

Co-Pay Cards: Stakeholder Perspectives on a Growing Trend

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Co-pay Cards: Stakeholder Perspectives on a Growing Trend

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Activity Type: Knowledge-Based

Following this presentation, attendees should be able to:

1. Explain various stakeholder perspectives of copay cards, including pharmacy, payer, pharmaceutical manufacturer, and patient perspectives.
2. Describe the different types of copay offset initiatives seen in retail pharmacy including: dollar amount reduction, pay no more than, percentage reduction, maximum reduction amounts, and free trial offers.
3. Describe two technology solutions that impact usage of copay discount offerings.
4. Outline three patient benefits and three managed care concerns with copay cards.

Disclosures

Don Dietz is a Vice President with Pharmacy Healthcare Solutions, Inc. The conflict of interest was resolved by peer review of the slide content.

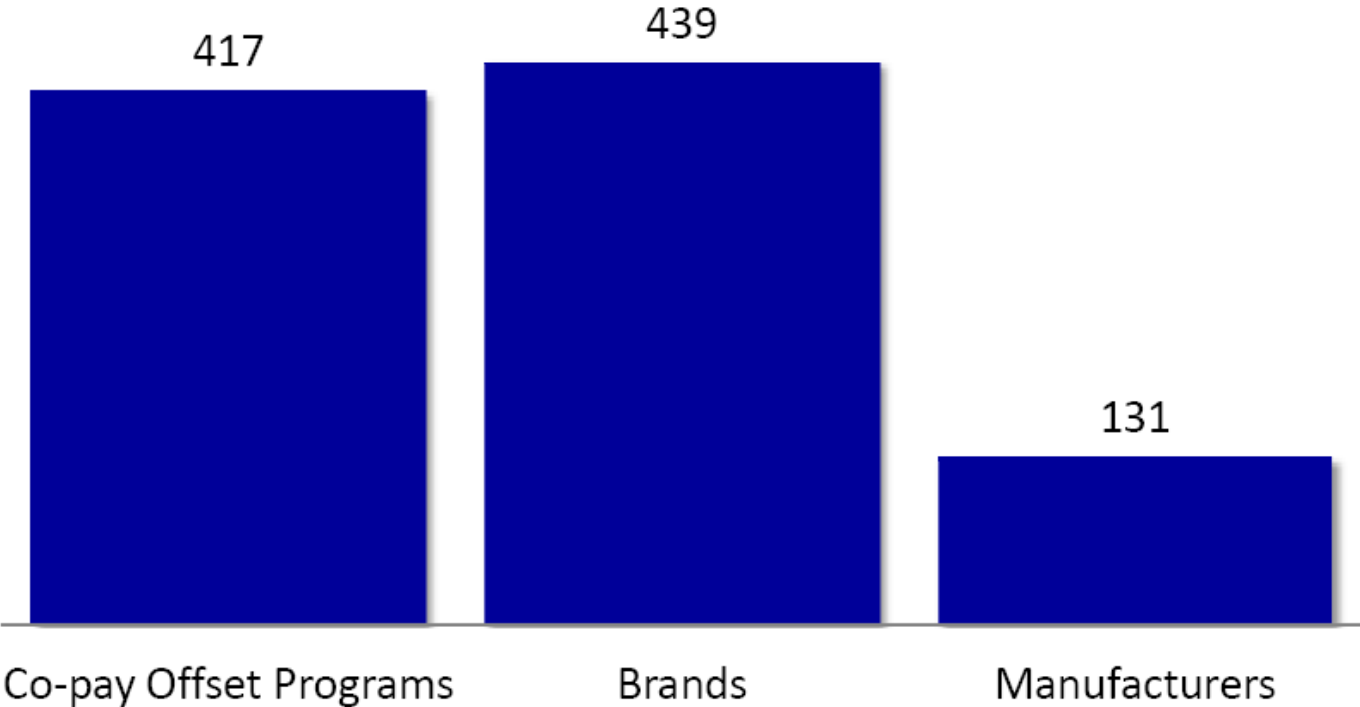
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Agenda:

- Types of Co-Pay Cards
- Technology Impacting Co-Pay Cards
- Stakeholder Perspectives
- Patient Benefits and Managed Care Concerns
- On the Horizon

