

Market Access Teams Face New Challenges in Pharma

Allison Inerro
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There are 6 key issues that market access teams are facing amid evolving marketplace trends in the pharmaceutical industry, said Douglas Long, BS, MBA, vice president, industry relations, IQVIA. Long spoke at the headline session of the Academy of Managed Care Pharmacy's Managed Care & Specialty Pharmacy Annual Meeting held April 23-26, in Boston, Massachusetts, talking about 2017-2018 Pharmaceutical Marketplace Trends.

IQVIA, formed from the merger of IMS Health and Quintiles, recently released a report called [Medicine Use and Spending in the US: A Review of 2017 and Outlook to 2022](#), and Long spoke about that first to a packed audience.

He said spending on all US medicines rose 0.6% to \$324 billion on a net basis because of greater generic volume. There are also larger manufacturer discounts and increasing coupon use.

Indicating that there is generic price inflation, Long said that generic dollar sales have declined for 21 consecutive months, and 16 of top 20 generic companies had negative dollar decreased sales and growth over the last 12 months. There is also consolidated buying power in the generic marketplace.

Last year, spending grew 0.6% net of off-invoice discounts and rebates as growth slowed to 1.4%. Overall, spending reached a total of \$453 billion on a gross invoice basis but \$324 billion on a net basis. Growth on specialty drugs outpaced traditional drugs and now has 43.3% of the total now discounted spending. Last year, specialty spending grew at 9.4% while traditional spending fell 4%.

Discounts, rebates, and other price concessions on branded medicines reduced absolute invoice spending by an estimated 28% to \$324.4 billion.

Retail prescription drugs accounted for \$212 billion in net spending for the year, reflecting a 2.1% decline from 2016.

By therapy class, the 3 largest areas are hypertensives, mental health, and diabetes, accounting for 55% of prescription growth over 5 years, while pain medicines declined, Long noted.

Hypertension is the largest therapy area by drug volume, and it affects nearly one-third of Americans.

New guidelines recommend treating nearly half of the population, which could further increase the volume.

In specialty drugs, the top 5 biggest areas are diabetes, oncology, autoimmune, respiratory, and HIV.

There has also been an increase in patient use of medicines with 90-day prescriptions, which Long said increases adherence, especially for the treatment of chronic conditions. One of the drivers of this is Medicare Part D, but the same is not true for Medicaid, where it is far less common, because of patient churn.

Looking ahead, Long said there are 6 challenges for market access:

- Managed care organizations and pharmacy benefit managers are increasingly using strict approaches to manage drugs, including formulary exclusions.
- Patients face higher out-of-pocket payments—the average commercial co-pay increase rose 14% between 2016 and 2017. The percentage of patients with deductible plans are rising, as are new plan designs that shift more costs on to them.
- There is increased public pressure for price scrutiny and transparency. State legislatures have responded with an increasing number of bills since 2015, targeting list prices, maximum allowable price, or net price disclosure.
- Medical benefit drugs will no longer be protected in an era of vertical integration and increased medical management techniques.
- Value frameworks are expanding influence, such as organizations as the Institute for Clinical and Economic Review, and value based payment models are increasing.
- The provider landscape is shifting with new accountable care models and integrated delivery networks.