

THE 20SENSE REPORT

SPOTLIGHT ON THE CANADIAN
SPECIALTY PHARMACEUTICAL MARKET

JANUARY 2018_ISSUE 3



Making sense of Canada's
specialty pharmaceuticals market



Biosimilars and Patient Support: A Must-Have Combination

Biosimilars – medicines modelled after existing biologic specialty drugs – have arrived in Canada, and the future promises to deliver a lot more of these products to the market. Although they're generally offered at a lower price compared to originator biologics, biosimilars are still specialty medicines requiring full patient support program (PSP) reinforcement. This is no place for "PSP lite" offerings.

Patients, physicians, and manufacturers have come to rely on PSPs to manage the complexities of treatment with specialty pharmaceuticals. In today's crowded market, biosimilars will find it challenging to deliver great services to patients, let alone compete, without a PSP.

But not just any PSP: different drugs call for different types and levels of support. If your drug requires special handling, such as end-to-end refrigeration, you'll need a PSP that can manage delicate shipment protocols. If patients need complex lab work to start using your product, you'll want a PSP that helps them access these tests.

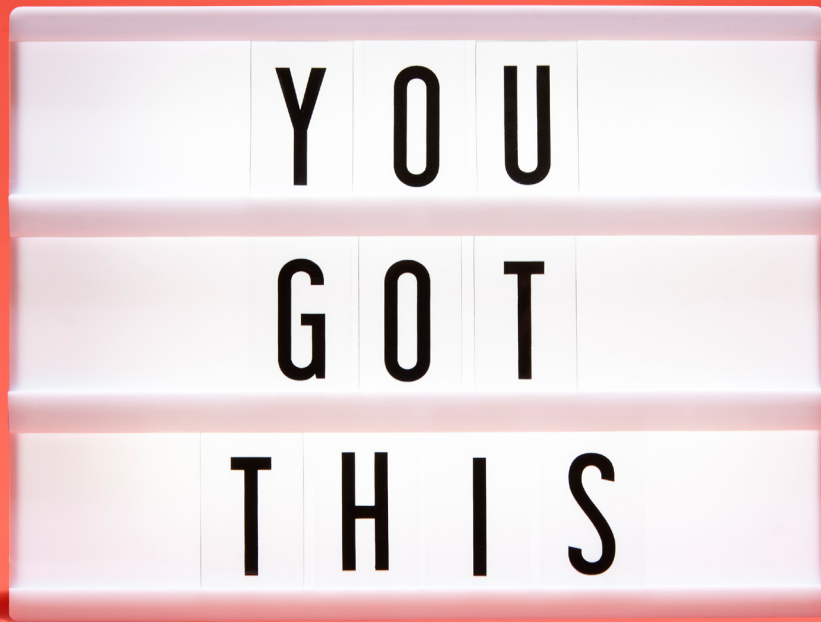
The payer landscape is also in flux. In the U.S., payers and manufacturers have been moving toward "value-driven agreements" in which payers only reimburse treatment that works.¹ With specialty's share in Canadian private plans now topping 30%,² it's safe to say that Canadian payers will be looking at similar strategies – and asking manufacturers for more and more data to justify their specialty drugs, including biosimilars. A PSP with the capacity to manage data can help you prepare for this future. Stay tuned.

Although they're generally offered at a lower price compared to originator biologics, biosimilars are still specialty medicines requiring full patient support program reinforcement. This is no place for "PSP lite" offerings.

**Back to basics:
specialty pharmaceuticals
and PSPs demystified**

Not sure what defines
a specialty pharmaceutical
or what constitutes a PSP?

Click on the link below to find out –
or refresh your memory.



Optimize Your Operations: Take your PSP to the Next Level

You have a PSP in place and it's working. Well, most of the time. There's the doctor who complained that his patient is still waiting; the patient who continued to receive free drug after her coverage kicked in; and the shipment that got spoiled in transit – you're not sure why.