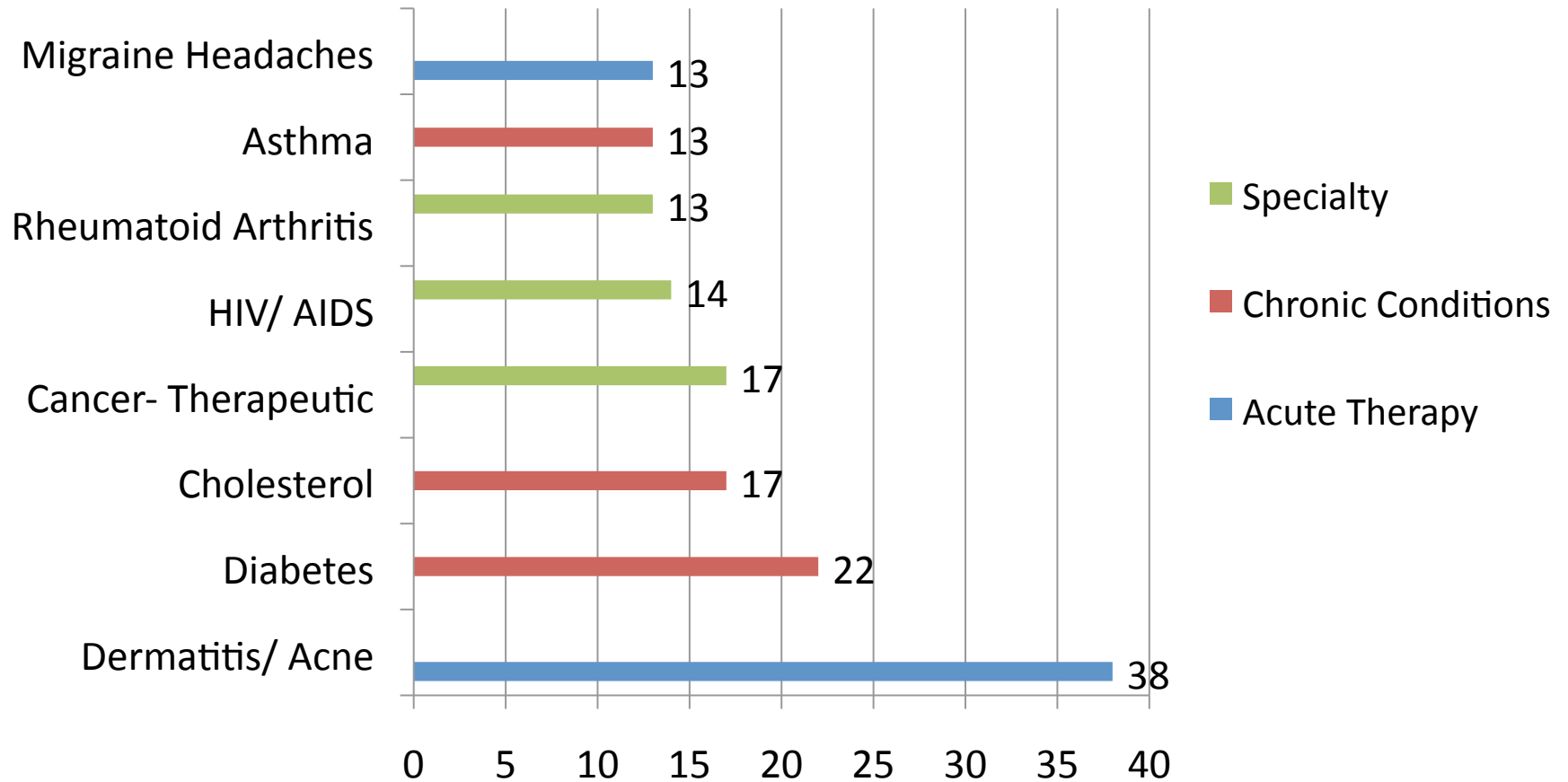
Copay Card Prevalence

Co-Pay Offset Program Landscape



Source: The Zitter Group's Co-Pay Offset Monitor, Fall 2012

Therapeutic Areas by Number of Co-Pay Offset Programs



Adapted From: The Zitter Group's
Co-Pay Offset Monitor, Fall 2012

CO-PAY CARD PROGRAMS

Types of Co-Pay Cards Funded by Brand Teams



CoPay Savings Card

Ribasphere® RibaPak®
 (ribavirin, USP) Tablets

Eligibility: Insured and Cash Patients
 BILL PRIMARY INSURANCE FIRST

RxBIN: 601341
 RxPCN: OHCP
 RxGrp: OHXXXXXX
 RxID: 000000000000
 Suf: 01

Eligible patients may save up to \$65 toward each monthly Ribasphere RibaPak copay for up to 12 months. Valid for all self-pay patients and most patients with commercial insurance.

Lazanda® Co-Pay Savings Card

Pay No More than **\$5*** for your first prescription
 Pay No More than **\$25*** for all additional prescriptions
 if your co-pay is less than or equal to \$125

Emdeon
 Therapy First Plus

Lazanda®
 fentanyl nasal spray

BIN# 004682
 PCN# CN
 GRP# EC71001002
 ID# 000000000000

*subject to rules and restrictions below
 Please see Medication Guide including BOXED WARNINGS.

FREE / RELISTOR
 UP TO 7 DOSES

Pay no more than **\$25** for all subsequent uses.*

BIN: 610020 Group: 99992152 ID: XXXXXXXXXXXX

Card is valid for 24 uses.
 Offer expires 1/31/2014

*See reverse for more details.

