

Marketing Specialty Drugs

Advancing Script-Based Optimization

With specialty products projected to continue gaining a substantial share of the market, brand teams are presented with the challenge of reaching relatively tiny pools of patients. Any impact on patient starts, however, is amplified by the comparatively high value of specialty scripts. To effectively quantify the impact of marketing, data-driven insights and reliable indicators of performance are needed.

In May, Pfizer reported that revenue from U.S. sales of branded Lipitor had dropped to \$383 million for Q1 2012, down 71% from Q1 2011.¹ The blockbuster drug, with millions of patients, lost patent protection in November 2011, precipitating a historic realignment of the pharmaceutical landscape. In April, Abbott reported that its arthritis drug, Humira, had reached \$733 million in U.S. revenues for Q1 2012, up 23% from the year-ago quarter. With high expectations for growth, the specialty biologic is projected to exceed \$9 billion in global revenues this year, inheriting the title of the world's top-selling medicine.² This dynamic shift in the marketplace has created the need for substantial change in traditional approaches to consumer marketing.

The specialty market has grown rapidly in recent years; proliferation of successful drugs across a variety of treatment areas suggests that specialty medications will account for over 25% of total per-member-per-year (PMPY) pharmacy spend by 2014.³ (See Table 1.) While the Center for Medicare & Medicaid Services (CMS) defines the specialty drug category to include treatments that cost over \$500 a month, the average annual cost of branded biopharmaceuticals is estimated to be in excess of \$34,500 (compared to about \$2,200 for regular branded drugs⁴). A year on Humira costs \$50,000; others, like Cerezyme cost nearly \$200,000.⁵ But such high script values are almost invariably coupled with small patient bases, creating the need for extremely precise methods of measurement.

Tremendous potential for impact

Leveraging previous matchback analyses of specialty brands across categories, Crossix RxMarketMetrics™ provides performance benchmarks for the specialty space and offers realistic expectations for net impact compared to standard chronic brands. (See Chart 1.) Chart 1 illustrates the interplay between campaign lift and script value for specialty and non-specialty products. While specialty products experience much lower lifts

in conversion rates, the observed impact on adherence is similar to that of non-specialty products. Due to the significantly higher value of specialty scripts, these brands have tremendous potential for augmented returns; even the smallest impact on sales of specialty products can yield big results.

Compared to marketing standard pharmaceuticals, the marketing of specialty products to consumers presents a set of very distinct challenges. First, the pool of patients is mere fractions of that for a standard product. Sometimes, there may be several indications, relevant to smaller, distinctly different audiences, and managed by different brand teams; sometimes these are even marketed under different brand names. Prolia is used to treat osteoporosis, while Xgeva is indicated for the prevention of skeletal fractures in patients with cancer; the two contain the same medicine. Second, healthcare professionals are inherently resistant to some specialty products that require them to

Table 1

Rank	Therapy Class	% of Total Specialty Spend (2010)
1	Inflammatory Conditions	28.6%
2	Multiple Sclerosis	22.9%
3	Cancer	16.8%
4	Anticoagulant	5.4%
5	Growth Deficiency	4.6%
6	Pulmonary Hypertension	3.4%
7	Respiratory Conditions	3.1%
8	Blood Cell Deficiency	3.0%
9	Infertility	2.4%
10	Hepatitis C	1.9%
	Others	8.0%
	Total	100.0%

Specialty Drug Trend Report – 2010. Express Scripts Specialty Benefit Services, June 2011.

prescribe outside their field of specialty, or typical delivery method. Doctors are also hesitant to prescribe something with such a high price tag and they exercise increased caution to ensure financial efficiency. In the end, the relatively small size of these patient pools often means that brand teams need to evaluate the viability of traditional mass media approaches and design marketing strategy to align with the need for precise targeting.

