New Days, New Ways for Co-Pay

Analysis, trends, and expert advice for biopharma on optimizing use of co-pay cards, adherence, and other interventions aimed at patient support

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They’ve come a long way in the last two decades, and proved their value. But as new challenges arise, new tactics are needed to make these programs prosper. **Barbara Peck** reports

Patient-affordability programs, by now a familiar tool in the pharma marketing arsenal, date back to the 1990s. That’s when Wyeth launched the first co-pay initiative, incentivizing patients to use the depression drug Effexor. The program involved an offer to cover all or part of a patient’s insurance co-payment.

Although access to medicines remains just as relevant now as it was back then, the complexity of today’s healthcare environment makes it more important for brand managers to properly design, manage, and measure the success of their patient-affordability initiatives.

Multiple factors have implications for these programs, from the reimbursement landscape and how coverage for branded drugs is shifting, to formulary management tactics such as prior authorization, tiering and other payer trends, to the scrutiny on drug-makers to rein in prices. Clearly, a different approach is needed.

**FROM PILLS TO PLASTIC**

To see where co-pay assistance programs are headed, it’s worthwhile to examine their origins. For years sales reps had hauled around drug samples to doctors’ offices, hoping for a foot in the door so they could dole out the samples to doctors willing to take them. But no one knew what happened to the samples after that — which patients did they go to? Did the patients even try them? If so, did they refill their prescriptions?

TrialCard, founded in 2001, was formed under the premise that there must be a better way to introduce new pharma products. TrialCard’s first rebate program began with electronic vouchers that prescribing physicians could distribute to patients. Then TrialCard introduced plastic cards that patients would hand to the pharmacist to receive the discount off their co-pay. Suddenly it was possible to track all the steps, from sales rep to prescribing physician to consumer to the pharmacist who filled (and refilled) the prescription.

At the same time, reps found that co-pay cards (sometimes called co-pay offset) made it easier to gain access to prescribing physicians. And the mere act of using a co-pay card increased patient engagement — and adherence.

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*It’s increasingly apparent that we need a backup plan for those who can’t afford their meds.*

— Paul LeVine, VP of analytic services, TrialCard

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Is there evidence that copay programs can have a direct effect on adherence?

**Persistency Superiority vs. Standard by Anatomical Therapeutic Classification (ATC) Code**

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* Measures comparison between fills per person in 116 TC promotions during 2012-13 vs. the same products’ TRx/NRx ratio as reported by IMS for 2012-13.

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94% of privately insured workers/employees are facing a tiered cost-sharing formulary for prescription drugs.

— Kaiser Family Foundation Employer Health Benefit Survey, 2014
So the co-pay system is good for the patient by making branded drugs more affordable and increasing adherence — thus having a salutary effect on patient outcomes. And it gives physicians the freedom to prescribe the drugs their patients need.

But now new roadblocks are requiring brand marketers to rethink co-pay tactics. The following factors show why we need to recalibrate the ways that patient-affordability initiatives are designed and managed.

**THE CHANGING REIMBURSEMENT LANDSCAPE**

High-deductible health plans are on the rise, partly due to the arrival of the Affordable Care Act. “Bringing more people into the fold is a good thing, of course,” says Paul LeVine, VP of analytic services at TrialCard. “But the new health plans that were starting up didn’t know the patients they’d be seeing. To reduce financial risk, many plans went the high-deductible route.”

Typically, that means deductibles over $1,200 for an individual and $2,400 for a family. In 2015, 46 percent of employees had annual deductibles over $1,000, and out-of-pocket costs are rising year by year. In fact, it’s predicted that just three years from now, 44 percent of employers will offer only high-deductible plans as the benefit option.

“We know that these cost-sharing methods affect how much care is purchased,” says LeVine. “It’s increasingly apparent that we need a backup plan for people who can’t afford their meds.”

As the tactics used to manage formularies get more convoluted, the coverage for branded drugs is shifting. A pharmacy benefit manager (PBM) bases its formulary on evaluations of the drugs’ efficacy, safety, and cost-effectiveness. That makes it sound straightforward, but there’s much more to it than that. Drugs are assigned to different tiers, with increasingly higher co-pays for the upper tiers. Multitiered drug plans are meant to push patients toward the less expensive generic drugs, and away from higher-priced brands. By 2015, 33 percent of health plans had five or more tiers, creating a stiff financial deterrent to accessing newer specialty drugs.

