliance Boots, which in May was extended for another three years beyond the original 10-year transaction frame—locking in the deal through 2026 and positioning AmerisourceBergen to strengthen its base in generics beyond segment leader McKesson while bolstering its No. 1 spot in the high margin specialty business.

And her best piece of advice for *Pharm Exec*'s big Pharma readers? Get in touch and stay in touch—and much earlier in the product launch phase.

Looney: ***The global supply chain is on the leading edge of change in the biopharmaceuticals business—a little noticed but critical factor in preserving the safety, reliability and quality of medicines for patients worldwide. As the second largest US-based distributor of medicines, AmerisourceBergen is a mainstay of the supply chain. What are the key market transitions facing AmerisourceBergen and how are you gearing up to manage this heady pace of change?***

Howell: We are seeing a major disruptive shift in healthcare, from a fee-for-service system, where success is measured by volume growth, to a value-based system, focused on outcomes. The industry consensus is that change is coming, but the real-time implications on the operational side are still not clear. Our response is very simple: to create more efficiency in the way AmerisourceBergen serves the customer. How do we get more quality-based outcomes for fewer dollars per episode of care? And we have a laser focus on improving access to care, even when the structure and platforms for such care are changing.

Overall, AmerisourceBergen is convinced that pharmaceuticals drive efficiency in the health system. It's a vital, relevant message, all the more compelling given the domestic debate now taking place around high drug prices. That's a myopic view, in my opinion, and ignores that big picture of how we can work together with patients to manage the healthcare spend and improve patient outcomes.

Taking my point a step further, generic medicines account for almost 90% of US prescriptions and are thus a key element in the drug supply chain—and in this all-important segment, pricing is going down. That's good news for the consumer. Actually, we see lower generic pricing, despite the obvious headwinds against earnings, as an opportunity for AmerisourceBergen, given that one of our business priorities is to support patient access to lifesaving therapies. A robust stake in generics is complemented by AmerisourceBergen's strengths in the branded and specialty segments, which carries obvious appeal in meeting the access issue full on.

Looney: ***Securing the "triple aim"—around quality, access and cost—is the driving principle in US healthcare reform. How is AmerisourceBergen working to achieve the triple aim in its own operations today?***

Howell: We do adhere to the triple aim because its simplicity allows us to put more focus on the specifics of care. It is, in fact, critical to my own role leading AmerisourceBergen's Global Sourcing and Manufacturer Relations business: we touch each of the three aims. With reference to cost, AmerisourceBergen has an unrivaled position in distributing high-quality generic products that get to the patient safely, reliably and on time. We know how important generics are to payers and patients operating in a compressed reimbursement environment. In fact, our proprietary generics formulary, PRxO, is structured to secure an appropriate balance between cost, quality and access.

AmerisourceBergen is also aware of the vital role of government programs like Medicare and Medicaid in providing millions of US patients with the medicines they need. Cost is critical when serving patients from the public purse. Hence, my team is highly sensitive to the task of delivering value in a cost-efficient manner because there is virtually no place in healthcare where resources are not under pressure. From a strategic perspective, the Walgreens Alliance Boots partnership with AmerisourceBergen is a truly innovative deal, where we rely on scale and coordination to guarantee that each patient we contract with gets the right medicine at the right time. Our latest three-year extension of the relationship puts us in the unique position to plan for the long-term, with the operating flexibility to adapt to the many changes taking place in the medicines market worldwide.

Quality is the next component in what we do. All of our relationships are contingent on us purchasing directly from the manufacturer—a critical differentiator exclusive to companies of our global reach, size and scale. Our ties allow us to source not only great products, but to pursue great innovative ideas as well. AmerisourceBergen doesn't have to purchase products from just anyone: we have the reach to choose the best.

Another aspect of AmerisourceBergen's commitment to quality is how we manage the way customers receive our products. We operate a highly sophisticated "just-in-time" distribution network that ensures customers obtain what they need on a daily basis. We handle multiple complex arrangements with customers ranging from community pharmacies, to physician practices, to leading academic hospitals. This is a vital stewardship, one where any failure carries significant adverse consequences for patients and their providers. As our CEO Steve Collis says repeatedly, it is impossible for AmerisourceBergen to be complacent about quality.

The third element is access. Access is closest to my heart because without access there can be no outcome, whether you measure that in terms of cost, efficiency or quality, let alone improvement in the patient's condition. Many industry observers are unaware of the range of the services we provide to patients in helping them secure and maintain access to the medicines they need. Drug manufacturers will attest to the level of engagement we have with them at every stage of the commercialization process.