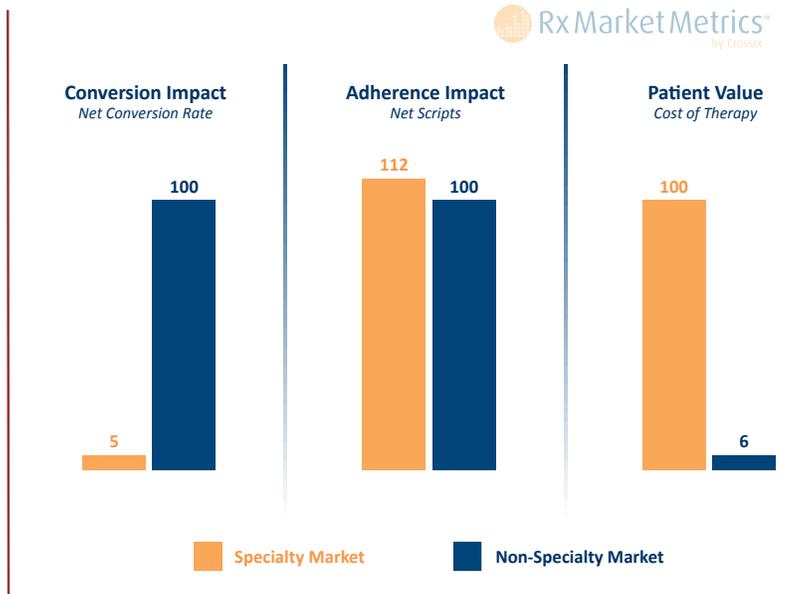
Adapting techniques, expectations

When it comes to measuring campaign performance, expectations should properly calibrate to the size of the patient pool and the inherent methodological difficulties that have previously rendered script-based measurement of specialty products unfeasible. Many transactions for specialty products do not process through the retail pharmacy, as patients may have myriad other distribution channels. This hurdle of data availability presents a distinct opportunity for the development of a reliable method of measurement.

Along with standard pharmacy data, Crossix utilizes access to pharmacy benefit management (PBM)/Plan data to capture specialty pharmacy transactions and links these transactions, using its patented, privacy-safe methodology, to marketing activity at the patient level. Through leveraging the data network, comprehensive models are created that indirectly measure the “invisible” Rx behavior that is the nature of the specialty pharmaceutical industry (behavior not traditionally captured by Rx data due to product distribution). For some products, traditional methodologies would not directly detect impact at all.

By linking the Rx transactions of individuals engaged and exposed to a particular campaign tactic, brand teams are informed as to the Rx behavior of current and potential patients in the period preceding marketing touch. Brands can identify trends of Rx use prior to patients starting a given

Chart 1: Campaign Lift and Script Value for Specialty and Non-Specialty Products



product and monitor their behavior across the pharmaceutical market once they begin treatment. In this way, brand teams can refine the patient pathway, and more clearly identify targets. With well-defined targets, the brand can then compare the ability of tactics to effectively reach that target.

This measure, Targeting Multiple, indicates how much more targeted a group of exposed/enrolled individuals is than a random sample from the data network. (See Chart 2.) In this case, RxMarketMetrics provides a benchmark for the percentage of patients treating in category, using the Targeting Multiple, based on the many included analyses from the specialty space. Brands should expect that different types of tactics will result in varying levels of targeting, depending on the nature of the tactic, reach, and scale. Each type can play an integral part in the overall campaign, especially with information to scale

About Crossix RxMarketMetrics™

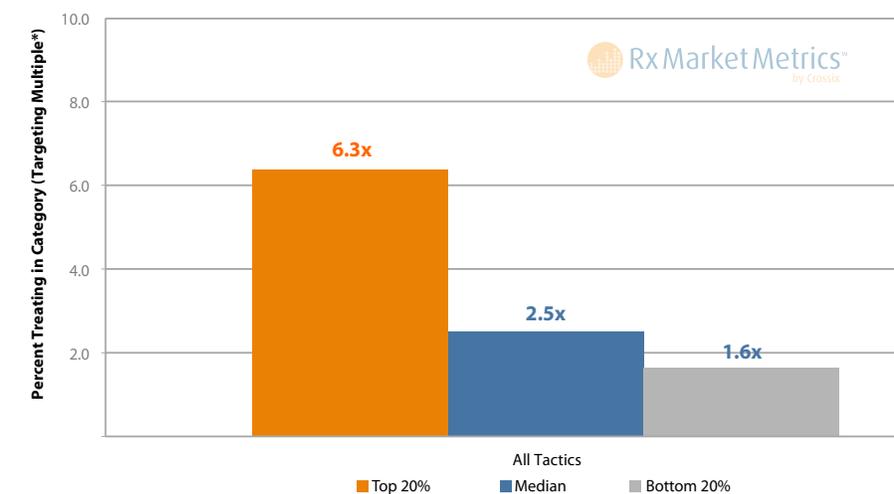
Prescription drug information drawn from Crossix RxMarketMetrics™, market benchmarks for performance of patient adherence and consumer marketing activities based on thousands of actual Rx analyses including more than hundreds and hundreds of consumer marketing tactics across a broad range of therapeutic categories.