**WHO GETS TO CHOOSE?**

To payers, co-pay programs subvert their use of formularies — that is, putting expensive branded products on higher co-pays to keep costs as low as possible. However, it’s worth keeping in mind that the payers are competing with one another to minimize costs for their clients — not to reduce healthcare expenditures for the sake of the country. “So the question arises: Where do patients want the restrictions to be coming

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Researchers found that when a prescription co-pay was greater than $50 it was 4.5 times more likely to be abandoned (that is, not filled) when compared with control medications that had a $0 out-of-pocket cost.

“from?” says TrialCard’s LeVine. “With co-pays, the manufacturers are giving patients back the option to make their own choices of branded or generic.”

PBMs also hold the power to limit access to a product. Selecting the tier for a specific drug involves profit negotiation with the pharma manufacturers, who might offer the PBM a rebate or discount that moves the product to a lower tier. Drug manufacturers who can’t or don’t offer similar incentives may not see their product make it on the formulary at all. As smaller PBMs get in on the action, that’s likely to be on the rise. So market force is being brought to bear in determining which drugs are available to patients.

Another roadblock: 20 percent more products each year require prior authorization, an administrative tactic that slows down the opportunity for patients to get a branded medication. Before prescribing a certain drug, doctors must first submit a form to get authorization, another chore added to an already-overwhelming workload. Patients don’t like it either — there’s evidence that processes like this only increase the number of prescriptions that are abandoned.

While there are legitimate reasons for requiring prior authorization, it’s often seen as little more than a hurdle meant to discourage doctors from prescribing branded pharmaceuticals.

As LeVine says, offering a co-pay puts the choice back into the hands of the patients. Let’s say the PBM Express Scripts lists a branded product with a $60 co-pay — an amount the patient isn’t willing or able to pay out of pocket. The manufacturer’s co-pay brings the fee down to the equivalent of a Tier 2 drug — and the patient buys.

With smaller launch budgets to contend with, pharma companies must carefully consider what they invest in to turn a profit. Recent events have raised public scrutiny of pharma pricing to an all-time high — most memorably, in September 2015, the 5,000 percent price hike for a drug used to treat AIDS patients. Other hefty increases, such as those for hepatitis-C therapies, have added the pressure on drug makers to rein in prices.

NEW APPROACHES TO CO-PAY

Despite all the challenges that face brand marketing teams today, there’s still value in traditional co-pay programs. In fact, they can become even more effective. Offering patients financial assistance is only one piece of the strategy. With the pressure on to justify drug prices, marketers need to enhance the patient experience — and be able to demonstrate the real-world benefits.

In the following pages, you’ll learn how marketing teams can move beyond simply securing brand loyalty through co-pay cards. Using outreach, data, and analytics, they can optimize patient engagement — in ways that can have a significant impact on patient outcomes.

The average 2015 monthly prescription co-pay amounts for preferred brands was $31 with non-preferred brands costing $54 and specialty products at $93.

— Kaiser Family Foundation Employer Health Benefit Survey
Today’s Healthcare Landscape Demands a Different Approach to Co-Pay

Ability to customize and adapt business rules to accommodate landscape changes

$6.2M in additional profit for one manufacturer

Advanced analytics to target the HCPs and patients that deliver the most value

Results show 105% NRx lift

Feedback tools that capture patient reported outcomes to help overcome payer challenges

Results show 45% NRx lift

Make sure that your co-pay program design is optimized.
It’s not all about the money. Today’s affordability programs can deliver valuable insight to HCPs on the efficacy and patient-level outcome of treatments.

Co-pay cards and other affordability initiatives have demonstrated their value for years. But as new challenges arise, traditional tactics need to adopt some non-traditional approaches to retain — and, in fact, pump up — the benefits they offer.

Co-pay cards used to be called loyalty cards, because part of the desired effect is to gain repeat customers — both consumers and healthcare professionals. But simply making medications more affordable is no longer perceived as the best or only way to gain loyalty. That’s why adding layers of support has become even more important.

Today’s call for value-based healthcare places even greater emphasis on outcome — increasingly, payers demand real-world evidence of a product’s performance. TrialCard’s proprietary Medication Experience program, which collects and reports patient-reported outcomes, can offer HCPs demonstrable proof of outcome for a brand.

