

Case in Point: Managed Care Study

Situation

This client needed to assess the potential impact of an anti-hypertensive agent moving to first-in-class generic status on two of its products: its branded product (Brand M) and a first-in-class product (Brand L) considered to be the future of its anti-hypertensive franchise. Specifically, they wanted to look at estimated prescribing changes and the impact on managed care formulary status.

Objectives

The overall business goals for the research were to look at impact on market share and net revenue of Brand M. They also wanted to estimate if Brand L had the potential to compensate for loss of the branded product. Together, these inputs would inform the overall projection of the client's franchise unit for the upcoming year. Specific objectives included:

- ▶ How will Brand X be impacted by the generic launch?
- ▶ How could perceived efficacy advantages for Brand X ameliorate potential market share erosion?
- ▶ What, if any, formulary access restrictions will be placed on Brand X given the generic availability?
- ▶ What, if any, pricing restructuring will be required to mitigate potential market share erosion.
- ▶ How will the formulary status of Brand L change with the restructuring of formulary resulting from the generic launch?
- ▶ How will Brand L compensate for any loss of Brand X revenue associated with the generic launch?

Methodology

G & S Research recommended and implemented a qualitative-quantitative approach with managed care organizations (MCOs) and primary care physician (PCPs), respectively. This two-prong design captured the dynamics of both influencers, giving the client a complete picture of anticipated behavioral changes that would affect the products and marketplace as a whole.

Qualitative Research

G & S Research conducted 10, 30-minute telephone in-depth interviews (IDIs) with MCO decision-makers. This research would unveil the degree to which the generic would be positioned in a preferred status and identify any restrictions (e.g., prior authorization, step

therapy, etc.) that might be employed to inhibit prescribing of the branded alternatives.

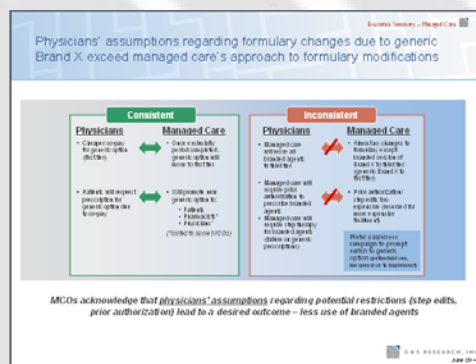
Quantitative Research

Simultaneously, a 20-minute Internet survey research was employed with 75 PCPs. This sample size ensured sufficient representation to note trends in responses. This research would capture anticipated perceptions, motivations, and behavior changes of these prescribers on the alternatives.

Outcomes

The market research supported Brand M's usage decreasing as the generic offering became a more attractive choice for physicians. It also uncovered the MCOs intention to not substantively change the current formularies but to disseminate communications encouraging the use of the generic drug over the branded agents.

Furthermore, the study revealed that physicians' assumptions regarding formulary changes—due to the generic entry—exceeded managed care's approach to formulary modifications. Specifically, the doctors assumed that managed care would move all branded agents to third tier, while managed care planned for just one branded product to make that move. As well, the physicians presumed that managed care would require prior authorization and step therapy for branded use, when, in contrast, managed care saw those changes to be too costly to implement.



Based on these outcomes, the client has a more informed understanding as to shifts in market share. As well, the client anticipates the need to develop messages that counter physicians' perceptions regarding anticipated MCO restrictions.



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