Campaigns included in RxMarketMetrics aggregated for the chronic, lifestyle and specialty/biologic markets and derived from actual, anonymized and aggregated, results of consumer marketing campaigns for dozens of leading pharmaceutical brands ranging from direct response (DR) to general awareness and branding campaigns (GA), and multi-channel, from Web to Print to TV.

Normative Rx-based measures include conversion rates and curves, retention rates and curves, and Rx patient profiles specific to the market, channel and tactic. Benchmarks are further broken down by campaign specifics, such as purpose, level of branding, creative, offer type, response channel and fulfillment stream.



Chart 2: Targeting Multiples for Percent Treating in Category among Tactics for Specialty Products



*Targeting Multiple compares rate with random sample of pharmacy-goers

Source: Crossix RxMarketMetrics™ May 2012.

particularly effective tactics and stop those that consistently underperform.

When quantifying ROI, insight into the Rx impact of a campaign on conversion and adherence is provided. The benefit calculations are net of a control group where each individual is matched to a non-exposed control similar in Rx usage. For conversion, rates tend to be quite small for specialty products, especially when reaching a broad audience, due to the small pool of relevant patients. Brand managers used to seeing net conversion rates for standard products in the range of 1-10% through 12 months post-exposure must adjust expectations to evaluate rates of <1% in the proper context. Optimization decisions can drive significant financial improvements; sometimes, because of the vastly greater value of incremental patient starts, due to Rx price, merely acquiring a handful of net new patient starts generates positive ROI.

As for adherence, potential impact on incremental scripts filled is similar between specialty and non-specialty products; the value of each specialty script filled, however, is generally much higher. Further, a 2011 study showed relatively greater stability in persistence among specialty drug users when faced with a co-pay increase, compared to traditional pharmaceutical drug users, implying an even greater benefit from new patient starts due to projected script revenues over time.⁶

In the past, specialty brand teams needed to make broad assumptions in order to calculate the impact of a campaign, often translating to only directional measurements of ROI. These teams now have the ability to measure impact, take action to optimize performance, and project ROI with the confidence of Rx-based analytics. In general, due to the high Rx value of specialty pharmaceuticals, any authenticated

lift translates to positive ROI. Further, brands can now monitor how long patients stay on product, and quantify the lift or drop-off in adherence relative to competitors and industry benchmarks.

With specialty products, traditional methods of measuring market share, such as translating financial indicators to size of patient base, can be especially problematic. Beyond campaign measurement, marketers can utilize transactional data to provide a key market-level view, with the ability to quantify patient share across categories.

The methods pioneered by Crossix are complemented by the movement of the specialty market toward more measurable distribution systems. A 2011 study demonstrated dramatic cost savings achieved by a large managed care organization (MCO) that transferred over 50 specialty drugs from the physician reimbursement model to one that mandated MCO purchase from a specialty pharmacy provider.⁷ Transitions like this one facilitate the measurement of specialty drug transactions. With improved data networks, even situations previously deemed “unmeasurable” are becoming case studies for campaign optimization; even with the most conservative of assumptions, the baseline for net benefit often translates to positive ROI. **DTC**

This is a part of an ongoing series on Rx market metrics of various consumer marketing activities. For more information, see the Crossix RxMarketMetrics™ website (www.rxmarketmetrics.com), from Crossix Solutions Inc., an Rx-based consumer analytics company (www.crossix.com).

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