These scenarios exemplify the all-too-common operational glitches that can hobble the specialty medicine supply chain. Here's another example: In some operational models, inventory flows to pharmacies along two separate streams: one destined for patients who don't have full coverage (e.g. those in compassionate or bridging programs) and another for patients with coverage. A virtual inventory model that brings the two streams together tends to reduce time-to-therapy for patients. Mechanisms are also required to ensure free product is not being supplied when it's no longer necessary.

Then there's the data piece. Did you know, for instance, that calculations based on medication possession ratio (MPR) often overestimate patient adherence rates?³

Data, stats, metrics – whatever you call it, reliable feedback on adherence patterns and barriers, not to mention spoiled or misused inventory, can help you develop strategies to improve the patient experience.

Understanding your operational processes and having the metrics to evaluate them can boost your PSP to what we call **Level 2: Optimized Program**. This puts you in a position to reach for the next level, **Level 3: Generating Powerful Insights** – a topic that will be covered in an upcoming issue.

Understanding operational processes and having the metrics to evaluate them boosts your PSP to Level 2: Optimized Program.

Specialty Programs Driving Innovation

For Manufacturers, Payers,
Prescribers and Patients



Channel Surfing: Creating an Intentional Channel Strategy

Just like those circuit diagrams from your high-school physics days, distribution channels for specialty pharmaceuticals can get complicated. An intentional channel strategy can help you eliminate bottlenecks and maximize market opportunities. Here's what we mean:

Invest in your distributors: It wasn't long ago that manufacturers relied almost entirely on national pharmaceutical wholesalers to manage distribution. In recent years, specialty distributors, whose expertise lies in distributing niche products, have joined the fray. If you deal with such distributors, they are likely managing a large share of your business, so it's worth investing the time to create fair agreements with them. While open, exclusive, and managed distribution all have their pros and cons, you need to ensure your distribution agreements don't slice the financial pie too thinly.

Understand your distribution agreements: Your distribution agreements could affect patient access. For example, a private payer may have set up a preferred pharmacy network (PPN) that compels patients to obtain your product from pharmacies within a specified network – which could work against your intended distribution strategy. An understanding of your distribution options can help you avoid such obstacles and, better yet, generate efficiencies to create market opportunities.

Create a strategy for hospital distribution: You can't ignore distribution to hospitals – and the many strategies available to navigate this complex system. Even if your product serves a largely outpatient population, some eligible patients may be hospitalized. With hospital budgets under perpetual strain, markups from distributors could lead some hospitals to pass on your product (and order a competitor product instead). Procurement legislation, regulations and group procurement organizations, which vary from province to province, should also guide your hospital distribution strategy and set-up.

Think beyond the pharmacy: Consider what additional support your medication requires for patients beyond distribution to pharmacies, such as nursing support, injection training and infusion services. Factoring in the uniqueness of your drug, patient needs, and available options will ensure your channel strategy is set up for success – right down to the patient.

As a veteran in the specialty distribution space, 20Sense can help. We can put your channel strategy under a microscope and identify opportunities for simplification, optimization and fairer distribution agreements – fairer not just to you, but fairer to the patient who needs your medication.

An intentional channel strategy can help you eliminate bottlenecks and maximize market opportunities.

