



Prescription Drugs UNDER THE AFFORDABLE CARE ACT

► **Trending Now:** *The newly insured are driving prescription volume and the balance point between cost and value may be shifting with the entrance of a new patient population and continued concerns over rising costs of care.*

OF THE top 10 physician specialties writing prescriptions for federal Health Exchange members, more endocrinologists and dermatologists wrote prescriptions than any other, including family practice and internal medicine, according to a new Pharma Insights report released by Symphony Health Solutions.

Almost 66% of endocrinologists and 67% of dermatologists wrote prescriptions for federal Health Exchange members, while only 47% of family practitioners and 25% of pediatricians wrote prescriptions for this same group.

Based on these new data, the ACA may be succeeding in opening access to previously underserved populations who are either new to care or who now have better access to care.

"Looking forward, we see that the mass of big data is only continuing to grow as more and more sources of data flourish in the market," says Don Otterbein, senior VP and general manager, consulting and services. "For biopharmaceutical manufacturers, the challenge will be integrating and aggregating this data in a meaningful way to drive their business. There will be a significant need for powerful analytics tools to derive value from amassed big data."



Don Otterbein

EMR Market Expected To Grow Beyond Incentives



Bruce Carlson

The almost \$25 billion for electronic medical records (EMR) to grow well past the period where there are incentives for U.S. healthcare providers, according to a recent report from Kalorama Information. Penalties, system upgrades, international sales and continued efficiency improvements will grow the market 7% to 8% each year for the next five years. The market for EMR systems continues to increase as more physicians and hospitals use EMR and acquire EMR systems, and as hospitals and physician groups upgrade existing systems.

Incentives for EMR use are one driver for the market but there is also, starting in 2015, a penalty for not using EMR. Those physicians who have not adopted EMRs by this year will face a reduction of 1% in their Medicare fee schedule, increasing to a 2% reduction in 2016 and a 3% reduction in 2017 and beyond. Thanks to the incentive, use

has increased among physicians, the group that vendors and the government have been targeting. Initially the market was boosted from \$6.7 million in incentive payments to physicians as of 2014. Growth rates were impressive in 2012-2014, averaging 16%. Growth will continue at about 13.4% for 2015-2019 as the "carrot" of incentives tempts physicians but most importantly as the "stick" of penalties threaten to impact 2015 revenue.

"Expect a fair amount of competition and stable growth in the next few years, without incentives boosting the market," says Bruce Carlson, publisher of Kalorama Information. "Eventually, there will be market saturation but this is a bit of a way off, especially in emerging markets."

Managed Markets Account Manager Teams Growing

Managed markets groups, a critical function of a life sciences company's commercial arm, work to build and maintain relationships with managed care organizations, government payers and private payers. To maintain communication between the company and key payer decision makers, managed

Therapeutic Trax

Cardiovascular

The global treatment market for dyslipidemia is expected to more than double in value from \$15.4 billion in 2013 to an estimated \$37.9 billion by 2023, representing a CAGR of 9.4%. This increase will occur across the eight major markets of the U.S., France, Germany, Italy, Spain, UK, Japan, and China and will be driven by the launch of several drugs with blockbuster potential, which are currently in late-stage development, during the forecast period.

Source: GlobalData

Infectious disease

Despite the optimism surrounding two first-in-class products, Sanofi Pasteur's live-attenuated dengue vaccine, CYD-TDV, and GlaxoSmithKline's (GSK's) adjuvanted subunit malaria vaccine, RTS,S/AS01, vaccination alone is not a viable long-term solution for combatting these infectious diseases. While vaccines will aid future dengue and malaria prevention, immunization cannot succeed as a silver bullet solution for either disease. Immunization must therefore be leveraged alongside vector control strategies, national and international surveillance programs, and public awareness campaigns as part of integrated disease prevention and control initiatives.

Source: GlobalData

Neurology

The highly diverse and innovative pipeline for Duchenne muscular dystrophy (DMD) and Becker muscular dystrophy (BMD) treatment has the potential to produce therapies that will help repair the mutated gene, halt muscle degeneration, and improve patients' life expectancy. About 70% of all

programs with disclosed molecular targets are first in class. This is largely due to the high number of first-in-class products that solely target the dystrophin gene, which is the primary genetic cause of DMD and BMD.

Source: GBI Research

The treatment market value for fibromyalgia across the seven major markets of the US, France, Germany, Italy, Spain, the UK, and Japan, will expand from \$1.8 billion in 2013 at a CAGR of 0.72% to reach \$1.9 billion by 2023. While this growth will be driven by the potential introduction of four late-stage pipeline agents, consisting of reformulations of existing therapies and me-too products, it will also be dampened by the simultaneous patent expiries of the key branded products on the market.

Source: GlobalData

markets groups must be staffed to handle the necessary payer interactions and activities.

According to Cutting Edge Information, managed markets groups at top 50 companies have an average of 43 managed markets account managers. A recent survey found that the number of managed markets account managers at top 50 U.S. groups ranges from 26 to 65. Survey respondents at small U.S. groups, on the other hand, have between one and 20 account managers.

“Staffing levels vary by organization and portfolio size,” says Jacob Presson, senior research analyst at Cutting Edge Information. “A larger pharmaceutical company with more financial resources and a greater number of products will typically have specialized teams of account managers to support specific therapeutic areas or individual products.”

Medical Publication Budgets Grow

As the pharmaceutical industry embraces increased transparency, medical publications teams require the resources to support a growing demand for abstracts and manuscripts. According to a recent study by life-sciences intelligence firm

Cutting Edge Information, surveyed medical publications team budgets rose nearly 20% from 2013 to 2014.

Among surveyed top 50 pharmaceutical companies, publications groups supporting company-wide strategies reported an average 19% increase from 2013 resource levels. One Top 20 organization anticipated a 50% budget increase for 2014. Surveyed medical device and small pharmaceutical companies reported higher increases — at an average 24% over 2013 levels. One small pharma projected as much as a 67% increase by 2014.

“Publications output is a key driver for medical publications budgets,” explains Sarah Ray, senior research analyst at Cutting Edge Information. “Teams that take on higher levels of manuscript and abstract production require more financial resources to support these activities.”

But publications output is not the only factor that impacts medical publications budgets. Companies must also consider the scope of their publications teams’ responsibilities, as well as the number of supported products. In addition, high-output teams typically require more staff and higher levels of expertise to produce effective manuscripts, both of which increase budgets. ^{PV}

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