Bringing the strategy to life
Exploring perspectives of value

Improve your probability of success™
Value is an increasingly important factor in market access, from clinical effectiveness for patients and physicians, to cost effectiveness for payers and health technology assessment (HTA) bodies. Because of this, it’s important to build in an awareness of value at all stages of the drug lifecycle, from clinical development (or even before) through to the market. This requires a thorough understanding of value from the perspective of all the stakeholders, and an awareness of how these vary.

One of the challenges faced by biopharma is ensuring their value claims are robust and presented clearly and effectively to payers. To meet these concerns, companies need to work on the completeness, transparency and reliability of the information that they provide, and work hard to rebuild trust. One of the routes to this is the provision of patient-centered evidence collected within enriched real-world studies. This will demonstrate how patients take drugs in everyday life outside the idealized clinical trial setting. This data is also important for the development of submissions to HTA bodies.

Once companies have navigated the hurdles of increasing value through commercialization, value plays an important role in the commercialization plan. The period immediately after launch is key to the success of the drug, and to make the most of it, companies need to understand where investment will drive most value and plan resources according to market need. In creating this magazine, we hope that together, we can help you push your thinking forward.
<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to increase value through the commercialization process</td>
<td>4</td>
</tr>
<tr>
<td>Drivers of successful HTA submissions</td>
<td>6</td>
</tr>
<tr>
<td>Capturing patient-centered evidence: The enriched study story</td>
<td>8</td>
</tr>
<tr>
<td>Why understanding your stakeholders’ different definitions of value is essential for UK market access success</td>
<td>10</td>
</tr>
<tr>
<td>About Quintiles</td>
<td>12</td>
</tr>
</tbody>
</table>
How to increase value through the commercialization process

Dean Summerfield, DPhil
Senior Vice President, Advisory Services

In today’s healthcare market, generating the greatest return on investment from a commercialization effort is increasingly complex but as vital as ever to both short-term profitability and long-term portfolio success.
Achieving increased value isn’t as simple as cutting incremental costs and overheads. If companies want to effectively predict returns and maximize profitability, they need to think more strategically about their commercialization strategies, and be willing to analyze results and adapt their approach accordingly.

One way to do this is to factor the following measures into every commercialization plan in order to determine the best possible allocation of resources.

**Strategic value**
Strategic value uses analytics to assess the potential outcome resulting from an investment, to determine which strategy will deliver the greatest benefit. For example, a commercialization team may use sales and prescription data to determine the best possible distribution of a treatment to prescribers in a market based on their potential to recommend that product. By identifying which prescribers see the highest number of patients in a population within a defined disease area, companies can determine where to invest their time and marketing resources to generate the best results. Geographic boundaries can then be designed so that each territory contains approximately even prescribing potential.

**Workload**
Workload is a compound metric that determines how easy it is to access the prescribing potential, and the overall number of prescribers who must be accessed in a specific geography. For example, a large territory with a higher number of prescribers will, with all else being equal, take a greater amount of work to drive the same brand sales as a more tightly defined geographic territory with a smaller number of higher value prescribers. Understanding the workload requirements will enable you to make the most of limited resources by distributing them accurately based on market need.

**Disruption**
Disruption recognizes that any realignment of operational structures can have a detrimental effect if the impact of the disruption is not factored into predicted outcomes. Such disruptions can present themselves both internally and externally, each of which comes with a cost:

- **Internal disruption** affects the lifestyles of personnel. For example, relocation to a new geography will drive lifestyle changes that can be detrimental to their effectiveness. Relocation costs may also need to be covered and, in some cases, expensive redundancy packages included.

- **External disruption**. Customers who have built strong relationships with specific representatives from a company may not be comfortable working with new personnel. This can add delays to the sales cycle, impact the profitability of the client over time, and potentially result in the loss of valuable customer insight.

By calculating the strategic value, workload and disruption related to a project, biopharmaceutical companies can reduce new market risks and add additional accountability and predictability to their commercialization efforts. Such approaches have proven effective at reducing wastage of underutilized resources, and to reduce the stress and inefficiency that results from insufficient resources.