For the past two years, we have been in discussions with manufacturers around the pursuit of a patient-centered approach to sourcing and commercialization. The objective is to give patients more options in how they would like to access medicines, as part of their care continuum. AmerisourceBergen is the US leader in specialty drug distribution. We believe in this space there is much room to experiment around the preferences of the patient.

Instead of simply assuming that a specialty drug must be accessed through a designated specialty delivery platform, we are working with manufacturers on other pathways that may end up being more convenient for patients—as well as yielding a better result on adherence. This effort coincides with market changes that are broadening the definition of what constitutes a specialty product. The new cures for hepatitis C and the next-generation PCSK9 hypercholesterolemia drugs are examples, because their potential audience approximates the size and scale of a primary care, chronic disease population. The evidence shows that for this group, patients might be best served in a community pharmacy operation and so we have been working with manufacturers to make these medicines available in these outlets, closer to where patients live and work.

Joint "re-thinks" with our manufacturers like this one is an achievement AmerisourceBergen takes pride in—not only because it's pro-patient but also because we see it as the wave of the future. Instead of a specialty product only being available through a handful of dedicated pharmacies or via mail, we can guarantee the integration of drug therapy with all other care a patient receives. Certainly, it makes things more convenient for patients but it also feeds the quality agenda in that patients are exposed to not only the pharmacy, but to the physician practice as well as out-patient hospital facilities. It requires AmerisourceBergen to really live that triple aim.

Looney: ***Any other market or environment trends that affect your operations in the supply chain space?***

Howell: Government regulation is an issue that continues to keep me up at night. The press headlines on biopharmaceutical prices and costs are striking and easily misinterpreted by the public. Changes to reimbursement are multiplying, creating more uncertainty about whether consumers will be able to access their medicines at an affordable price. Access counts, but it is no longer guaranteed.

AmerisourceBergen is particularly concerned about the current initiative of the CMS, under Medicare Part B, to reclassify reimbursement of some specialty cancer drugs administered by physician practices. In our view, the changes would make overall care more expensive by requiring administration of medicines in the full acute care setting, at a higher level than is needed. Lost in this discussion is matching the patient's needs to the most cost-effective platform of care appropriate to the treatment they are receiving. AmerisourceBergen sits right in the middle of the triple aim construct, which gives us the credibility to help redirect that discussion away from a singular focus on pricing.

Indeed, the good news is that, in contrast to the big drug manufacturers, AmerisourceBergen is not directly affected by reimbursement rules. Our profit margins are uniquely low in comparison to other players in healthcare. We can serve as a neutral party in the debate. Certainly, drug manufacturers can benefit from the independent perspective—colored by our margins compared to the competition—that AmerisourceBergen brings to the table. Steve Collis has significantly increased our visibility in Washington, DC. He has encouraged members of the AmerisourceBergen executive team to engage constructively with legislators, policy people, government, and regulators on expanding access for patients. I am of the opinion that *Pharm Exec* readers on the biopharma side find this contribution largely constructive and valuable.

Looney: ***On the business side, what is the state of progress around your precedent-setting partnership with Walgreens Alliance Boots?***

Howell: We have just completed a three-year contract extension of the partnership. It serves as a vote of confidence for the future based on what we have already accomplished. The project shows that AmerisourceBergen has the will to be just as innovative as the research-based drugmakers when it comes to process and service improvements. It is also a living example of our ability to execute around value creation on a very significant scale.

The partnership extends to all of our purchasing activities, across all types of manufactured medicines: brands, specialty, generics and consumer OTC. We have what I believe are the best people in the industry working in each of these segments of the distribution business. And our contacts with drug manufacturers are far more strategic today; it's no longer just about supply. Access and value issues are now front and center.

It's a refreshing new way to be able to approach the manufacturer, from a long-term perspective. It gives both time and the leeway to do interesting things around a joint commitment to the patient. I can personally attest to the great conversations we are having with customers around AmerisourceBergen's unique service capabilities, ranging from patient access and adherence services and health outcomes consulting to our Good Neighbor Pharmacy support program.

Looney: ***What about talent recruitment and retention—you recently noted this as one of your key priorities in extending the partnership.***

Howell: We continue to add to our talent base. Walgreens Alliance Boots now has a full team of associates here in Bern, Switzerland, in addition to Walgreens Alliance Boots HQ in Chicago. London is our third principal site. I am located at Bern and the emphasis here is to facilitate contacts between manufacturers and sourcing personnel in an intimate, around-the-clock, no-surprises arrangement, buoyed by state-of-the-art technology capabilities. We have also embedded AmerisourceBergen people in the Walgreens Alliance Boots Development Purchasing unit as well. The strategy is deceptively simple: mobilize our entire organizations to approach manufacturers—together.