The program depends on the arrangement with the client, but here’s a typical scenario: A physician prescribes a certain brand and gives the patient a co-pay card to make the medication more affordable. A printed sticker on the card asks the patient to go to a website to opt in and fill out a baseline survey. At this point, the patient hasn’t started taking the medication; the survey is meant to capture pre-treatment information about the patient’s attitudes and behaviors related to the condition.

After a set period of time, the patient receives a request to complete a post-treatment survey. The length of time varies depending on the condition — in the case of an asthma treatment, for instance, patients recognize the impact of the medication fairly quickly, so the prompt for the second survey is sent in a couple of weeks.

The second survey gathers information on how the medication has affected the patient’s quality of life and ability to function. A summary of this patient-reported outcome is sent to the prescribing physician to aid the patient’s treatment. Gratified to learn of the medication’s success, the physician is more likely to become an advocate of the brand, and to prescribe it to other patients with the same condition.

A summarized report is also sent to the client, so the drug manufacturer also gains valuable insights into patient behaviors and outcomes.

What motivates patients to complete the survey? That too depends on the arrangement with the client. Perhaps the doctor simply encourages the patient to give this valuable feedback, or perhaps the patient is offered an increased discount on their next purchase. Either way, evidence shows that both receiving the co-pay and completing the surveys have the effect of further engaging patients — to the benefit of their adherence and thus their overall state of health. 

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**Chapter 2: Using Access to Measure Outcomes**

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**A Patient Feedback Success Story**

Last year, TrialCard was asked to help raise awareness of a recently approved brand. The firm faced two big hurdles: the new drug’s fourth-tier status and a low-priced generic competitor. The brand already had a co-pay program in place, but prescribers in focus groups had stated that they’d have more confidence in the brand if they were given more insight into how it would work for their patients.

So TrialCard added another layer: a custom-designed patient feedback program designed to demonstrate the brand’s efficacy over other available therapies. The strategy worked: The group of prescribing physicians who received the feedback surveys’ evidence of patient satisfaction (and who used the co-pay program) wrote 60 percent more new prescriptions than the control group.
Adding layers to patient-affordability programs can help address the need for increased patient engagement and adherence.

New ways to expand a brand’s co-pay program are being devised every year. Having captured data and contact information for patients and physicians, there’s no point in sitting on that gold mine when it can be put to good use.

Leveraging this data can ultimately be used to boost adherence, engagement, or outcomes. It’s another avenue providers of affordability programs are pursuing to disrupt the space, in a positive way, by addressing those age-old concerns.

**REACHING OUT TO BOOST ADHERENCE**

Adherence has long been a stubborn problem. Many patients don’t fill their prescriptions, don’t take their medications as prescribed, or take them for a while and then stop altogether. Such behavior can have devastating consequences to their health, especially in chronic conditions. According to the CDC, “medication non-adherence is a major and growing public health concern”: 20 to 30 percent of prescriptions are never filled, and in half of all cases, medication is not continued as prescribed, particularly in the case of long-term therapies.

Obviously, failure to adhere has ramifications for manufacturers as well. The U.S. pharmaceutical industry loses $188 billion annually due to medication non-adherence, according to a 2012 CapGemini report.

Recent years have brought a slew of efforts to increase patient engagement, also called “activation”—as in, patients taking an active role in managing their own health care. It’s been shown that engaged patients are more likely to take medications as prescribed, and their health benefits from that. Statistics show that less engaged patients have higher healthcare costs. According to Judith Hibbard, the University of Oregon professor who developed a way to measure engagement with her groundbreaking Patient Activation Measure: “Even when you look at people with different conditions, the level of activation is the main predictor of adherence to medication.”

**A HARD NUT TO CRACK**

“Adherence is a complicated issue,” says Molly Stallings, Product Director at TrialCard. “There are so many factors that contribute to it, which means that a siloed approach isn’t going to be effective.” TrialCard uses data acquired through its patient feedback programs—such as the information collected when a patient initiates a brand’s co-pay card and opts in to answer surveys—to broaden the understanding regarding adherence.