This increases the chance of accessing the most high value customers, which serves to improve overall morale within organizations by ensuring local teams are operating on an even playing field.
Drivers of successful HTA submissions

Health Technology Assessment (HTA) is becoming an essential part of European market access. These assessments have become the basis for drug reimbursement and budget allocation decisions in many European countries, making the submission process a key component of successful marketability of any new treatment.

But mapping a successful submission process is complicated. Each country is individually developing different HTA systems and methodologies for their assessment, and although agencies publish guidelines, it is unclear how clinical, economic and societal factors are incorporated and weighted by HTA bodies. This makes it difficult for drug developers to understand what appraisers will look for, and to create a submission that will best appeal with their decision-making requirements.

To help better understand the varied HTA landscape throughout Europe, Quintiles conducted an in-depth study into the drivers for HTA decision-making in the key European markets. We conducted the research by reviewing HTA recommendations from agencies in five different European markets – the French National Authority for Health (HAS), the Federal Joint Committee (G-BA) in Germany, the Dutch National Health Care Institute (ZIN) in The Netherlands, and the National Institute for Health and Care Excellence (NICE) and the Scottish Medicines Consortium (SMC) in the UK. We compiled the data from our HTA Accelerator platform and analyzed the impact of more than 60 factors that were identified as potentially important in a preliminary literature research. Through two types of regression analysis, we analyzed which factors enhance positive HTA recommendations, which have little or no impact, and which have a negative impact. Not surprisingly, we found that there are many factors influencing decision-making in these agencies, including how different HTA bodies value drugs, the drug category, how existing competitors affect evaluation, and the priorities of the assessors.
In general, our findings are in line with previous research and can be broken down into three themes between markets.

1. **Clinical evidence is valued across all markets.**
   Our research shows that clinical evidence plays an important role in the decision making for all HTA bodies. It had the biggest positive impact in France, followed by Germany, the Netherlands, and SMC. Assessments conducted by NICE were the least affected by clinical evidence, though the research indicates that this evidence still has a positive-to-neutral impact.

2. **The impact of economic evidence varies wildly.**
   As we expected, the different bodies have very different opinions of the value of economic data. While economic issues had a very high positive impact on successful submissions for NICE and SMC, it had virtually no impact in France or Germany. For ZIN hardly any economic data was available, but expert interviews highlighted the importance of economic factors for a positive decision in the Netherlands.

3. **Societal evidence has a neutral impact for all countries surveyed.**
   While HTA assessors in these regions don’t discount societal evidence, societal evidence was not associated a high positive impact on success in any of our models.

Beyond the broad strokes, our results confirmed some other noteworthy trends in the specific countries. For example, comparative clinical effectiveness was associated with higher odds of receiving a positive recommendation in both France and Germany, albeit in France also evidence from placebo-controlled trials was associated with higher odds of receiving a positive recommendation. In the Netherlands, ZIN values data from all categories — clinical, economic and societal — in its assessment process. Though interestingly, we found that being the first to market with a drug was viewed negatively in this country. This was surprising, as most industry leaders assume that being the first to market with a new treatment would be considered a positive attribute.

Not surprisingly, we also found that for NICE and SMC, the incremental cost-effectiveness ratio (ICER) plays a decisive role in their decision-making. Specifically, submissions reporting an ICER below the threshold of £30,000 was a key driver for a positive recommendation by NICE. On the other hand, submissions reporting an ICER above £35,513 for SMC, was shown to have a detrimental effect on the recommendation.