Looney: ***The three-year contract extension is built on a commitment to make additional investments in the partnership. Can you explain? What assurances can you give drug manufacturers—and patients—that supply interruptions won't jeopardize the success of your stronger service orientation?***

Howell: We are making investments to support the growth of this partnership, chiefly to drive the expansion of our distribution infrastructure. The other is to augment our working capital, particularly in increasing the inventory and tracking of products to ensure that our access exposures are fully covered. Third, we are making selective investments in our customers' businesses, on the premise that supporting their growth will also prove beneficial to the Alliance. A positive example of that is AmerisourceBergen's strong support for the Good Neighbor Pharmacy network in the US.

The key metric I use to assess the success of our investments is the level of service to the customer. The best example of that is how we have reacted to the market changes in generics, where today we have a larger supply of generic products than in the recent past, giving us the best levels of service in this segment in AmerisourceBergen's history. Right now, we are at a 98% service level for our proprietary generics formulary, which has been achieved despite the fact that shortages of generics in the US marketplace still exist. We have put a laser-like focus on managing for the eventuality of a product shortage, chiefly by better communications with manufacturers to anticipate any supply issue and mitigate the risk to our customers, starting with Walgreens Alliance Boots but covering everyone else with whom we do business as well.

Relationships count for everything. Generics are no different; in fact, the scale of the industry requires we rely on active intelligence-gathering and sharing, especially at the secondary manufacturer level or below. We work to maintain an open line of dialogue and conversation with manufacturers. We want to know right away when a potential problem arises with an API producer, including the many based abroad, so we can fix the breach, or contract for supply from an alternate manufacturing source.

Looney: ***How are you building a culture that adequately confronts risk? What kind of cultural stamp are you introducing to the Walgreens Alliance Boots relationship?***

Howell: Working closely with manufacturers and the data and intelligence we pull from the relationship is very important, but it is not exclusive. What matters ultimately is how our teams at AB and Walgreens Alliance Boots work together in a way that puts the patient and the customer first. The purpose of our culture is to institutionalize the patient-first mentality. Everyone who works here has a duty to speak up for the patient.

Another part of the culture we are building is the facility we opened two years ago in Bern. It's been exciting for me, as an AmerisourceBergen veteran, to launch this small coordinating center devoted to the partnership. The office focuses on coordination work as well as marketing and formulary services for the generics business. We are located just a short drive from the Walgreens Alliance Boots main operations unit. We are only about 20 people here, which creates a very entrepreneurial, can-do spirit as well as making sure we don't lose our eye on the patient.

The action that flows when a small group gets focused is truly amazing. It reminds me of my early days when I was involved in the founding of the Lash Group, now the centerpiece of AmerisourceBergen's work in patient support programs. Hence, I think you could see this small coordinating center concept introduced elsewhere in the company as we move forward.

Looney: ***In what ways are you leveraging within the Alliance partnership the outcomes consulting services—including Xcenda and the Lash Group—you brought in to the AmerisourceBergen family some years ago?***

Howell: I had no idea when I assumed leadership of the Global Sourcing and Manufacturer Relations portfolio how vital my background in commercialization strategy and patient access would be. I am able to instinctively single out those barriers that impede patient access to care. There is not a day that goes by that I do not address these capabilities with our manufacturers in the form of topics like outcomes or observational studies. It's critical that we engage here because that work ultimately impacts how many of our customers will be interested in accessing the medicine or reimbursing it.

Looney: ***The goal of every organization is to keep its offerings fresh—state-of-the-art. Looking ahead, what will be most important to do in keeping the Walgreens Alliance Boots partnership at the top of its game?***

Howell: The first thing is staying proactive in responding to the external environment. It's the ability to read signals and respond effectively with the full force of the organization behind it. That is a human endeavor, which demands, in turn, a second element, which is recruiting and keeping the best talent. I see Walgreens Alliance Boots today as a 13-year commitment running all the way to 2026. The atmospherics around that fulsome time frame is similar to a good marriage. I want the talent to come forward, to share and engage. It's the only way to build the creative connections that take this business in new, often unanticipated, directions. Personally, I think we can do a lot to stay innovative in the near future, beyond what we have already done in integrating the huge generics business around a different marker of success. It's a safety net that we've now got three more years, extending well into the next decade, to make that happen.

Looney: ***Drug manufacturers are the principal reader demographic for*** **Pharm Exec.** ***Is there anything you can recommend to raise the quality and performance of your relationship with them? Are you satisfied with the level of consultations around product launch?***

Howell: One important issue is to involve us as early as possible during the launch cycle. There have been several instances recently when little outreach took place until the very last minute, a situation that can also be driven by the trend toward greater FDA reliance on accelerated approvals. We need early and regular consultations with the manufacturer to make sure we can be ready with enough product to ensure that we are building access from the very start.