RELISTOR®
 methylnaltrexone bromide
 subcutaneous injection

BIN: 610020
 Group: 99992152
 ID: XXXXXXXXXXXX
 Expires: 1/31/2014

RELISTOR®
 methylnaltrexone bromide
 subcutaneous injection

OPUSHEALTH®
 Eligibility: Insured and Cash Patients
 BILL PRIMARY INSURANCE FIRST

AFINITOR®
 (everolimus) tablets
 2.5mg | 5mg | 10mg

\$25 CO-PAY CARD

NOVARTIS
 ONCOLOGY

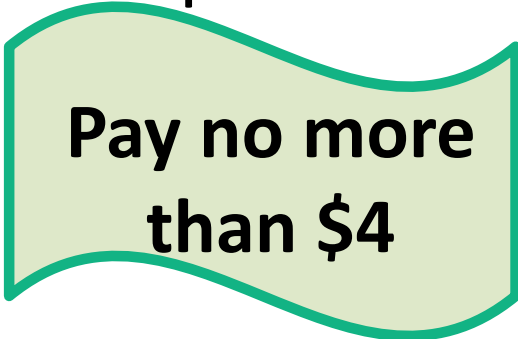
Fixed Dollar Amount Reduction

- Original paper coupons pharmacy mailed in for redemption
- Offer reduces patient-pay by a specific dollar amount
- Amount is typically the difference between preferred and non-preferred copay tiers
- Easiest for manufacturers to budget



Pay No More Than \$x.xx Amount

- Reduces patient copay to specified dollar amount
- Reduces copayment to that of preferred brand or generic
- Manufacturer pays a variable dollar amount with a cap
- Greater patient uptake- read the fine print



**Pay no more
than \$4**

Percentage Co-Pay Reduction

- New emerging trend
- Expect uptake on expensive specialty products
- Specialty have higher co-pay tier or percent copay
- Patient still responsible for some portion of drug cost



Save 50%

Free Trial Offers

- Alternative to physician sampling
- Drives patient into pharmacies
- Increases patient starts
- May be offered to wider range of patients

Maximum Dollar Amount Discount

- Establishes cap on manufacturer contributions
- Not a card design, but a component of the above designs
- Expensive specialty products
- Cash claims (No coverage or ignore third parties)
- Caps pharmacy U&C price

MOVING BEYOND PAPER & PLASTIC

Virtual Co-Pay Cards

- Paperless option executed by pharmacy switch providers
- Reads paid transaction data stream from the PBM to pharmacy
- If meets criteria (commercial, 3rd tier copay), initiates second co-pay reduction transaction automatically
- No pharmacist or patient involvement
- Integrates copay card with 3rd party insurance at the pharmacy
- Discount reflected on pharmacy prescription receipt to patient
- Higher utilization vs. co-pay cards

Electronic Prescribing

- E-prescribing systems send co-pay reduction offer information to pharmacy with prescription
- Prescriber may or may not be aware of co-pay discount before issuing the prescription
- Utilizing other coverage fields (COB) for data
- Emerging trend: Functionality varies among different e-prescribing providers and even among different products offered by the same provider
- Should not require patient activation

STAKEHOLDER PERSPECTIVES

Stakeholder Perspectives: Manufacturer

- Physician detailing aid
- Increases patient starts
- Alternative to rebate contracting for preferred tier placement
- Retains brand sales

Stakeholder Perspectives: Pharmacy

- Originally a nuisance to pharmacies
- Now a standard procedure
- Workflow issues when the prescription arrives before the co-pay card
- Potential to reduce prescription abandonment
- Improve medication adherence
- Often creates two receivables for one prescription dispensing

Stakeholder Perspectives: Patient

- Reduces out-of-pocket expenses
- More likely to try/ stay on a medication
- Minimizes switch to an alternative brand or generic
- Some cards require patient activation or CRM (customer relationship management) enrollment

Stakeholder Perspectives: Payer

- Impacts formulary efforts to drive preferred products
- Increases payer costs
- Leads to changes in coverage
 - Non-Formulary
 - Step Edits
 - Prior Authorizations
- PBM mail order pharmacies do not usually accept copay cards

Stakeholder Perspectives: Prescriber

- Increase patient starts for new therapy
- Improves medication adherence
- Impacts prescribing patterns
- Encourages prescriber use of new products
- Alternative to drug samples

PATIENT BENEFITS & MANAGED CARE CONCERNS

Patient Benefits

- Reduces out of pocket costs
- Increases trials of new medications
- Improves adherence when cost is a barrier

Managed Care Concerns

- Thwarts formulary positioning
- Can impact rebate yield
- Increases payer costs
- Limited view of co-pay card usage as a secondary payer
- Need to move to non-formulary to prevent utilization
- Life cycle management strategy post LOE

On the Horizon

- Programs where brands compete with generics
- Direct pay patient options
- Creative plan design for specialty
- Means tested programs- patient assistance?

Questions?