This research helps devise strategies that can make significant inroads on removing barriers to adherence. Besides the cost of medications, there may be cognitive challenges such as a patient’s psychological problems, a lack of belief in the benefit of treatment, a lack of insight into the illness, and the complexity of the treatment prescribed. According to the CDC, “People who skip or forget doses are less likely to understand the health consequences of medication non-adherence.” CDC findings also show that rates of adherence to therapies for chronic conditions typically drop after the first six months.

**POWER TO THE PATIENT**

TrialCard’s strategists customize outreach programs not just for the brand, but for patient types, using what they’ve learned from patient feedback programs to determine different behaviors. They’re able to create profiles that predict what a certain patient might do—that is, his or her predisposition to drop off or not adhere to medication. They then create adherence intervention plans that fit the profiles, such as reminders—via text messages, email or live calls—to refill their prescription and to take their treatment regularly.

These communications can go even further. They can be used to educate patients about their condition, describe possible side effects of the medication (and offer advice on managing those side effects) and stress the importance of maintaining the treatment regimen. Information like this empowers patients to manage their own condition—a key definition of engagement.

About 30% to 50% of treatment failures are due to medication non-adherence. These failures are estimated to cause 125k deaths annually.

— CDC
Healthcare marketers are taking an integrated approach to steering patients to access programs through various channels and stakeholders.

**Co-pay cards** have become a go-to tactic in the healthcare marketing armamentarium. As the number of brands offering affordability programs have blossomed, so have the number of media and sales channels being used to steer patients to them.

Take the 2015 campaign TrialCard managed for an Rx allergy treatment as an example. The brand was losing ground to over-the-counter and generic products. TrialCard devised a multichannel enhancement to the brand’s traditional co-pay program. To start, the firm analyzed transactional data and determined that the co-pay offer could be reduced without seeing any reduction in the number of prescriptions.

The next step involved enhancing the enrollment process to capture patient data. More feedback was gathered during surveys, in which patients reported that using the product had reduced their nasal allergy symptoms by more than half. That information was then used to tailor communications to patients for refill reminders and updates on seasonal allergies.

Adding another layer to the program, TrialCard integrated a tele-promotion campaign that went on to achieve great results. Agents in TrialCard’s Customer Experience Center placed calls to some 20,000 prescribing doctors and 28,000 pharmacists to educate them about enhancements to the brand’s co-pay program and to pass on the positive results gleaned from patient enrollment and surveys.

**TAKING THE CALL**

In only the first round of communications, the campaign reached 75 percent of its target prescribers and 90 percent of target pharmacists. Doctors — however overworked they may feel — are receptive to these calls, most importantly because they’re starting to be measured on patient outcomes, so they welcome the input. Also, they know that co-pay cards help cement their relationship with their patients. “The co-pay card is a feel-good deliverable for patients, who appreciate the fact that they’re saving money,” says TrialCard’s Molly Stallings.

Pharmacists are similarly receptive to the calls, since the information they gain helps them play a role in educating and counseling patients. They also know that the news of a co-pay can come as a pleasant surprise for customers, who often don’t realize that it’s available for the medication they’re about to purchase. For more on how pharmacists are being empowered to help patients in this way, see the sidebar (below).

**INCREASED VISIBILITY PAYS OFF**

Within four months, the campaign had increased new prescriptions by 113 percent, bringing in a total incremental revenue of some $24M. In this campaign and others like it, TrialCard has learned that the best results are achieved when both healthcare professionals and pharmacies are contacted. It’s just another way to raise brand awareness and increase share of voice by employing the data gathered from patients engaged in a co-pay program.

Patient feedback also provides convincing content for poster presentations and journal articles. While it’s harder to quantify the effects of this type of exposure, there’s no doubt that it is valuable.

**Pharmacists on Our Side**

TrialCard has established an RxSaver network of some 18,000 pharmacies that have been empowered to provide financial assistance through co-pay programs. Let’s say a customer arrives to pick up a prescription, but finds the out-of-pocket payment more than they can afford. (Those who encounter out-of-pocket expenses over $50 are four times more likely to abandon their prescription.) Before the customer turns to go, the pharmacist intervenes to offer a solution: a co-pay program that will defray the cost. So instead of abandoning the prescription, the patient derives the benefit of the prescribed treatment. Plus, the pharmacist becomes a brand advocate — and makes the sale, and strengthens the relationship with the customer. In fact, RxSaver has brought a dramatic increase in the number of times patients return to the pharmacies where these interactions took place.