What we must avoid is a situation where approval of the drug finally comes but patients end up in that "no man's land" between launch and an agreement from insurers to reimburse it. Delays can be reinforced by the confusion that takes place as providers adjust to rules on prior authorization. With proper preparation and consultation with the manufacturer, we can do a lot to compress that interregnum to avoid disruptions for providers and their patients.

Strong science and great innovation creates its own momentum around new medicines, magnified by social media that can induce a popular clamor for access to the best products. Patient advocates thus expect manufacturing levels in line with the anticipated demand. Failure to do so can create real anxiety for those without alternatives to treat their disease. The point I want to make is it's not easy for us to address that on our own.

Looney: ***Another priority for AmerisourceBergen is learning to operate seamlessly as a global enterprise. You have described it as "global ideas applied locally." Given the company's history as a highly decentralized entity, how close are you to achieving this objective?***

Howell: Walgreens Alliance Boots has been transformative in moving the entire company toward status as a global product and service provider. Outside of the US, which is by far our largest market, we are focusing on specific areas where we see gaps in our global portfolio. For example, we are on course to become the market leader in clinical trial logistics across the globe.

Building on AmerisourceBergen's lead position in US specialty drug distribution, we are investing in other countries to address structural supply gaps, which are compounded by the fact that many foreign distribution models provide sketchy coverage of hospitals and other acute care facilities where most specialty drugs are delivered. As manufacturers expand their specialty business to additional markets abroad, it is important we be there to meet their needs. I'd add that this commitment includes extending our US-based patient access programs and consulting service capabilities to the non-US markets, as manufacturers put down roots there.

You are correct to state that AmerisourceBergen is not advocating a single global solution to every issue in sourcing and distribution. Instead, we strive to display the big picture but to act small in applying all our knowledge to the very different systems, access and practice dynamics that exist across the globe. Our strategy is to acknowledge, respect and adapt to these differences as we support manufacturers in entering new markets throughout the world.

Looney: ***Can we expect more AmerisourceBergen acquisitions as you follow these moves by the big Pharma companies?***

Howell: We are open to bolt-on acquisitions if they make a good fit to our product or service portfolios. But there are also many options for us to grow organically.

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ORPHANS, MAYBE NOT SO LONELY

BY JENNIFER SNOW, DIRECTOR OF HEALTH POLICIES, XCENDA

In August, we reported that the Food and Drug Administration (FDA) has been struggling to keep up with reviewing orphan drug designations, due to a 30% increase in requests over the last 2 years. The FDA attributed the growth to the Orphan Drug Act (ODA) passed by Congress in 1983. The Act created the Orphan Drug Designation Program, which provides financial incentives to companies that develop drugs and biologics for rare diseases, such as tax credits and eligibility for 7-year market exclusivity. In addition, no user fee is required for orphan drug product submissions, except when an application includes an indication for a non-rare disease or condition.

While, overall, the ODA has been seen as a tremendous success, America's Health Insurance Plans (AHIP) put out a report recently highlighting the potential unintended consequences of ODA as part of AHIP's efforts to combat high drug pricing. Its study looked at 46 drugs with orphan indications available from 2012 to 2014 and found that just under half of the usage for these products was for non-orphan indications. Additionally, drug pricing for those used primarily for treatment of non-orphan indications increased by about 37%, while those limited to orphan

indications went up 12%. All of this, of course, forces the question of whether some manufacturers are "gaming" the process by using the perks of the ODA while seeking blockbuster gains.

As orphan drugs now comprise about 50% of the drugs approved by the FDA, it is clear payers will need to re-evaluate how they budget for and reimburse these treatments. They will also have to consider how they work with manufacturers on contract negotiations (a point missing from the report). However, the mission of the ODA is still critical—more orphan drugs on the market means more patients have the opportunity to receive treatment for their rare diseases where there may previously have been no treatments at all.

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UPPING THE GAME

How drug manufacturers, health systems and payers can collaborate more closely in the new world of patient-minded care

BY KRISTIN CHAMBERS, SENIOR DIRECTOR AT XCENDA, AND MATT WOLF, GROUP VICE PRESIDENT, CONSULTING PRACTICE AT PHARMACY HEALTHCARE SOLUTIONS

A new paradigm

As healthcare reimbursements move from fee-for-service (FFS) to value-based payments, the pressure has never been greater to demonstrate the quality of patient care. In response, drug manufacturers, health systems and payers are simultaneously seeking new ways to improve value and patient outcomes, while protecting reimbursements.

Indeed, the patient-minded model of care has arrived. Now more than ever, key healthcare players must communicate and work closely together to succeed. That means leaving the traditional FFS model behind because it drives fragmentation and doesn't support transparency and collaboration among providers and channel partners.