It is important to note that the results shown in this research describe associations, rather than causal relationships, but are backed up by expert interviews and in-depth analyses. And while the results did not uncover a foolproof model for successful submissions in every country across Europe, it does offer the beginnings of a roadmap for developers on the best types of data to generate and present for HTA assessments in each region. By better understanding the factors driving positive HTA recommendations in these markets, developers can first identify which HTA agencies will be most amenable to their product, then proactively gather and assemble the best submission material to meet the needs of decision makers. Having this knowledge and applying it to the submission process will save them time and money, and improve their odds of success.
Patient-centered real-world data is an increasingly important part of the drug development and market access story, providing evidence of the value of the drug as used in clinical practice. This kind of data cannot be attained under the idealized conditions of the clinical trial process but rather needs to be collected during routine clinical care.
Cars and clinical trials: The challenge of ideal data

When companies test cars for their fuel consumption, this is done under ideal conditions. The cars are tested in labs, not on the open road. They can use an ‘eco’ mode, and the lights, heating, heated windows and air conditioning are all turned off. The cars are unloaded, and the roof rails and even the passenger door mirror can be removed. And the tires can be inflated to higher than the recommended pressure. However, in the real world, cars are driven with the radio on, fully loaded with shopping and kids in the back; with less than ideal tire pressures; often in standard default mode rather than ‘eco’ mode; and with the lights, windscreen wipers and heaters on because it’s cold, dark and wet outside. Therefore, the results are often quite different from those reported under ideal circumstances.

When companies test drugs in clinical trials, this is done under ideal conditions as well. The patients have few if any co-morbidities, are often on no other drugs, and their age and weight is within a specified range. They visit the clinics for regular check-ups. They are reminded to take their drugs, and their adherence is monitored. In the real world, patients may have a range of other conditions. They may be old or young, underweight or overweight. They may take a variety of different drugs, and may forget one or two doses over the space of a week.

The role of the enriched real-world study

Similar to the car company example above, consumers of healthcare along with clinicians, regulatory agencies, and payers want to know how well the drug is working for patients in the real world. Enriched studies are an effective and efficient study design approach to measure how the medicine is being used as well as measuring important effectiveness and safety outcomes. Indeed, enriched studies combine information from existing records such as electronic medical records and healthcare claims data that are routinely captured in practice with protocol-defined primary data collection from patients, clinicians, and care providers. They generally use a minimally interventional approach, and may be observational or randomized.

Because a percentage of the data is patient-reported, or collected through questionnaires and calls, and other clinical endpoints may be collected directly from their medical records, these studies can reduce the burden of data collection on clinical sites, therefore making site recruitment and administration more efficient and cost-effective. Patient recruitment is also simpler, as there are fewer inclusion and exclusion criteria to ensure that the cohort is closer to the real-world population.

The inclusion of patient-centered measures means that the studies are evaluating real-world effectiveness rather than clinical trial-based efficacy. These styles of studies provide a better understanding of the patient, by including patient-centric data such as adherence patterns or how often a patient is seeking additional care.

They also assess the impact of treatment on their quality of life, or patients’ preference of one type of injection over another, or improvement of symptoms (such as severe nausea to a new medicine) over time. It is these clinically meaningful and patient centered questions that will drive the use of medicines in the real world.

Demonstrating the Value

The collection of biological, clinical, social, behavioral and cost data from both primary and secondary data sources included in an enriched prospective study allow for a more comprehensive evaluation of the clinical utility of treatments as well as a patient-oriented approach. From these studies, clinicians and patients can begin to determine which medicine is right for which patient at the appropriate time. There are also many other questions that can be evaluated, including the impact of adherence on effectiveness. If a patient takes the medicine only half of the time prescribed, what impact does that have on controlling their condition? As an example of this, within a controlled clinical trial, an oral daily asthma drug was found to be less efficacious relative to an inhaled corticosteroid because subjects were on average taking their medicines as prescribed. However, in the real world, the adherence was far greater for patients taking the oral drug rather than the inhaled corticosteroid, and not surprisingly, when evaluated, the oral medicine was found to be just as effective as the inhaled steroid in clinical practice. Increasingly, patients and clinicians and other stakeholders demand clinically meaningful evidence, such as enriched real world studies, to understand how well medicines work under real world conditions in addition to their evaluations under ideal settings.

More than 19M patients in observational and quality improvement programs in more than 100 countries since 2004
Why understanding your stakeholders’ different definitions of value is essential for UK market access success

Robert Taylor
Head of Europe, Commercial Solutions

Proving value is hardly a new objective for biopharma. In the commercial world, it would be unforgivable to send a product to market without being absolutely sure you could demonstrate real value to providers, payers and patients. Get this wrong, and you risk losing market share and profits.