“Pharmacists should have the ability to offer a patient financial help at the point of sale. We started the RxSaver program to make it easy for them to do that.”

— Dick Domann, VP of Pharmacy Services, TrialCard
What will affordability programs look like five years from now? We offer a peek into the future.

The years to come will bring new ways to connect as patient-affordability programs transition. The success of co-pay programs has always been tied to the number of prescriptions written and gain in market share. But brand managers are gradually changing the way they define return on investment (ROI) as it relates to co-pay. The growing emphasis on value-based healthcare (and the impact of medication on patient outcomes) is forcing affordability programs to meet new objectives and be evaluated by how well they work.

INVESTMENTS IN THE FUTURE
As we move further into patient-centricity, it’s important to learn more from patients themselves about how they perceive their conditions and the benefits offered by the medications they take. Patient feedback tells marketers what tools patients need to manage their condition, so that co-pay programs can provide education and help patients adhere to their prescribed regimen. Support of this type will provide a new definition of success for co-pay programs.

GETTING GRANULAR
Obviously, marketers must still keep an eye on the bottom line. TrialCard’s Paul LeVine enumerates ways the ever-increasing flow of data can be analyzed to increase ROI. What’s the optimum cutoff point for a co-pay to minimize walkaway? Which doctors are high prescribers and generate the most profit? And which geographic regions most need assistance? After studying all the variables, marketing teams can design and deploy their co-pay programs accordingly.

STREAMLINING ACCESS
With patient engagement in mind, marketers must pay special attention to removing barriers to access. Luckily, new technology is making it easier for consumers to use co-pay programs. As the use of electronic health records (EHR) expands, physicians can simply issue electronic co-pay coupons at the point of e-prescribing. A lost or misplaced co-pay card is more than a nuisance, but the problem is solved by replacing plastic with mobile access to co-pay. And digital technology can now expedite the process of prior authorization by using electronic benefit verification to reduce the back-and-forth between doctor’s office and insurance company, lifting one more barrier to patient access.

NEW PARTNERSHIPS
TrialCard’s Molly Stallings believes that the next few years will bring more consolidation in patient data as companies find new ways to partner with one another. For example, TrialCard recently joined with OptimizeRx, which specializes in EHR. Doctors can now use OptimizeRx’s SampleMD software to electronically send out sample vouchers or co-pay coupons within their EHR system or from their computers. Thus drug makers now have a digital platform to offer patients cost savings, education and adherence tools right at point of prescribing.

SPECIAL NEEDS FOR SPECIALTY DRUGS
Burke Williams, VP of business development at TrialCard, predicts that opportunities for co-pay programs will arise as biosimilar products (that is, drugs produced by living organisms) come on the market. “While biosimilars will likely be treated the same as any new brands, they’ll probably have better acceptance with payers,” says Williams. “However, the manufacturers haven’t traditionally been in that market, so they may not have the internal services needed for patients, such as home health care and delivery mechanisms. And even if these new treatments are less expensive than their chemical counterparts, they won’t come cheap. So marketers will be able to play a role — not just in helping a brand overcome the reimbursement challenge, but perhaps by providing a team of nurses to support patients with the complex disease states most often associated with these drugs.”

PHARMACY SCORECARDS
Trialcard’s Dick Domann offers a glimpse into the future when he says, “I believe that the same star ratings system Medicare uses to assess doctors and hospitals will soon be expanded to retail operations.” If so, the patient feedback acquired from co-pay programs could be used to rate pharmacies for their customer friendliness and effectiveness in relation to health outcomes. “Let’s say a doctor writes a prescription for a diabetes product,” says Domann. “The patient thinks, ‘Sure, there’s a Walgreen’s on the way home, but I’m going to this other pharmacy because it’s listed as one of the best in my area for diabetic care.’ ”

While some changes are hard to predict — who knows what new technology will bring in the next five years? — it’s clear that the well-designed co-pay program can still play a key role in the industry.

“Biosimilars will most likely require the same level of support as branded products, both in terms of affordability and for supplemental patient services.”

— Burke Williams, VP of business development, TrialCard

Every dollar spent on pharmaceuticals saves $2 in overall healthcare costs, according to a 2012 Congressional Budget Office study.