How can manufacturers collaborate with health systems to positively affect patient-minded care? How can health systems and manufacturers share information and expertise to improve the patient experience and outcomes?

These are the challenges of our times. And for manufacturers, the solution begins with understanding.

Three ways to closer collaboration

Traditionally, manufacturers have collaborated with health systems by seeking to introduce drugs into their formularies. While still valid, that approach is no longer enough. Forward-thinking manufacturers—as well as payers and providers—should be thinking more broadly about other ways to collaborate, such as improving medication adherence and developing transitional care initiatives that ensure the continuity of care.

By taking a more holistic approach that embraces the patient's experience across the entire care continuum, we can more effectively achieve the better outcomes and higher patient satisfaction levels that are the primary goals of a patient-minded care model.

Here's a closer look at three anchors of closer collaboration: medication access for patients, medication adherence and transitional care.

1. Medication access for patients

How can manufacturers better position their drugs to be included in provider formularies for improving patient care? The first step is recognizing the differences in how health systems and payers approach P&T (pharmacy and therapeutics) and formulary decisions. For example, health systems may require less drug information than payers and have different operational considerations, such as a focus on distribution, handling and dispensing.

Understanding these key issues can help manufacturers more effectively present the value of their products to improve patient outcomes while efficiently managing costs. As a starting point, here are many of the major P&T and formulary issues and how each impacts health systems and payers (chart below).

P&T and Formulary Issues	Health System Focus	Payer Focus
Involved with the distribution, shipping and handling requirements of products	Yes	NO
Needs clear dispensing information	Yes	NO
Understanding who makes formulary desicions	Key specialty physicians + P&T Committee (Director of Pharmacy and C-suite executives)	Pharmacy/Medical Directors
Perception of the prior authorization process	Hurdle	Management Tool
Owns a specialty pharmacy	Sometimes	Sometimes
Requires value messaging to cover new products that details clinical information	Yes	Yes
Requires a dossier/monograph	Yes (but may require less information than payers)	Yes
Needs to understand the budget impact of carrying a particular drug on formulary	Yes	Yes

Presenting manufacturer value to health systems

To demonstrate an understanding of formulary processes and how to add value through close collaboration, manufacturers can follow these two steps:

Determine the P&T review process in the health system:

- **Representation:** Who is involved in the review process? What is the mix of physicians, pharmacists, C-suite executives (for example, the CFO and CNO), safety officer and other health professionals?
- **Review:** How often are the formulary's therapeutic classes reviewed that are relevant to your products?
- **Budget Impact:** Remember to consider more than just the drug acquisition costs. What are the health system's other considerations, such as reimbursement performance, sites of care, the impact of bundled payments, special handling requirements and specific patient needs?

Discuss best practices:

- **Health system experience:** Based on the health system's collaboration with other manufacturers, what best practices has it used to support the P&T and formulary review process?
- **Timing:** What is the drug's launch date? How soon could prescribers and their patients have access to your product (taking any FDA approval review into account or the actual launch date versus approval date)? Are there any special distribution and/or handling considerations?

2. Medication adherence

Non-adherence can lead to significant revenue losses for manufacturers, as well as poor patient outcomes. Non-adherence can also lead to a false impression that the drug isn't performing as expected (when in fact, the negative outcome is the result of the medication not being taken as prescribed).

In a time when patent expirations outnumber breakthrough discoveries—and payers demand tighter cost containment and lower prices—forward-thinking manufacturers should seek new ways and channels to help improve adherence and overall patient care.

That means looking beyond traditional approaches, such as free drugs, direct-to-consumer co-pay assistance and couponing at the point-of-sale. In addition, manufacturers will want to seek closer collaboration with health systems, because they have the direct patient contact that drug makers typically lack. Indeed, providers have an important financial stake in patient outcomes as well, given how reimbursements are shifting toward a value-based model.

So what is the root cause of non-adherence—and how can manufacturers collaborate with health systems to help reverse the trend? A lack of adherence can begin with patient behaviors, such as:

- Not understanding the disease and its impact on health
- Lack of understanding of why taking the drug as prescribed is important
- Forgetfulness

- Lack of convenience, because the pharmacy is "out of the way"
- Not being proactive and taking ownership of their own health

For in-patients, the problem of non-adherence can literally begin at admission and continue beyond discharge. If the correct set of medication instructions isn't followed every step of the way, the potential for non-adherence grows.

At Xcenda and PHS, we believe there is a need for **stronger communication,** to better educate and enlighten patients on the value of taking their medications as prescribed. Going forward, patient adherence initiatives must build a stronger bridge of communication that connects patients more closely with providers, payers and manufacturers.