The approach therefore is clear: find out how your stakeholders define value, and mirror it. That should be a relatively simple task, and until recently, it was. For example, the UK had a single market access gatekeeper, NICE, so aligning with its definition of value was essential. But since the 2013 NHS reforms, there are now hundreds of local budget holders with unique unmet needs and potentially vastly different definitions of value.

So where do you start? Part of the answer must lie in the ‘triple aim’ of improving population outcomes, enhancing quality of life and lowering healthcare costs. By focusing on these three value drivers you build a solid case that can appeal to all stakeholders. Though clearly, the ‘triple aim’ is just the beginning and fine-tuning for local needs is still paramount, companies must craft multiple locally relevant value propositions for every product. Only once they understand the nuances of a local healthcare system and the value of their product, can they communicate how a medicine might fit into care pathways, and how it can help improve outcomes.

Perceptions of value

If pinpointing the definition of value is a fundamental step towards commercial success, then it is worth spending some time analyzing current beliefs. Quintiles carried out an extensive survey of close to 300 healthcare industry executives, and the results published in our ‘Value is the Target’ report make for interesting reading. The survey revealed a major disconnect between how stakeholders define value and how their peers think they do.

We gave them seven definitions of the value of a pharmaceutical product and asked them to choose the ones that best describe their organization’s priorities. Biopharma, payers and providers were all most likely to put ‘degree of improved efficacy over current products’ in their top two. Clearly this is an encouraging start, but opinions then quickly diverged.

Providers were most likely to choose ‘improved quality of life’ as their top definition (34%), yet just 11% of EU payers felt the same. Global biopharma executives were undecided: 32% selected ‘unmet medical need’, 21% chose ‘improved quality of life’, and 20% chose ‘degree of improved efficacy’.

Crucially, most stakeholders didn’t put ‘cost compared with existing products’ high on their list, and a quarter of biopharma executives ranked it at the bottom of their top five (only 8% of executives ranked it top). Yet this value driver cannot be forgotten completely, as EU payers and providers regularly place cost in their top three definitions.

The implication for biopharma is that if companies fail to measure cost in relation to outcomes as part of their future research and communication strategies, it is likely to impact their long-term business potential. There was a time when any safe and effective treatment could achieve a degree of success even if priced at a premium, but that’s simply no longer the case. Biopharma must communicate comparative efficacy, cost effectiveness and affordability if they want their products to become widely adopted.
Define your terms and take action

There is no doubt that defining value has become hugely more challenging for biopharma. In the UK alone, there are now 211 clinical commissioning groups holding budgets, and each one may judge your product with a different measuring stick. And that’s before considering the complex healthcare economies in the major European markets. Using the triple aim structure is therefore now essential.

So what are the practical steps you need to take?

1. Educate yourself. Find out what your customers see as value, and use this insight to shape your organization’s internal dialogue on the issue.

2. Define value at an organizational level, the qualities that determine value, how they will be measured, and the consequences of getting it wrong.

3. Use your definition to drive decision-making, and treat it as importantly as quality, safety, cost and regulatory demands. Make value a part of every review process as you bring new drugs to market.

In the world of market access, defining value may well be the most valuable thing you do.
About Quintiles

Quintiles (NYSE: Q) helps biopharma and other healthcare companies improve their probability of success by connecting insights from our deep scientific, therapeutic and analytics expertise with superior delivery for better outcomes. From advisory through operations, Quintiles is the world’s largest provider of product development and integrated healthcare services, including commercial and observational solutions. Conducting operations in approximately 100 countries, Quintiles is a member of the FORTUNE 500 and has been named to FORTUNE’s list of the “World’s Most Admired Companies.”

To learn more, visit www.quintiles.com.

Contact us

U.S. Toll free: +1 866 267 4479

U.S. Direct: +1 973 850 7571

Europe and other areas: +44 203 564 4649

Asia Pacific: +65 6602 1245

Website: www.quintiles.com

Email: marketaccess@quintiles.com