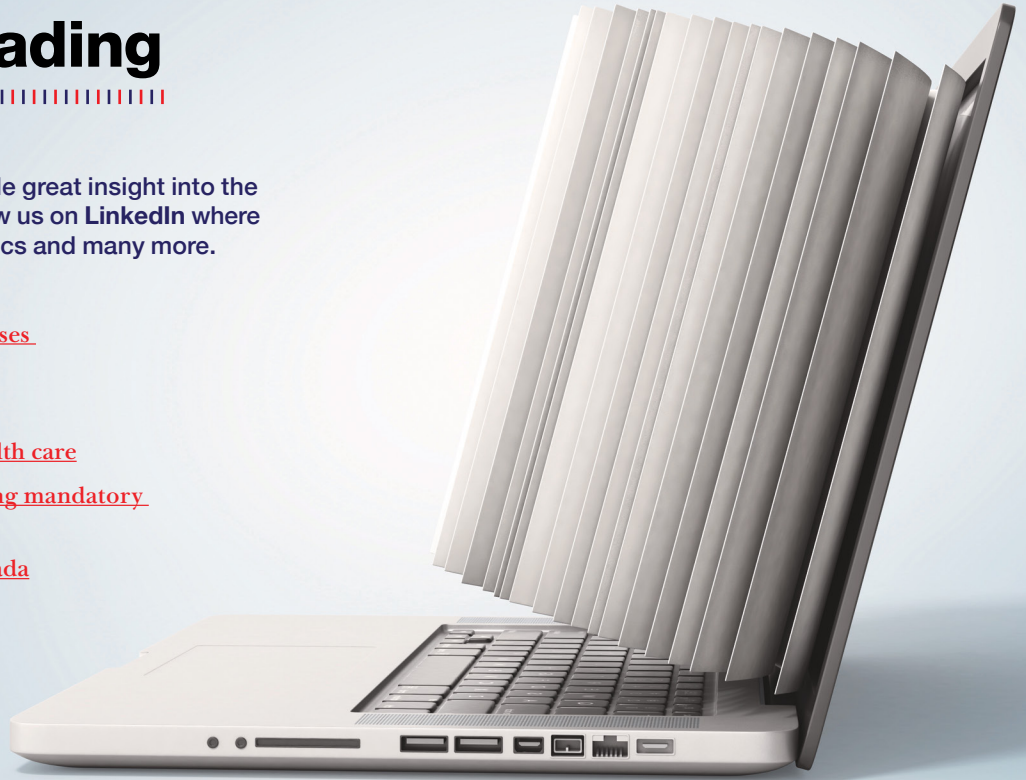


Want to get more out of your channel strategy opportunities? Let's talk.

An intentional channel strategy can help you deliver products to patients more efficiently, contain costs and maximize opportunities.

Get in touch with us to learn more about:

- How to assess your current distribution architecture
- How to develop efficient channel strategies for existing and pipeline products
- How to navigate the hospital landscape, provincial variations, and procurement practices



What We're Reading

We find that the following articles provide great insight into the specialty pharmaceuticals market. Follow us on [LinkedIn](#) where we're sharing our thoughts on these topics and many more.

[Alliance for Safe Biologic Medicines Releases 2017 Canadian Prescriber Survey](#)

[Do drug funding decisions need PR?](#)

[It's time for a data-driven approach to health care](#)

['A broken system': Why workers are fighting mandatory mail-order drug plans](#)

[Potential Savings from Biosimilars in Canada](#)

[Do You Know the Difference Between These Adherence Measures?](#)

References

- ¹ Value-Based Contracting. Life Sciences Today: A Huron Point of View. Huron Consulting Group 2016.
- ² Express scripts Canada drug trend report 2016.
- ³ Do You Know the Difference Between These Adherence Measures? *Pharmacy Times*, July 5, 2015.

Upcoming Issues

In upcoming issues of *The 20Sense Report*, we'll take a deeper dive into:

- How to develop PSPs that drive insights through data
- Real-world data, real-world evidence and specialty pharmaceuticals
- A further look at opportunities and challenges for biosimilars in Canada

Is there an issue you'd like us to address? Do you have a question you'd like us to answer?

We welcome your suggestions for topics you'd like *The 20Sense Report* to cover.

Are you looking to make better sense of the specialty pharmaceuticals market?

Contact us at:

[LinkedIn](#)

20Sense helps pharmaceutical manufacturers and specialty service providers more effectively enter and compete in Canada's complex specialty pharmaceuticals market by optimizing data, insights and programs that deliver better outcomes for patients and value for payers.

THANK YOU TO OUR SPONSORS, SUPPORTING INDEPENDENTLY RESEARCHED CONTENT AND WORKING TOGETHER TO PROVIDE VALUE AND TRANSPARENCY WITHIN CANADA'S SPECIALTY PHARMACEUTICAL INDUSTRY.