In a patient-minded world, we must all recognize that patients who are more informed will be more proactive and take greater ownership of their health. When manufacturers are proactive themselves in not only measuring adherence, but also promoting education-the result will be healthier, happier and more satisfied patients. We can work closely together to create this brighter future. In the end, everyone will benefit.

3. Transitional care: avoiding 30-day readmissions

As health systems plan to better manage patient health "outside the four walls of the hospital," how can manufacturers help them address a critical aspect of transitional care: avoiding 30-day readmissions and their penalties?

The maximum penalty for 30-day readmissions is now in force: 3% of reimbursements. As a result, readmissions are one of the hottest topics in healthcare today. Health systems are forming 30-day readmissions reduction teams—and many administrators and clinicians are seeking third-party guidance to develop an effective solution.

Manufacturers can become part of the solution by collaborating with providers to combine six best practices of transitional care into a single, sustainable solution. These best practices are:

- On-site, full-time program management
- Medication reconciliation
- After-hospital care planning
- Managing skilled nursing and LTC transitional care
- Maximizing transitional care payments to providers
- Using a transitional care program to promote the health system's brand

A catalyst for better outcomes

Together, Xcenda and PHS provide a complete, end-to-end consulting solution to help facilitate closer collaborations among drug manufacturers, health systems and payers. Xcenda focuses upstream on manufacturers and payers, while PHS focuses downstream on health systems.

Through these collaborations, health systems benefit from education and advocacy around key industry trends such as 340B drug pricing, risk-based payment models and adjusting service lines to accommodate the rapid expansion of non-acute sites of care. At the same time, health systems share their own market insights and priorities with manufacturers to help guide product innovation, facilitate demand planning and optimize supply chain processes.

Together, we can facilitate the merger of all stakeholders in the value chain—devising innovative solutions that positively affect patient access and outcomes. Contact us when you're ready to create your own patient-minded care solution.

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ONCOLOGY TRENDS: HIGHER PATIENT EXPECTATIONS

FROM *ONCOLOGY TRENDS IMPACTING THE PATIENT EXPERIENCE,* BY AMERISOURCEBERGEN

Empowered by the ease with which they can access information, today's patients seek a deeper understanding about their diagnoses, underlying diseases or health conditions and potential treatment options, as well as the financial implications of clinical decisions made by their prescribers.

But what does it all mean for pharma? In this era of greater healthcare information, transparency and easy access, manufacturers can find success by engaging patients at an individual level. It's time for true patient-centricity.

The empowered patient

In the last two years alone, healthcare has made big strides in closing the digital gap between patients and their providers. According to a report from Accenture, nearly 20 percent more patients have used electronic health records (EHRs) to access their records than in 2014, and

the number of consumers that do not know what data is available to them has gone down by more than 25 percent.[1] What's more, 92 percent of patients surveyed believe they should have full access to their EHRs.[2]

Even more remarkable is the use of mobile health apps and wearables, which has doubled over the last two years, with 36 percent of patients using symptom navigators and 12 percent using medication trackers/reminder apps.[3] Among those surveyed, 90 percent of healthcare consumers were willing to use wearables to share health data with physicians or nurses.

This data is more than promising. It tells stakeholders across the continuum that patients are now more likely than ever to become highly engaged in their healthcare and treatment decisions, not only seeking more information but using that knowledge to enable more meaningful discussions (and ask more well-informed questions) during their treatment journeys.

Meeting the challenge of patient-centricity

Empowering the healthcare consumer with the right information is critical for outcomes. As such, "the pharmaceutical industry is moving 'beyond the pill' to focus on patient-centered solutions — enhancing the patient experience by proving product value, resolving barriers to access, designing empowering adherence programs and offering physicians, health systems and pharmacies solutions to improve efficiency and enhance patient care," says Amy Grogg, PharmD, Senior Vice President of Strategy and Commercialization for AmerisourceBergen Specialty Group. However, this movement can create greater challenges for pharma brand teams as they are expected to support more avenues for effective communication tailored to the varied needs and preferences of individual patients. But more *effective* outreach by pharma companies also has enormous upside for both patients and prescribers.

Which services improve patient engagement, and which just add more noise to the conversation? In 2013, *Harvard Business Review* encouraged healthcare entities to learn from other service industries — like the hospitality industry — how to deliver better patient-centered care. Their assessment was that current approaches used focus groups and surveys to assess general patient preferences, and as a result, the industry had "a misguided focus on the needs of the average patient."[4]

The fact is, a number of factors influence the patient experience, from the therapy itself to socioeconomic issues, and all of those factors must be taken into account as brand teams map the patient journey. Manufacturers who fully commit to addressing patients holistically, and according to their individual needs and priorities, are those who are accomplishing true patient-centricity.

Balancing high-tech with high-touch: the branded hub platform

Because managing the patient's treatment experience is so important, many of today's high-cost specialty medications provide a centralized branded hub platform, which is typically set up by the brand team and, in many instances, operated by a third-party supply chain partner. The hub platform associated with any branded medication provides a streamlined point of entry for patients and physicians, allowing them to seamlessly access all of the diverse programs that are available to support proper use of the complex medications in the field, and to address the affordability issues that so often limit access for patients and payers.

A well-designed hub program typically provides a mix of two elements:

- ***Automated services***

These include online access to medical and product information, the ability to electronically review payer policies, verify benefits and check on reimbursement status, online access to coupons and voucher programs that may be available to help offset the out-of-pocket costs for the medication and more; and

- ***High-touch services***

These include streamlined access to call center professionals, such as nursing, pharmacy and coaching experts who can provide remote yet immediate phone-based or online support. Such clinical experts are available to answer questions about the medications or the disease state, to assist with proper administration procedures or help the patient manage side effects (all of which helps to increase adherence to therapy). Similarly, on-call reimbursement specialists can provide a range of essential support services to help the patient manage the complex administrative and financial implications of today's high-cost medications. For instance, such reimbursement specialists can help both patients and physicians to navigate the complex requirements of the patient's insurance program (in terms of helping the physician's office to manage Prior Authorization and step therapy requirements), and assist eligible patients and their loved ones to access coupons and vouchers available for the medication, and enroll in Patient Assistance Programs (PAP) that can provide the medication at little or no charge.

"When a given manufacturer establishes a single, branded hub to support all of the drugs in its oncology portfolio, the company can gain greater visibility and the brand is able to support both the physician and patient experience in an enriched and fulfilling way," says Rick Lozano, Executive Director, Corporate Accounts for ION Solutions, which provides group purchasing and practice efficiency services for oncology practices.

Creating a patient support strategy to provide all of the specific forms of information, automated services and high-touch support and make them easily accessible from a single, online point of entry through the branded hub is a key element of the brand's success in the marketplace.

A centralized repository of information and on-call support services gives brand teams a great way to help address the many clinical and financial barriers that so often thwart proper adherence to therapy among patients. "There's not necessarily a right or wrong way to do it — once the patient makes contact with someone in the call center (whether it is a tele-health nurse or a reimbursement specialist), these trained professionals are able to start a meaningful conversation and draw out the patient to uncover a variety of issues that may be providing barriers to access or adherence," says Loreen Brown, MSW, Senior Vice President, Product Strategy for Lash Group, a patient support services company. "That conversation can then be used to direct the patient to other appropriate program offerings within the hub."

Similarly, taking advantage of today's electronic capabilities and the patients' overall appetite for greater access and involvement in their healthcare decisions, many large oncology practices are also establishing online portals, which provide seamless access to many integrated aspects of the patient's overall treatment continuum. Such portals allow both physicians and patients to access records related to, for instance, diagnostics and lab results, billing and claims information and prescriptions.

Patients who are not as motivated need support, too

While many patients are highly motivated and empowered, others may not be as motivated — yet these patients cannot be left behind. Brand teams must grapple with the age-old problem of how to properly inform and motivate those patients who do not take an active role in optimal healthcare and commitment to adherence goals. Similarly, brand teams must devise appropriate outreach strategies to support patients who struggle with medical literacy issues, affordability issues and others barriers that could reduce both access and adherence to potentially lifesaving medications.

To ensure the best clinical outcomes and optimal performance of the therapy under real-world conditions, forward-looking manufacturers are no longer taking a one-size-fits-all approach to the design of their educational and support services. Rather, they are tailoring their outreach to meet different levels of health literacy requirements, and are targeting interventions to address different levels of patient engagement and motivation.

Looking at patients in three dimensions: segmenting and stratification

For brand teams, the ability to segment specific patients to better understand their capabilities and motivations provides a powerful opportunity to focus resources and tailor specific types of outreach so they will be most impactful. "Segmenting your patients is so important, because not every level of patient needs the same type or amount of assistance," says Brown. "These interactions provide great insights, and help the pharma brand team to focus its outreach and spending in ways that will yield the best outcomes for their patients, providers, payers and themselves."

"All patients are motivated by a variety of internal and external factors, and every patient has a different level of education and a different comfort zone when it comes to medical education. So all outreach materials provided by the brand team must be not only easily accessible through the hub, but truly easy to comprehend, no matter what the patient's educational or socio-economic status may be," Brown adds.

"Making the effort to really learn which factors are at play influencing individual patients (in terms of their capabilities, motivations and limitations) helps the brand team to meet the needs of both highly motivated and empowered patients, and those who may need various types of additional intervention and support as they confront the many challenges that follow a cancer diagnosis," Brown continues. "For instance, most patients have a clear preference for either high-tech or high-touch forms of support. By understanding the patient better using proven patient-assessment methodologies, the brand team (via the hub program's offerings) can provide and tailor more meaningful interactions, and time them appropriately to coincide with critical moments during the patient's treatment journey."

Patient stratification in the real world

Brand teams can use a number of different methods or approaches to assess patient engagement or empowerment. For example, a quick survey can be administered online, by phone (using trained telehealth associates) or in written format. "It provides a score that tells how empowered the patient is with his or her healthcare journey (a score of 1 means less motivated; a score of 4 indicates a highly engaged patient, with gradations of 0-10 within each of those

scores, so the patient could be characterized as a 'high-2,' a 'low-4' and so on)." explains Brown, adding: "Having assessed the patient in this way, in collaboration with the clinical program experts, the brand team can then create a more tailored, more meaningful care plan and set of support tools with that individual patient — understanding and validating where weak spots or pain points may be, and work with patient to establish goals and achieve reasonable milestones."

The prevailing wisdom is that more highly engaged patients tend to enjoy better adherence to prescribed therapies and improved clinical outcomes. "If a patient is highly engaged, you can contact them less frequently, and those patients tend to be very self-sufficient, able to find what they need online and perhaps only requesting occasional reminder text messages," says Brown. "On the other hand, a patient who is characterized as Level-1 may not improve, and this can help to inform the brand team in terms of how much high-touch intervention can be justified in terms of the return on investment."

"Typically, the brand teams get the best outcomes when working closely to support Level-2 and Level-3 patients, as these are patients who have the potential to overcome obstacles and barriers with access to the right types of support materials or personal interactions or interventions," says Brown.

"In the long run, making the investment of time and effort to undertake patient-stratification efforts pays off," says Brown. She notes that there really is no one-size-fits-all option when it comes to helping individual patients get the most out of their experience in terms of the use of specialty medications, and allowing the therapy to perform best under real-world conditions, in terms of safety and efficacy, tolerability and affordability. But failure to adhere to prescribed therapies is a sure-fire way to undermine the benefits of the medication, the ability to help the treatment achieve remission (or prolong current state) and both optimize and justify the use of healthcare expenditures in oncology. Brown concludes, "Efforts to segment patients using a specialty medication can also help the brand team to spot trends, in terms of identifying which patient groups need what, when and how."

Getting it right...or what?

By creating new ways to connect patients, families and caregivers with the right mix of clear, accessible information and on-call support services, brand teams can help today's patients to become more engaged and empowered in managing their treatment. Armed with the right resources, patients are better able to meet challenging adherence goals, stay on complex prescribed therapy regimens and improve overall clinical outcomes. Similarly, greater collective effort and tailored strategies by pharma brand teams (and their many partners throughout the supply chain) are also helping to engage patients who may have lower medical literacy, which can make it challenging to digest today's increasingly complex clinical information.

In this era of higher expectations among all stakeholders, it is critically important to do it well. "If, during commercialization and launch, a pharma company stumbles on the patient-support piece — for instance, if some element is inconvenient or confusing, the team just does not do a good job at educating the physicians and staff in the practice, or there is any bump in the road in terms of how the various programs assist patients — this can create very big frustrations among all parties, and this can undermine adherence among patients and brand loyalty among prescribers,"

says Barry Fortner, PhD, President of Oncology Supply, one of the nation's largest distributors of chemotherapy drugs and supplies. "With all of the barriers that can delay initiation of treatment, restrict a patient's access to a given therapy or raise the patient's out-of-pocket costs, pharma companies have to anticipate all of the potential pitfalls and be much more diligent than they ever had to be in the past when developing and deploying all of their brand-support programs."

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[1] "Patients Want a Heavy Dose of Digital." Accenture, 2016. Accessed 6 June 2016. Available online at https://www.accenture.com/t20160226T105643__w__/us-en/_acnmedia/PDF-6/Accenture-Patients-Want-A-Heavy-Dose-of-Digital-Infographic.pdf

[2] Ibid.

[3] Ibid.

[4] Powers, Brian, Amol S. Navathe, and Sachin H. Jain. "How to Deliver Patient-Centered Care: Learn from Service Industries." Harvard Business Review. 19 Apr. 2013. Accessed 07 June 2016. Available online at https://hbr.org/2013/04/how-to-deliver-patient-centere.html

Breakthroughs in treatment have given hope to many patients with rare diseases. Yet, barriers to accessing these life-changing treatments remain. Specialized commercialization strategies designed with the patient's treatment experience in mind optimize product access while ensuring cost and logistical efficiencies. Working with a greater purpose takes understanding that every patient matters. It takes AmerisourceBergen.

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